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DIPLOMARBEIT

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„Deviant Workplace Behavior in Organizations: Antecedents, Influences, and Remedies"

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1 Introduction and Research Problem

"Many executives, administrators, and social scientists see unethical behavior as a cancer working on the fabric of society in too many of today's organizations." It is argued that we have a *crisis of ethics* which can undermine our competitive strength. Unethical behavior of employees at all levels of the organization is very alarming.[1] Primarily, those who are interested in issues of deviant workplace behavior are managers, who want to prevent it, and scientists, who are interested in the phenomenon.

The prevalence of deviant behavior such as fraud, theft, withholding effort, aggressive behavior, and sexual harassment in the workplace is a big challenge for organizations.[2] It is increasingly important to executives and to researchers to prevent deviant workplace behavior for good reasons.[3] "[…] A recent study found that employees accounted for a higher percentage of retail thefts than did customers. […] One in every fifteen employees steals from his or her employer."[4] Research reports that 33 to 75 percent of all employees have engaged in some deviant action, and as many as 42 percent of women have been sexually harassed at work.[5] About 25 percent of employees have reported to know of substance abuse of co-workers. One in every fifteen employees has been threatened by violence at work. "Annual costs to organizations have been estimated to be as high as $4.2 billion for workplace violence, $200 billion for employee theft and $400 billion for various types of fraudulent behavior."[6]

Since such behavior is associated with huge economic costs organizations need to get this problem under control. Besides the economic costs deviant behavior is also associated with social and psychological costs. In order to impede these negative

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[1] Sims (1992), p.506
[2] Peterson (2002a)
[3] Robinson, O'Leary-Kelly (1998)
[4] Sims (1992), p.506
[5] Robinson, O'Leary-Kelly (1998)
[6] Robinson, Greenberg (1998), p.2

impacts on organizations and on the whole society it is crucial to identify the factors that contribute to such behavior.[7]

The reasons of workplace deviance can be traced to many individual, sociological, organizational, and economic causes. Personality, education, group influence, Ethical Work Climate, frustration, and stress are only but a few examples. Deviant behavior takes place when an employee's behavior changes substantially. The manifestations of deviant behavior are changes in work punctuality, work attitude and performance, extended lunch breaks, tardiness, and many other incidences. The deviant behavior can be regarded as a cry for help and management's major task is to recognize the change in behavior and to take corrective action.[8]

The scope of my work is to identify these factors from literature and to describe their impact on deviant workplace behavior. I will show the link between deviant workplace behavior and the ethical decision-making process, and finally I will give recommendations how deviant workplace behavior might be prevented.

2 Deviant Workplace Behavior

2.1 Definition of Deviant Workplace Behavior

"Business ethics is rules, standards, codes, or principles which provide guidelines for morally right behavior and truthfulness in specific situations."[9]

In the workplace many people come together and express different behaviors. Each of these behaviors has different consequences to the individuals working in the organization and to the whole organization. In the ideal case these behaviors coincide with the norms of the organizations. The organizational norms are a construct consisting of "[…] expected behaviors, languages, principles, and postulations that allow the workplace to perform at a suitable pace".[10] But since reality is not always the ideal case, work behavior can also range outside the norms of the organization. Employees either lack the motivation to conform to normative expectations of the social content or become motivated to violate those expectations.

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[7] Peterson (2002a)
[8] Magyar (2003)
[9] Appelbaum et al. (2005), p.43
[10] Appelbaum et al. (2007), p.587

The consequences of deviant workplace behavior are critical because they can affect all levels of the organizations including decision-making, productivity, and financial costs.[11]

"There is currently no common definition or terminology regarding workplace deviance that is generally agreed upon."[12] In literature deviant workplace behavior is used under a variety of denominations. Although the concepts are very similar, there may still be slight differences among them. The denominations include *Organizational Misbehavior*, *Non-Compliant Behavior*, *Antisocial Behavior*, *Workplace Deviance*, *Dysfunctional Workplace Behavior*, *Counterproductive Behavior*, *Employee Vice*, *Workplace Aggression*, *Organizational Retaliation Behavior*, and *Organization-Motivated Aggression*.[13] [14] "Each of these activities is similar in that they violate significant organizational or societal norms and imply harmful effects on the organization and on its members."[15]

The terminology that is used most frequently is workplace deviance or deviant workplace behavior; hence, I will use it in most cases. Whenever I will use other denominations, they are to be understood as synonyms. Deviant workplace behavior is defined as "voluntary behavior that violates significant organizational norms and in so doing threatens the well being of an organization, its members, or both."[16]

2.2 Deviant Workplace Behavior and Ethical Decision-Making

"Ethics considers rightness or wrongness of behavior in terms of organizational, legal, or societal guidelines determining what moral behavior means."[17]

The ethical decision-making that takes place in organizations comprises employees' evaluations of different precarious business practices (ethical dilemmas). Ultimately, such reasoning leads to ethical or unethical conduct. But before action comes about

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[11] Appelbaum et al. (2007)
[12] Robinson, Greenberg (1998), p.3
[13] Peterson (2002a)
[14] Robinson, Greenberg (1998)
[15] Kidwell, Kochanowski (2005), p.139
[16] Robinson, Bennett (1995), p.556
[17] Kidwell, Kochanowski (2005), p.140

"ethical challenges must first be recognized, judged, and then be followed by […] intentions".[18]

In Rest's framework (1986) the moral decision-making process consists of four basic components. These are:

(1) Moral Awareness: "Being able to interpret the situation as being moral"

(2) Moral Judgment: "Deciding which course of action is morally right"

(3) Moral Intention: "Prioritizing moral values over other values"

(4) Moral Behavior: "Executing and implementing the moral intention"[19]

"Moral awareness […] is the degree to which an individual recognizes the aspects of a situation that carry a reasonable likelihood of moral wrong or harm to individuals […]." Since many employees are taught to think of the effects that their actions have on profit only, they can be inhibited to perceive moral components.[20] "[…] An individual's judgment regarding an issue or behavior is the degree to which he or she considers the issue or behavior morally significant."[21] Behavioral Intentions are "an individual's subjective probability that he or she will engage in that behavior".[22]

Figure 1. Ethical Decision-Making

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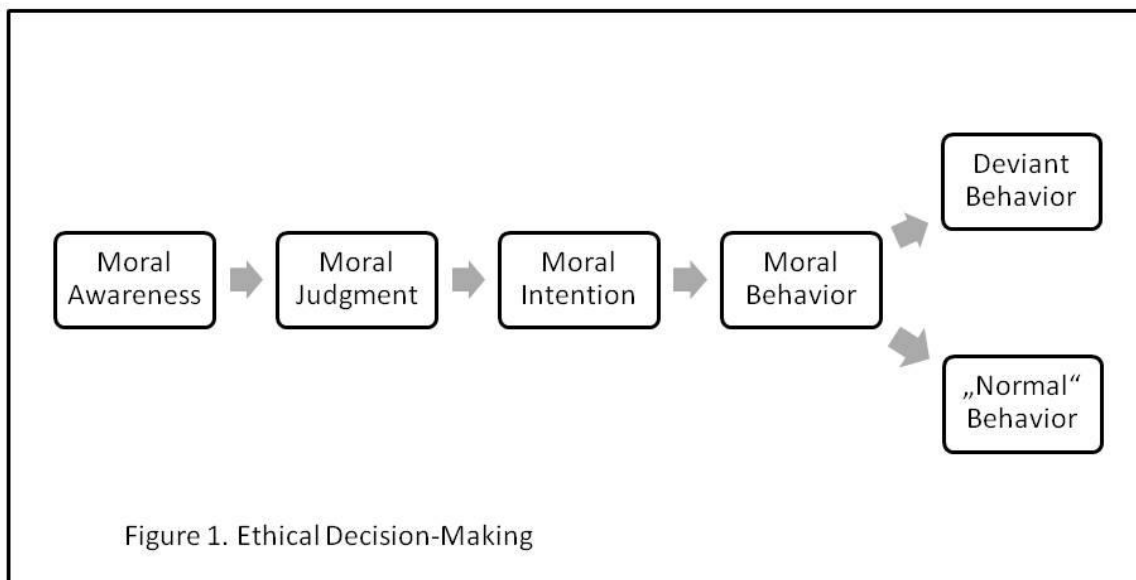
[18] Valentine, Rittenburg (2007), p.125
[19] O'Fallon, Butterfield (2005), p.376
[20] VanSandt et al. (2006), p.414
[21] Barnett, Vaicys (2000), p.352
[22] Carpenter, Reimers (2005), p.118

2.3 Deviant Workplace Behavior vs. Unethical Behavior

While deviant workplace behavior violates organizational norms, unethical behavior is wrong-doing when "[…] judged in terms of justice, law, or other societal guidelines determining the morality of behavior".[23]

Deviant behavior and unethical behavior are not necessarily linked. Paradoxically, dumping toxic waste in a river is not considered deviant if it conforms to the policies of the organization. Several of the behaviors that are considered deviant may also be considered unethical.[24] Thus, not dumping toxic waste into the river and reporting to the authorities can be interpreted as deviant behavior. The behavior that is addressed in this work is both deviant and unethical. Hence, I will use both terms as synonyms.

2.4 Positive Deviant Workplace Behavior

Although the majority of deviant acts are considered negative, there exist positive as well. "Positive deviance is defined as intentional behavior that departs from the norms of a referent group in honorable ways."[25] Positive deviant behavior is commendable and focuses on actions with laudable intentions, regardless of the outcomes. Positive deviance comprises innovative behavior, noncompliance with dysfunctional directives, and criticizing incompetent superiors. Positive deviant behaviors are behaviors that are usually not authorized by the organizations, but in the end they help the organization reaching its goals. In order to get into positive deviant behavior employees need to be psychologically empowered. When employees are empowered they are able to participate in decision-making and they "[…] are more likely to engage in risk-taking behaviors that depart positively from the norms of the organization in a way that is beneficial to the organization." As innovation involves *thinking outside the box*, sticking to organizational norms may impede innovative and creative ideas. Creativity and innovation at the workplace are key to future success and profitability of the organization due to advancements in technology and processes. Those supervisors who empower their employees are regarded as more innovative and inspirational.[26]

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[23] Robinson, Benett (1995), p.556
[24] Robinson, Benett (1995)
[25] Appelbaum et al. (2007), p.587
[26] Appelbaum et al. (2007), p.592

Regardless the fact that deviant behavior can have positive aspects, my work will focus on the negative aspects of deviant behavior.

2.5 Costs arising from Deviant Workplace Behavior

Deviant workplace behavior is linked to enormous costs. Up to 75 percent of employees have engaged in deviant acts as theft, embezzlement, vandalism, sabotage, or absenteeism. Almost 95 percent of all organizations report deviant actions.[27] In a survey analyzing restaurant employees, "60 percent […] had stolen […] at work in the last six months and 80 percent had engaged in" substance abuse, working slow on purpose, or other types of deviance.[28]

Employee theft is most prevalent and is "the greatest source of loss due to crimes against business".[29] In a survey, 75 percent or employees admitted to have stolen at least once from their organizations.[30] Such behavior is predominant in all industries; depending on the industry, employee theft is estimated between 38 and 62 percent. Financial losses due to employee theft are estimated between $20 and $200 billion per year in the United States. Moreover, employee theft is suspected to be a major factor in 20 to 50 percent of all bankruptcies. Because of losses provoked by employee theft organizations have to raise the prices resulting in loss for consumers as well.[31] [32]

Company-owned software and intellectual property are more and more subjects to theft. Losses due to theft of property information are estimated at $45 billion; "borrowing software from work for personal use" is estimated at another $12 billion due to lost software privacy.[33]

In addition to financial and economic costs, non-monetary effects have to be taken into consideration.[34] Interpersonal deviance can lead to stress and less job satisfaction and subsequently to reduced productivity and more turnovers.[35] In a

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[27] Appelbaum et al. (2007)
[28] Kidwell (2005), p.137
[29] Greenberg, Barling (1996), p.51
[30] Applebaum et al. (2007)
[31] Greenberg, Barling (1996)
[32] Anonymous (2005)
[33] Anonymous (2005), p.42
[34] Robinson, Greenberg (1998)
[35] Appelbaum et al. (2007)

survey, "42 percent of […] working women have been sexually harassed". Costs of workplace violence are estimated at another $4.2 billion per year.[36]

2.6 A Typology of Deviant Workplace Behavior

Classifications of deviant behavior were proposed by the following authors: *Mangione and Quinn (1974)* first introduced the concept of property deviance and production deviance. *Wheeler (1976)* distinguished serious and non-serious organizational rule-breaking. *Hollinger and Clark (1982)* built up a framework that was based on property deviance and production deviance. *Redeker (1989)* published a list of punishable offenses.[37]

The above mentioned frameworks "do not […] account for deviant acts of an interpersonal nature, such as physical aggression and sexual harassment"; only acts against organizations. Deviant workplace behavior should also include social aspects to the organization-directed forms of deviance.[38] Finally, Robinson and Bennett (1995) introduced a typology of deviant workplace behavior including the interpersonal aspect. The framework consists of the following two dimensions:

(1) Minor vs. Serious

Describes the severity of the deviant behavior
(2) Interpersonal vs. Organizational

Represents the target of the deviant behavior[39]

By combining these two dimensions, deviant behavior can be categorized in four different types of deviance. The types are Production Deviance, Property Deviance, Political Deviance, and Personal Aggression.

The four quadrants might suggest that behaviors from one quadrant are unrelated to those in another. In fact it is assumed that "deviant behaviors begin small but escalate into different and more severe sets of behavior." Minor incidents of incivility can lead to aggression and ultimately unexplained absences and actions against the organization can be the result.[40] Wilson and Kelling's (1982) theory of the *Broken*

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[36] Everton et al. (2005), p.118
[37] Robinson, Benett (1995)
[38] Robinson, Benett (1995), p.558
[39] Peterson (2002a)
[40] Everton et al. (2005), p.129

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Windows describes this particular instance; small offences that are not taken care of will inevitably lead to more serious offences. If someone breaks a window and he realizes that the window is not replaced, he will assume that he can break the rest of the windows or even set the house on fire without consequences. Hence, it is crucial to punish even the smallest offenses.[41]

Figure 2 is taken from Robinson and Benett (1995).[42]

Figure 2. Typology of Deviant Workplace Behavior (Robinson and Bennett, 1995)
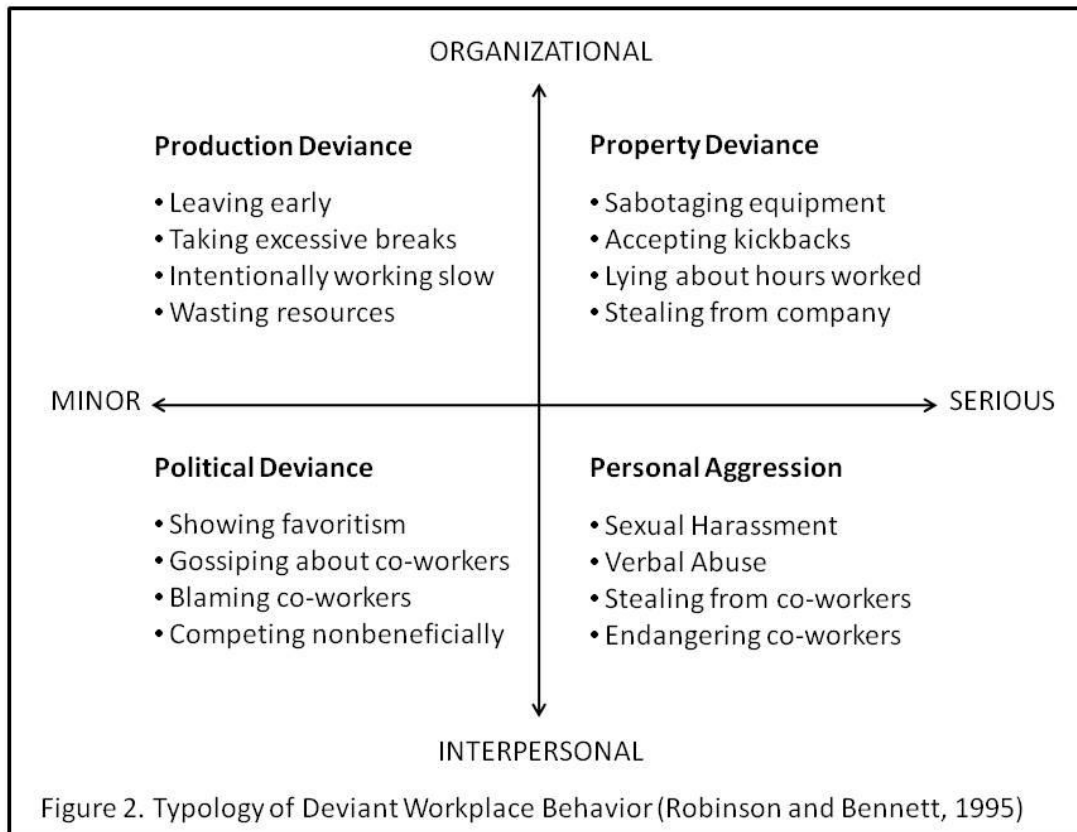
2.6.1 Production Deviance

Production deviance are "behaviors that violate the formally proscribed norms delineating the minimal quality and quantity of work to be accomplished". Being late to work, leaving early, taking excessive breaks, withholding effort, wasting resources, using drugs and alcohol in the workplace, and calling in sick when well (absenteeism) are forms of production deviance.[43] Withholding effort describes the incidence where an individual gives less than full effort on a job-related task. An employee might

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[41] Levitt, Dubner (2005)
[42] Robinson, Benett (1995), p.565
[43] Robinson, Benett (1995), p.566

withhold effort because he has negative views about the group or the organization.[44] All these behaviors have an impact on the productivity of organizations. A survey disclosed that 29 percent of supermarket employees have called in sick when they were well. Lateness and absenteeism are closely linked to each other. Those employees who are absent frequently also tend to be unpunctual.[45]

2.6.2 Property Deviance

Property deviance describes "those instances where employees acquire or damage the tangible property or assets of the work organization without authority."[46] Property deviance harms the organizations and is quite severe. Sabotaging equipment, accepting kickbacks, lying about hours worked, releasing confidential information, intentional errors, misusing expense accounts, and stealing from the company are forms of property deviance. Some of these acts are connected with direct costs for the organization since equipment has to be replaced. Furthermore they can have consequences for productivity because work cannot be performed until the equipment is replaced.[47] [48]

Theft is defined as the "unauthorized taking, control, or transfer of money and/or property of the formal work organization that is perpetrated by an employee during the course of occupational activity."[49] One study found that 75 percent of employees have stolen property from their organizations at least once. In another study of restaurant employees, 60 percent indicated that they have stolen from their organizations in the past six month.[50] Employee theft is often seen as unavoidable costs of doing business. In some cases, employers and employees have different views of theft. Taking company property (e.g. food) is often not recognized as theft by employees while it is by employers. Another form of employee theft, *altruistic property deviance*, is "giving away of company property to others, either at no charge or at substantial discount, usually to improve social relationships with peers."[51]

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[44] Kidwell (1995)
[45] Everton et al. (2005)
[46] Robinson, Benett (1995), p.565
[47] Robinson, Benett (1995)
[48] Everton et al. (2005)
[49] Greenberg, Barling (1996), p.49
[50] Everton et al. (2005)
[51] Greenberg, Barling (1996), p.50

As defined by *The Federal Bureau of Investigation (FBI)* embezzlement is "the misappropriation or misapplication of money or property entrusted to one's care, custody, or control." The difference between embezzlement and other forms of theft is that the financial trust of an owner is violated by a delinquent.[52]

When the victim is a group of individuals rather than the organization individuals are less likely to steal; it is easier to harm a faceless organization.[53] There is empirical support that employees of smaller firms are more honest than those of larger companies. Furthermore, employees are less likely to steal from someone they have positive social contact with.[54]

2.6.3 Political Deviance

Political deviance is "the behavior as engagement in social interaction that puts other individuals at a personal or political disadvantage." Workplace incivility, showing favoritism, gossiping about co-workers, and competing non-beneficially are forms of political deviance.[55]

Workplace incivility is bad-mannered and disrespectful behavior that harms whether it is intentional and unintentional. There are numerous examples including being interrupted while speaking, receiving humiliating notes, and not being thanked when helping co-workers. Incivility is prevalent; in a survey more than 55 percent of workers confessed having said something hurtful to co-workers. The consequences of such behavior are serious. Those who were or still are targets of this type of behavior are less satisfied with their jobs, and are subsequently more likely to resign. Besides, they are more likely to be depressed or anxious. Workplace incivility can also result in other types of deviance. Absenteeism, stealing, doing work wrong intentionally, and aggressive behavior are plausible outcomes. The consequences of workplace incivility are stronger, the stronger the incidences are. Even a relatively small incident can lead to a chain of events resulting in a very grave incident.[56]

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[52] Anonymous (2005), p.41
[53] Everton et al. (2005)
[54] Levitt, Dubner (2005)
[55] Robinson, Benett (1995), p.566
[56] Everton et al. (2005)

2.6.4 Personal Aggression

Violence that is initiated by co-workers can happen everywhere: No industry, no organization, and no employee can exclude the occurrence of such behavior. Personal aggression is "behaving in an aggressive or hostile manner towards other individuals." Sexual harassment, rape, verbal abuse, physical assaults, sabotaging the work of co-workers, stealing from co-workers, destroying property of co-workers, and endangering co-workers are forms of personal aggression.[57] [58]

Employees who have been the target of aggression by co-workers have more physical and emotional health problems and are less committed to their organizations. They tend to be more often depressed and to have less job satisfaction than those who have not been victims of aggression. If the victims of such behaviors receive support, they report higher well-being and possess more positive feelings than those not being supported.[59] While usually individuals are those who have the greatest costs from these types of behavior, in the end organizations face costs as well. The costs result from lower productivity, lost work time, inferior quality, medical and legal expenses, and a damaged public image.[60]

There are approximately 300,000 incidences of workplace violence reported in the United States every year and even more are never reported.[61] Another survey estimated that more than two million workers are physically attacked at work every year. Homicide in the workplace is one of the "major causes of employee deaths". Women are more affected than are men. 50 percent of all women who decease in the workplace are victims of violence. "Ten percent of all workplace fatalities in 2004 were homicides. (US Department of Labor, 2005)" Workplace homicide is the fastest growing kind of homicide in the US.[62]

Verbal aggression and obstruction usually take place covertly in the workplace. Hence, harming the victims- whether they are individuals or the organization- can be carried out with little danger.[63]

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[57] Robinson, Benett (1995), p.566
[58] Everton et al. (2005)
[59] Everton et al. (2005)
[60] Fleet, Griffin (2006)
[61] Magyar (2003)
[62] Fleet, Griffin (2006), p.700
[63] Appelbaum et al. (2005)

3 Factors contributing to Deviant Workplace Behavior

Taking into account the increasing prevalence and the enormous costs of workplace deviance, controlling this negative aspect is crucial for corporate prosperity. Beyond doubt, some factors described in this chapter are more applicable to some forms of deviance because different types of deviant behavior are caused by different antecedents. Nevertheless, indicating the factors linked to deviant behavior is a reliable advent to controlling the phenomenon.[64] [65] Analog to Peterson (2002a), I will structure the factors into individual factors, social and interpersonal factors, and organizational factors. Organizational factors as perceived ethical values, organizational justice, and codes of ethics enhance individuals' reasoning. So do group behaviors and the relationship between supervisor and subordinate. Finally, ethics is also affected by unique individual qualities, personality and demographics.[66]

Figure 3. Factors influencing Deviant Behavior
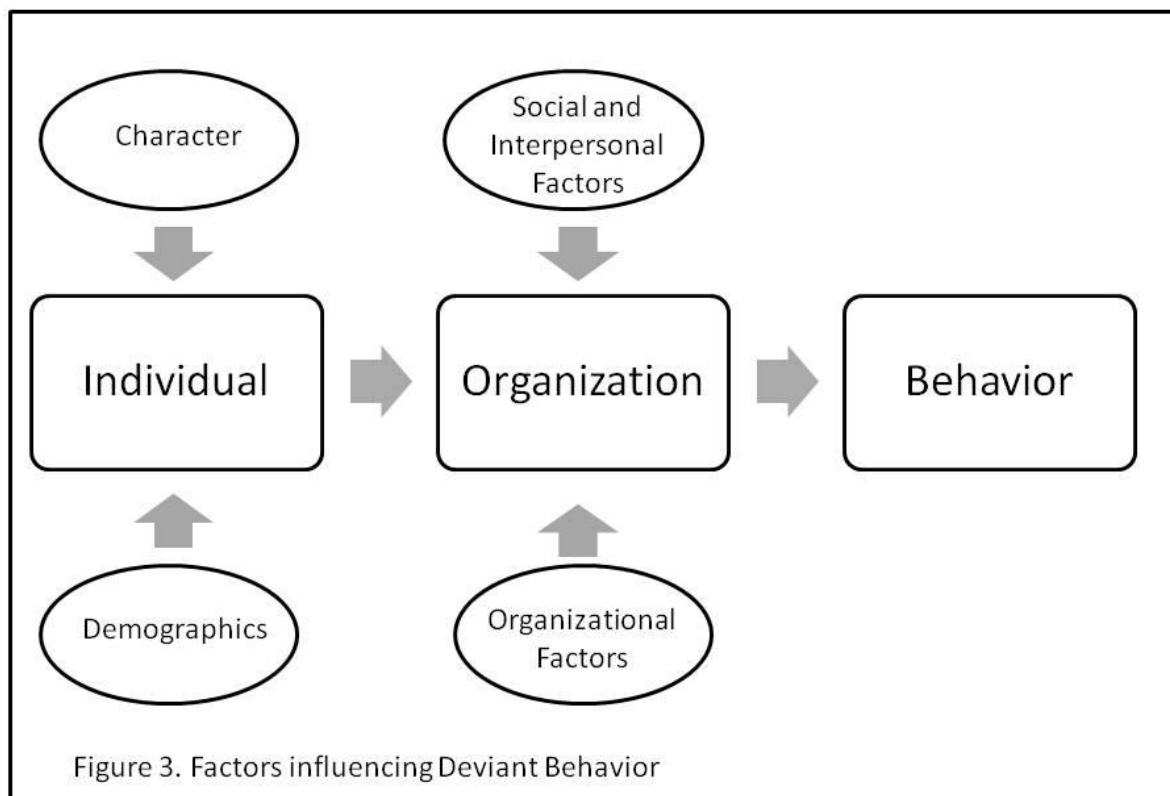
3.1 Person-Based vs. Situation-Based Perspective

Person-based and situation-based factors of deviant workplace behavior were seen mutually exclusive. Nowadays, it is presumed that there is a strong interaction among

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[64] Robinson, Greenberg (1998)
[65] Robinson, Benett (1995)
[66] Valentine, Rittenburg (2007)

both perspectives. Individual characteristics influence the way employees interpret and respond to certain situations. Hence, deviant behavior can be credited neither to individual nor to situational factors exclusively. Deviant behavior can be best predicted by considering a combination of both individual characteristics and workplace situation.[67]

3.2 Individual Factors

Individual factors are personality characteristics as value orientation and demographics as age and gender. "[…] Individual variables may be more likely to explain interpersonal forms of deviance."[68]

3.2.1 Personality Characteristics

"It is widely believed that some people are, by nature, prone to be deviant."[69] When individuals enter organizations they already possess some potential predisposition to commit deviant behaviors. Those individuals' predisposition can be either small or large. The greater the individual's predisposition, the greater is the likelihood that he or she will engage in deviant behavior. Background reviews of violent individuals brought to light that they have already attracted attention in the past due to cruelty towards animals, *interpersonal hostility*, interests in weapons, and similar. "Violent and aggressive behaviors have been linked to endocrine influences and brain structures. The limbic system, biochemistry, genetics, levels of dopamine and serotonin, and mental illness has also been suggested as causally related to violent behavior."[70] Some personality factors are positively linked to predisposition. Personality types that are emotionally reactive, that display under-controlled aggression, and those personality types that can be described as finding pleasure in hurting or causing discomfort in others possess more predisposition to engage in violent behavior. Individuals characterized by *Type A* personality and *Hostile Attributional Bias* have larger predisposition as well. A *Hostile Attributional Bias* describes a personality factor where individuals have the impression that others behave aggressively towards them. As a result those individuals attempt to retaliate and violence is their method. *Type A* individuals are usually impatient, excited, and

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[67] Appelbaum et al. (2007)
[68] Robinson, Benett (1995), p.567
[69] Robinson, Greenberg (1998), p.12
[70] Fleet, Griffin (2006), p.700

predominant. Hence, *Type A* individuals lose their tempers more rapidly and display aggressive behaviors more often.[71]

3.2.1.1 Philosophy/ Value Orientation

Idealism vs. Relativism

"[…] Idealism is the degree to which an individual adheres to moral absolutes when making moral judgments." Individuals that are *highly idealistic* have the opinion that harming other individuals is always evitable.[72] As expected, Idealism is positively related to ethical decision-making. "[…] Relativism refers to the degree to which an individual rejects universal moral rules when making ethical judgments." In the viewpoint of Relativists, the circumstances regarding ethical dilemmas are more relevant than sticking to moral principles when making ethical decisions. There is a negative relationship between Relativism and ethical sensitivity because Relativists consider ethical issues to be less important.[73] Relativism is negatively related to ethical decision-making.[74] Thus, idealistic individuals behave more ethically and are less likely to engage in deviant behaviors.

Deontological vs. Teleological Perspectives

From a deontological view "[…] an action is right only if it is consistent within a set of moral rules and wrong only if it violates those rules".[75] Deontology is best described by Kant's Categorical Imperative: "Act according to a maxim that you can will to be a universal law" and "Do unto others as you would have them do unto you". In a teleological view an action is good or bad compared to its outcomes.[76] While Deontology is positively related to ethical decision-making, Teleology is negatively related.[77] Thus, individuals characterized by a teleological view are more likely to exhibit acts of workplace deviance.

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[71] Fleet, Griffin (2006)
[72] Singhapakdi (2004), p.262
[73] Singhapakdi (2004), p.262
[74] O'Fallon, Butterfield (2005)
[75] Shawver, Clements (2008), p.27
[76] Garofalo (2003), p.493
[77] O'Fallon, Butterfield (2005)

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3.2.1.2 Locus of Control

Internal vs. External Individuals

Internal individuals view events and outcomes in life as being "[…] largely under their own control", external individuals believe that outcomes and events are determined primarily by external forces as "[…] luck, fate, social context, and other people". Internal locus of control is positively associated with the ethical decision-making process, while external locus of control is negatively associated.[78] Thus, external individuals are more likely to engage in deviant behaviors

3.2.1.3 Machiavellianism and Love of Money

There is a link between Machiavellianism and the likelihood of deviant behavior within individuals. Machiavellianism is associated with both interpersonal and organizational deviance.[79] Machiavellianism refers to the individuals' inclination to manipulate others in order to achieve personal goals. Machiavellianism is can stimulate people to use aggressive, manipulative, and disingenuous strategies and policies to achieve specific goals. High *Machs* (people with high Machiavellianism) apply aggressive practices to achieve goals regardless of others' feelings, rights, and needs. High *Machs* are related to *antisocial behavior* and are primarily concerned about power, financial success and other extrinsic goals.[80] There is a negative relationship between Machiavellianism and ethical decision-making. People with a high Machiavellianism character are less ethical than those with a low Machiavellianism character.[81] Thus, people characterized by Machiavellianism are more likely to engage in deviant behaviors.

"Many people are attracted to the business field due to lucrative rewards and high compensation." Studies have shown that pay is ranked upon the most important work goals. Love of money is "[…] one's desire and aspiration for money". Whenever money is a core motivator, individuals tend to do everything necessary to make money. Hence, money can motivate to act unethically and engage in deviant acts. Especially regarding people with high or median income, this relationship is most prevalent. Love of money may mislead people to incorporate the *win-at-all-cost*

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[78] O'Fallon, Butterfield (2005), p.402
[79] Appelbaum et al. (2007)
[80] Tang, Chen (2007)
[81] O'Fallon, Butterfield (2005)

strategy. Love of money is positively related to Machiavellianism which is related to deviant behavior.[82]

3.2.1.4 Personality Flaw

Individuals can have serious personality flaws or mental disorders which make them commit deviant acts. Unsurprisingly, alcohol and drug users are more likely to act aggressively in their workplaces.[83] "Some employees seem to steal simply for the thrill of it."[84]

Regarding theft, certain attitudes are linked to individuals engaging in employee theft. The *typical* employee-thief is by predisposition tempted to steal, thinks oftentimes about theft-related activities, is willing to punish (other) thieves less, and is more prone to steal caused by peer pressure. Studies have shown that employees who were fired for deviant behaviors admitted past theft and had significantly lower scores in honesty tests.[85]

Dysfunctional employees bring inopportune behaviors to their workplaces. Some children grow up in an environment – dysfunctional family system - characterized by the presence of alcoholism, drugs, or other addictions. The family is a primary source of learning, especially of social behaviors. Those children grow up receiving bad influence concerning values and dealing with others and the world.[86]

3.2.2 Demographic Variables

"[…] Personality variables by themselves account for only a small portion of the variance in predicting deviant workplace behavior."[87] Employees who are rather young (age), who are "new to their job" (tenure), and who have "low-paying positions" are more likely to engage in acts of deviance.[88] Gender, education, religion, and marginality position are further demographic variables that influence the ethical decision-making.

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[82] Tang, Chen (2007), p.5
[83] Everton et al. (2005)
[84] McClurg, Butler (2006), p.26
[85] Greenberg, Barling (1996)
[86] McClure, Werther (1995)
[87] Robinson, Greenberg (1998), p.13
[88] Peterson (2002a), p.49

3.2.2.1 Gender

There is a long-established belief that females including business persons and students are more ethical than males. In empirical research there are often no differences discovered between women and men, but when there are differences, women are more ethical than men.[89] "Women are more likely to hold higher values […]" resulting in lower likeliness to engage in unethical and deviant behavior.[90] Furthermore, usually males not females engage in aggressive behavior in the workplace.[91] Reviewing 14 studies that examined gender, Ford and Richardson (1994) found that seven of those studies showed females to act more ethically than males.[92]

There are three different approaches that try to explain why there are gender differences in ethical decision-making. In the first place, socialization theory is used to explain gender differences. It is argued that differences between men and women are the result of "early socialization through institutions such as family and schools", and through gender "specific role requirements such as being a wife or husband". Whereas women place greater emphasis on "interpersonal relations, caring, and doing work well", men place greater emphasis on "competitive success and extrinsic rewards such as financial rewards and status". Since men are more interested in competitive success than caring about others, they are more willing to engage in unethical and deviant behavior in order to achieve their goals. Secondly, gender differences are explained as the result of men and women "using different ethical frameworks in their ethical decision-making".[93] Thus, men and women tend to use different orientations when facing ethical dilemmas. Women seem to view ethical dilemmas with empathy and compassion, whereas men view such dilemmas with justice and fairness.[94] Finally, the role of moral situations is used to explain gender differences. Empirical results show that men made the more ethical decision in situations, where the moral intensity was extreme. The situation was either unethical

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[89] O'Fallon, Butterfield (2005)
[90] Appelbaum et al. (2005), p.45
[91] Appelbaum et al. (2007)
[92] Loo (2003)
[93] Loo (2003), p.171
[94] Valentine, Rittenburg (2007)

or obviously ethical. When the situation was somewhere in between, women were more likely to make the more ethical decision.[95]

Thoma (1986) carried out a meta-analysis of fifty-six DIT studies including over six thousand men and women. He concluded that women score significantly higher than men at every age and education level. Rest's Defining Issues Test (DIT) is an instrument that is used most often when intending to measure moral development. Moral development refers to the fact that people of all cultures "[…] pass from lower to higher stages of moral reasoning".[96]

"Literature […] suggests that women score higher in ethical reasoning than men." In a study regarding ethics training, positive effects of training were only observed in women.[97]

3.2.2.2 Tenure

The longer an employee is a member of an organization, the more unlikely it is that he will act unethically and engage in deviant acts.[98] Employees with less tenure in an organization are more likely to engage in acts of property deviance and other types of workplace deviance.[99]

3.2.2.3 Education

One of the most important factors in the "development of moral judgment" is the length of formal education. An individual with a longer length of formal education is "more aware of the social world […] and his place in it". With each level of education attained, an individuals' moral awareness increases.[100] Thus, education is positively related to ethical decision-making; the more education an individual possesses, the less likely it is that he will act unethically and engage in acts of deviant behavior.[101] Nevertheless it is undoubted that top managers engaging in corporate crimes possess more education than the average person. The exception proves the rule.

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[95] Loo (2003)
[96] White (1999), p.460
[97] Ritter (2006), p.161
[98] Appelbaum et al. (2005)
[99] Appelbaum et al. (2007)
[100] VanSandt et al. (2006), p.416
[101] Applebaum et al. (2005)

3.2.2.4 Age

Age is expected to be positively correlated to ethical decision-making.[102] In fact, elder employees are likely to be more honest than younger employees are.[103] Younger members of the workforce are linked to an "epidemic of moral laxity" because "more theft involvement has been found among younger employees."[104] But surprisingly, the research on age shows mixed results concerning ethical decision-making.[105]

3.2.2.5 Status and Numerous Reference Groups

Individuals with a high status and those who have numerous reference groups are more likely to engage in positive deviant behavior. Employees who have numerous reference groups have a "broader range of varying perspectives" and points of view. By integrating more perspectives in problem-solving can lead to increased workplace creativity and ultimately to innovation, a form of positive workplace deviance. Those who have a high status will receive more support when engaging in positive deviant behavior than those with a low status.[106]

3.2.2.6 Religion

As anticipated, religious people tend to be more ethical, thus there is a positive relationship between religion and ethical decision-making.[107]

3.2.2.7 Marginality Position

Some forms of Deviant Workplace Behavior "are more likely to involve employees who are young, new to their job, work part-time, and have low-paying positions."[108] *Marginal employees* have "low status, low rank in the organizational hierarchy, low wages, little opportunity for advancement, short tenure, little chance to develop relationships", are socially isolated, and are disposable.[109] Furthermore, the temporary nature of work is likely to cause deviant workplace behavior. There are several reasons why temporary workers are more likely to engage in deviant acts. Temporary workers are usually paid less, have lower skills and poor motivation, have limited identification with the organization, lack the opportunity to develop

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[102] Appelbaum et al. (2005)
[103] Appelbaum et al. (2007)
[104] Greenberg, Barling (1996), p.53
[105] O'Fallon, Butterfield (2005)
[106] Appelbaum et al. (2007), p.594
[107] O'Fallon, Butterfield (2005)
[108] Appelbaum et al. (2007), p.593
[109] Greenberg, Barling (1996), p.53

commitment to the organization, and do not have enough time to develop a relationship with their employer. Once employees gain tenure and identify more with their organizations, they are less likely to engage in employee theft and other deviant acts.[110]

3.3 Situational Factors

An individual does not work for months or even years in an organization, without being influenced in his thinking, his beliefs, and his aspirations.[111] In predicting deviant workplace behavior individual variables explain only a small part of the variance. In order to predict deviance, not only individual factors, but also situational factors have to be taken into consideration. "Neither apples (people) nor barrels (organizational environment) by themselves account for as much variance in workplace deviance as both factors together." The situational factors include both social and interpersonal factors, and organizational factors.[112]

Employees' behaviors in organizations are influenced by factors such as compensation, organizational goals, job design, and socialization. Norms and values imposed by organizations can induce an otherwise moral individual to commit unethical and deviant acts.[113] The Stanford Prison Experiment has shown that in the *right* situation, individuals are able to become sadistic and behave brutally towards others. Although the experimenters used several personality tests, they "were unable to predict (or even postdict) who would behave in what ways and why."[114]

3.3.1 Social and Interpersonal Factors

Perceptions of social norms, the influence of work groups and supervisors, opportunity, need, and dissimilarity contribute to workplace deviance. "[…] Individuals use information from their immediate social environments to interpret events, develop appropriate attitudes, and understand expectations concerning their behavior and its consequences." (Social Information Processing Theory) From their social environment individuals receive information about what is acceptable within the

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[110] Robinson, Greenberg (1998)
[111] Surowiecki (2004)
[112] Robinson, Greenberg (1998), p.13
[113] Alzola (2007)
[114] Alzola (2007), p.347

25

organization. They might be convinced that unethical and deviant behavior is a necessary part of the working environment.[115]

Organizational deviance is the result of an employee's "social exchange with the organization", while interpersonal deviance is the consequence of the "social exchange with co-workers".[116]

3.3.1.1 Influence of Work Groups

"Groups play a large role in influencing their members and their organizations."[117] Individuals analyze their work environments and if necessary modify their actions in order to comply with their surroundings. Those individuals who already have antisocial tendencies are more likely to be attracted to and selected into groups with similar types of tendencies. Individuals tend to adapt their behaviors, cognitions, and attitudes in order to match better with their social environment at work. People who adapt well will more likely remain a part of the work group and organization, while those who do not adapt enough will more likely leave. Thus, there is a positive relationship between an individual's level of antisocial behavior and the level of his co-workers.[118]

Research suggests that employee theft is usually a solitary event. Nevertheless, the influence of co-workers on theft is tremendous. Employee theft can be a widespread and accepted occurrence in particular groups. Those groups are able to create a *system of theft* that beneficiates the particular group. The individuals that do not get along with the *theft culture* are often excluded and they perceive great pressure to leave their jobs.[119]

The effects that aggressors have on personal (well-being) and organizational (commitment) outcomes are permanent. Deviant role models will significantly influence others within the group to engage in acts of deviance as well.[120] Although individuals with a high sense of ethics are less satisfied in deviant groups, still they

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[115] Robinson, O'Leary-Kelly (1998), p.659
[116] Liao et al. (2004), p.971
[117] Appelbaum et al. (2005), p.49
[118] Robinson, O'Leary-Kelly (1998)
[119] Anonymous (2005)
[120] Appelbaum et al. (2005)

do not prefer to leave the group.[121] In this case socialization factors weigh more than individual factors.

Groups that possess stronger antisocial climates are able to influence individual members' antisocial actions more than groups with more ethical climates. The more time an individual is part of a work group, the stronger will be the influence the group has on him. The higher the level of a group's task interdependence the higher will be the group's influence. When an individual engages in less deviant behavior than his work group, he will be less satisfied with his co-workers. Prosocial individuals who have to work with antisocial co-workers will feel unwell which may lead to attrition among those who do not fit. The likelihood of punishment by management reduces the influence of a group's antisocial behavior. Interestingly, those whose deviant behavior was lower than the group's do not seem to have higher intentions to leave. Close supervision does not reduce the influence of a group's antisocial behavior.[122]

When an individual feels strong identification with his work group, he will more likely engage in deviant behavior if such behavior is tolerated by the group. If the *social bond* in a group is very strong, individuals are more likely to conform to group norms.[123]

Within group settings, individuals observe other group members; subsequently, these members serve as role models. The diffusion of responsibility in groups can lead individuals to engage in deviant acts easier, since they are not fully responsible for the outcomes. [124]

3.3.1.2 Influence of Supervisors

Not only work groups influence employees. The way managers behave and the culture they establish influences the way lower level employees and the whole organization behave when facing ethical dilemmas.[125]

The better the alignment between words and deeds (behavioral integrity) of the manager, the greater credibility he has and the greater will be the trust of his employees. Behavioral integrity also implies that managers act in consonance with

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[121] Robinson, O'Leary-Kelly (1998)
[122] Robinson, O'Leary-Kelly (1998)
[123] McClurg, Butler (2006)
[124] Robinson, O'Leary-Kelly (1998)
[125] Kaplan et al. (2007)

psychological contracts. A psychological contract is "the perception of an agreement between employee and employer." A psychological contract is the outcome of one's belief "that a promise of future return has been made, that a contribution has been made, and that an obligation to provide future benefits has been created".[126] A psychological contract that is violated equals a broken promise; the words and deeds do not match. The degree of behavioral integrity of managers and the attitudes of employees are closely related. Psychological contract breach correlates positively with absenteeism and negatively with performance. Moreover, behavioral integrity and bottom line achievement by the organization have a significant positive relationship. When employees consider their immediate supervisors the relationship between behavioral integrity and employee attitudes is stronger than when they consider more distant managers such as top management. Thus, when managers show greater behavioral integrity, employees will be more satisfied with their jobs, with their organizations, and will have greater organizational commitment. Job satisfaction and organizational commitment are linked to firm performance. Furthermore, there is a link between job satisfaction and lower absenteeism and turnover.[127]

Usually, those who behave uncivilly in organizations direct their rudeness to people who are their subordinates in organizational hierarchy. If supervisor and subordinate do not get along personally or professionally, interpersonal conflicts are the result. The consequence is that employees will try to avoid that person, and due to less motivation they will work less and consider quitting. Thus, they will behave in a less favorable way for the organization.[128]

Disagreeable behavior of managers is often overlooked by top management when a good bottom line performance is accomplished. A manager who is rude to his subordinates and reaches his objectives is more *beneficial* than a *good manager* who misses his objectives by little. Bad managers can make life miserable for their subordinates. Deviant workplace behavior as an act of retaliation can be the consequence. Hence, frustrated and maltreated employees will sabotage organizational property; another plausible outcome is workplace aggression. Even if

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[126] Davis, Rothstein (2006), p.408
[127] Davis, Rothstein (2006)
[128] Everton et al. (2005)

the bad manager is dismissed, the problem is not already solved because the former manager might have recruited bad employees – similar to him. Once a bad manager has been recruited, the organization will have to labor hard to reconstitute.[129]

3.3.1.3 Opportunity

Individuals might be inherently greedy and employees would steal if given the chance. Thus, opportunity is positively correlated to employee theft.[130] "[…] Loosening, ambiguous conditions create opportunities to behave illegally."[131] Since employees who have positions of responsibility, and access to cash are controlled less, they are more likely to engage in employee theft or fraudulent behavior.[132] By minimizing opportunity – for instance by using surveillance techniques – theft could be inhibited.[133]

Employee theft can be compared with entrepreneurship. Similar to entrepreneurs, employee thieves usually *work* independently in order to exploit opportunities. "[…] Why and how some individuals and not others exploit risky opportunities" is part of entrepreneurship research. The same method can be applied to workplace theft. Individuals can possess characteristics and attitudes motivating them to steal, but not all individuals will behave in situations the same way. Some may act impulsively and steal, others may not.[134]

3.3.1.4 Need

A very evident reason why employees steal is financial need. They simply need to fix financial difficulties that have no conventional solutions (e.g. debt, drug habits, gambling). External financial pressures cause individuals to engage in deviant acts, they would not have engaged in if circumstances were different. Social needs play also a role in explaining employee theft from a need viewpoint. People that are characterized by high belongingness needs will consider stealing if there is enough peer pressure. This is especially the case with young individuals. Stealing can be a test of courage.[135]

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[129] Pamenter (2002)
[130] Greenberg, Barling (1996)
[131] Baucus, Near (1991), p.31
[132] Balsmeier, Kelly (1996)
[133] Greenberg, Barling (1996)
[134] McClurg, Butler (2006), p.29
[135] Greenberg, Barling (1996)

3.3.1.5 Indebtedness

Providing gifts to purchasing executives is a usual sales practice in business life which often leads to feelings of indebtedness for the purchasing executives. Business gift expenses are estimated at $1.5 billion every year (in the US 1989). Most of the organizational buyers accept gifts or favors from sales personnel. Gifts or favors include lunches, tickets to sports events, and business support.[136]

Exchanges between buyers and vendors are usually characterized as "balanced reciprocities where there is a one-for-one exchange". Thus, the balanced exchange between buyers and vendors is dictated by the *norm of reciprocity* which says:

(1) "Individuals […] help others who have helped them"
(2) Individuals do not harm others who have helped them[137]

Whenever buyers receive gifts, the exchange relationship between him and the vendor is unbalanced. The buyer will have an uncomfortable feeling and he feels an "[…] obligation to repay the vendor". The discomfort and the willingness to repay are referred to as indebtedness.[138]

3.3.1.6 Dissimilarity

The following chapter on dissimilarity is taken and adapted from Liao et. al (2004).

"In the context of an increasingly diverse workforce, organizations are faced with the task of creating a work environment where employees with diverse traits and perspectives can perform effectively and contribute toward organizational goals." Research shows that overall diversity in work groups is positively associated with the level of workplace deviance experienced by the employees.[139]

Demographic Dissimilarity

Demographically dissimilar employees (age, gender, ethnicity…) identify less with others at the workplace and are more likely to violate the norms of the organization and to commit acts of deviance that are harmful to the organization and its members. Employees who are dissimilar to their organizations or work groups feel a lack of fit with the organization and, subsequently, tend to be less committed to the

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[136] Kelley, Dorsch (1991)
[137] Kelley, Dorsch (1991), p.56
[138] Kelley, Dorsch (1991), p.56
[139] Liao et al. (2004), p.970

organization. These employees are often excluded from their peers and lack support which is crucial to succeed in organizations. Hence, demographically dissimilar employees perceive less organizational support. When employees see that they are supported by the organization they will react with positive behaviors towards the organization. *Perceived Organizational Support* (POS) correlates with positive affect and the desire to remain in the organization, characteristics of organizational commitment. POS and organizational commitment are variables that mediate the relationship between demographic dissimilarity and organizational deviance.[140]

Co-worker support perceived by employees and co-worker satisfaction are mediators of the relationship between demographic dissimilarity and interpersonal deviance. Co-worker support is the degree to which employees can count on their co-workers when they need help or support. According to the social identity theory demographic similarity facilitates communication, trust, and reciprocity amongst peers and leads to positive attitudes towards peers. Employees' demographic dissimilarity to their work groups is negatively related to social integration and peer support, and positively related to feelings of tension, animosity, and annoyance towards group members. Demographically dissimilar employees will receive less support from their co-workers and consequently they will be less satisfied with their colleagues. Since they hardly receive any personal support from their co-workers, and they are hardly satisfied with them, individuals are more likely to engage in interpersonal deviance such as aggression, verbal abuse, and stealing from co-workers.[141]

Dissimilarity based on ethnics is negatively related to self-esteem, which can predict altruistic behaviors towards coworkers. Moreover, ethnicity dissimilarity negatively predicts POS and organizational commitment. Nonetheless, ethnic differences between workers in organizations are negatively related to the likelihood of organizational deviance. To avoid negative publicity, employees who are ethnically dissimilar from their organizations will try hard to conform to its norms. Dissimilarity in terms of education and industry experience can lead to attrition or turnover in top management teams. Gender dissimilarity is positively related to interpersonal

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[140] Liao et al. (2004)
[141] Liao et al. (2004)

deviance. Age dissimilarity has no significant relationship neither with organizational nor with interpersonal deviance.[142]

Personality Dissimilarity

Employees do not only differ in terms of demographics. Personality dissimilarity influences employees' behaviors in organizations as well. Personality dissimilarity has an impact on social exchange in work groups, which ultimately influences the level of deviance. Generally speaking, people who possess similar personality traits have similar referents. Hence, personality similarity supports communication, and interpersonal attraction amongst employees. Employees, who are dissimilar to their organizations or work groups, regarding personality, will have larger problems to communicate effectively, gain relationships, and integrate into the work group or organization. Therefore, dissimilar employees receive less information and respect from their co-workers. The absence of access to these resources results in lower POS, organizational commitment, co-worker support, and co-worker satisfaction. Dissimilarity can have positive effects as well. Dissimilarity regarding Extraversion eases interactions amongst members of a work group or an organization and it is linked to leadership behavior. If all or at least too many members of a group possess high levels of Extraversion, conflicts weakening a team's functioning are the consequence. Too many extraverts in a team imply a group full of leaders without followers to fill complementary roles. On the other hand, a team with not enough extraverts can lack the necessary leadership to perform effectively. A group that is heterogeneous regarding Extraversion has some members in leadership roles and others as followers. In the case of Extraversion, heterogeneity can help to reduce deviance.[143]

Employees engage in acts of deviance as a response to unfavorable social exchange. By doing so, they do not differentiate exactly the source of social exchange, or they might view co-workers as agents of the organization and the organization as a collection of its members thus inseparable from each other. Hence,

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[142] Liao et al. (2004)
[143] Liao et al. (2004)

organizational deviance can be caused by interpersonal misunderstandings, without any fault by the organization.[144]

Interestingly, studies have shown that greater co-worker support can cause higher levels of organizational and interpersonal deviance. When employees perceive higher levels of co-worker support, they might believe that their co-workers will cover up for them if they commit deviant acts.[145]

3.3.2 Organizational Factors

Because of scandals such as Enron and Arthur Anderson, the critical role of ethics in business is evident more than ever. At first, most of the attention concentrated on the leaders of such organizations. Gradually, the view has moved from "simply the result of rogue individuals" to organizational systems and cultures that tolerate and foster deviant and unethical behavior.[146] Assessing job characteristics additionally to individual and social characteristics can be crucial to understanding employee wrong-doing.[147]

When facing ethical dilemmas, individuals tend to "search outside themselves for guidance". Organizations can influence individuals' behaviors "through reinforcement of ethical behavior, organizational norms, and managerial responsibility".[148] Organizations and industries are able to exercise a strong influence on individuals. Even those with strong *ethical standards* are misled to engage in questionable behavior.[149]

Organizations offer an environment in which individuals can display deviant behaviors. Organizations provide people towards whom individuals can commit acts of interpersonal deviance (e.g. aggression). Individuals who already possess a predisposition towards deviant behavior could be stimulated by organizational settings to commit such behavior. Moreover, for individuals who were not prone to engage in deviant acts, organizational factors are often the trigger. Pressure and stress in the organization, counter norms, perceived unfair treatment, types of

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[144] Liao et al. (2004)
[145] Liao et al. (2004)
[146] Neubaum et al. (2004), p.335
[147] Appelbaum et al. (2005)
[148] Barnett, Vaicys (2000), p.353
[149] Appelbaum et al. (2005)

supervision, unfavorable culture and ethical climates, and the environment organizations operate in are some examples of possible triggers for deviance.[150] Organizational variables are more likely to cause organizational deviance.[151]

3.3.2.1 Operational Environment

Some industries are known for previous wrongdoing. Studies have shown that organizations "operating in the foods, lumber, petroleum refining, and transportation equipment (automobile) industries were more likely to engage in illegal activities than firms in other industries". Interestingly, the chemical industry was not found to be a predictor of illegal behavior.[152] Employees working for such organizations are prone to engage in deviant behavior, because such behavior seems to be generally accepted within the organizations. As already described earlier, organizations have a significant influence on their employees.[153]

When resources are scarce organizational illegal behavior is likely, but when resources are very abundant such behavior is even more likely. When organizations have moderate levels of resources they are least likely to commit illegal behavior. In addition, large firms and these who do business in a highly dynamic environment are more likely to commit illegal acts. Large firms offer more chances to commit deviant acts than smaller ones. Rules and control usually lag behind when organizations start growing. Dynamic environments are characterized by rapidly changing conditions and employees lack the knowledge of what behavior is demanded or expected.[154]

The size and the structure of the organization can also be linked to employee theft. When size increases, the levels of supervision decrease. Employees perceive the probability to get caught to be lower and ultimately, theft will increase. In addition to the lack of supervision, employees are more likely to steal due to *impersonal situations* in large organizations. Since the victim is less known, the perception of doing harm is less than in smaller firms.[155]

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[150] Fleet, Griffin (2006)
[151] Robinson, Benett (1995)
[152] Baucus, Near (1991), p.27
[153] Appelbaum et al. (2007)
[154] Baucus, Near (1991)
[155] McClurg, Butler (2006)

3.3.2.2 Organizational Culture

The culture of an organization is a very influential organizational factor. Culture implies the "[…] values and vision of its leaders"; "experiences, beliefs, […] and rituals of its employees; the reward and incentive system; and organizational norms about performance and behavior […]".[156] The organization's culture develops over time and it affects the behaviors of those who are already part of the organization and of those who are new to the organization. Not only individuals differ in predisposition to commit deviant behavior, organizational cultures also differ in proneness to cause deviant behavior. By communicating that deviant behavior is not tolerated and by introducing strict sanctions against it, organizations can contribute to inhibiting deviant behavior. Hence, the organization can become a crucial factor to whether or not deviant workplace behavior will be expressed by its employees.[157]

Leaders are one of the most important factors of organizational culture. Leaders determine the way the organization goes, define its norms and values, and create and maintain the role of the organization. If a top manager has a reputation of being insincere, if he does not respect others, or if he cares about bottom line only, others in the organization will behave in similar ways. Subsequently, these behaviors will be institutionalized throughout the organization and the organization will become more and more deviant. "The leader sets the tone for his or her followers through his or her own visible behavior that communicates assumptions and values to others […]".[158] Hence, the manager's values are passed on to the employees and influence their behavior and the behavior of future employees in the organization. Leaders shape the culture of the organization, but their behavior is also influenced by the culture. When managers possess poor skills with people, deviant organizational cultures are the consequence. Managers, who often focus on productivity, efficiency, and the bottom line, usually lack strong interpersonal skills. Bullying, quickly blaming others, not setting priorities, making mistakes over and over, worrying about short-term organizational success only, and behaving unethically and illegally are further negative examples of leaders' behaviors. Unsurprisingly, deviant behavior will take

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[156] Fleet, Griffin (2006), p.702
[157] Fleet, Griffin (2006)
[158] Fleet, Griffin (2006), p.705

place more often in those organizations, whose leaders exercise such negative behaviors, than in organizations with leaders who behave more ethically.[159]

3.3.2.3 Job Characteristics

The risk of employee violence and aggression can be linked to job characteristics. "Interaction with the public, […] supervision of others, disciplining others, making decisions that affect other people's lives" and exercising security functions are jobs that are highly at risk to bear acts of violence.[160]

3.3.2.4 Company Task Structure and Involvement

Company task structure can predict the probability of deviant workplace behavior. Well organized activities and those that are assigned to employees will make them feel responsible for their own tasks. Activities that are well structured are less likely to provide possibilities to commit deviant acts. "Keeping workers occupied with tasks that they […] take responsibility for" diminishes the chance of engaging in counterproductive activities. If individuals are already too occupied doing conventional work, they will not have any time to engage in such behavior. Unfortunately, involvement in organizational tasks lessens not only negative deviant behaviors but also eventual positive deviant behaviors.[161] Involvement is also linked to tenure. The more time an employee spent doing non-deviant tasks in an organization, the less likely he will commit deviant acts.[162]

3.3.2.5 Counter Norms

Some organizations reward behavior counter to what is tolerated as ethical. This behavior is referred to as *counter norms*.[163] Usually, people who are honest and not fraudulent are valued by society. Nevertheless, in order to be successful, some organizations rely on employees who are the opposite. These *toxic organizations* feature poor decision-making, dissatisfied employees, and employee stress.[164]

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[159] Fleet, Griffin (2006)
[160] Appelbaum et al. (2005), p.49
[161] Appelbaum et al. (2007), p.594
[162] Appelbaum, Shapiro (2006)
[163] Appelbaum et al. (2005)
[164] Appelbaum et al. (2007)

In a survey, one third of the managers asked, reported that unethical behavior was needed in order to be successful in their organizations. Paradoxically, the interviewed managers worked for non-profit organizations.[165]

Bottom Line Mentality

Daily organizational performance is so mandatory that organizations and its leaders have little time and disposition to pay attention to moral aspects of organizational decision-making.[166] A bottom line mentality is characterized by prioritizing financial success over all other values. Ethics is seen as a handicap to financial success. Short-term solutions that are financially well are encouraged, regardless the long-term success of the organization and possible resulting problems of employees.[167]

The *Rank-and-Yank* appraisal system that was installed by Enron's CEO Jeff Skilling underscores this mentality. Every year Enron released 10 percent of the employees, those who had the worst bottom line results. Stressed by fear of losing their jobs if they did not produce the desired short-term results, Enron traders manipulated these results.[168]

In the 1970's Ford Motor Company introduced the Ford Pinto in the US. Even though it emerged that the Pinto "was prone to explosion following even modest impacts", managers decided to keep it on the road after making cost benefit calculations.[169] It was more cost-efficient to pay indemnification due to deaths and injuries than to modify the vehicles. At least 60 people were killed and another 120 suffered serious injuries due to profit only thinking.[170]

Madison Avenue Mentality

The Madison Avenue mentality describes that "anything is right if the public can be convinced that it's right."[171] Once again Enron serves as negative example. Although Enron managers manipulated the financial statements of the corporation by stating

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[165] Appelbaum et al. (2005)
[166] Sims (1992)
[167] Appelbaum et al. (2007)
[168] Gibney (2005)
[169] Zyglidopoulos, Fleming (2008), p.267
[170] Paul (2006)
[171] Appelbaum et al. (2005), p.48

fictional incomes for years, nobody realized. Everything seemed to be alright and as a result Enron's share price rose and rose.[172]

3.3.2.6 Job Satisfaction

Job satisfaction of employees can be measured with regard to pay, promotion, co-workers, supervision and work. Usually, employees who perceive that their organization is ethical also perceive that their organization is fair to them. This is likely to improve employees' job satisfaction. "[…] A higher level of job satisfaction is associated with a higher level of top management support for ethical behavior, a more favorable ethical climate in the organization, and a stronger association between ethical behavior and career success."[173] A committed top management influences organizational performance, productivity, success, and job satisfaction in a positive way. When employees perceive little support for ethical behavior, an unfavorable ethical climate, and a weak association between ethical behavior and career success there will be dissonance leading to reduced job satisfaction.[174]

Top management is an important referent group to its employees. Discrepancies between employees' own ethical standards and their perceptions of top management lead to moral conflicts that subsequently reduce job satisfaction (Cognitive Dissonance Theory). Moreover, "[…] the lack of an ethical fit […] between employees and their organization can result in distress and job dissatisfaction".[175] "[…] If the norms within the organization require employees to compromise their ethical values in order to achieve organizational goals"[176], the employee's ethical values will conflict with the organization's ethical climate resulting in lower job satisfaction. Ethical behavior is reinforced in organizations where ethical behavior is associated with career success. If organizations accredit and honor ethical behavior (career success) employees will receive more satisfaction from their jobs.[177]

Job satisfaction affects job attitudes and organizational outcomes and is related to organizational commitment. The greater the job satisfaction of employees, the greater will be their commitment to their organizations. Top management can foster

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[172] Gibney (2005)
[173] Koh, Boo (2001), p.320
[174] Koh, Boo (2001)
[175] Koh, Boo (2001), p.312
[176] Koh, Boo (2001), p.313
[177] Koh, Boo (2001)

job satisfaction and organizational commitment by creating an ethical organization. Job satisfaction and organizational commitment are closely linked to absenteeism and turnover intention, both related to high costs for organizations due to "lower productivity and morale, and higher costs of hiring, retention and training".[178] Job satisfaction is linked to higher profitability and productivity and as a result it is an essential element of success for organizations. Hence, job satisfaction and organizational commitment are crucial for financial performance and could explain a portion of the variation among organizations with respect to profitability and productivity.[179]

Job satisfaction is also linked to possible illegal or deviant acts.[180] If employees are dissatisfied with their organization they are more likely to manifest alcohol and drug use, absenteeism, abuse of employment privileges, and employee theft.[181] Employees who are highly satisfied with their organizations are less likely to engage in deviant workplace behavior. Employees who feel more attached to their jobs and organizations are more likely to follow the norms imposed by the employer.[182]

When problematic events occur employees can respond in one of the following ways: They can propose solutions (voice), wait for conditions to ameliorate (loyalty), be absent (neglect), and resign (exit). Voice and loyalty are constructive reactions; neglect and exit are destructive ones. Job satisfaction fosters constructive reactions and impedes negative reactions.[183]

3.3.2.7 Ethical Work Climate

The ethical work climate of an organization is defined by "the shared perceptions of what ethically correct behavior is and how ethical issues should be handled in the organization."[184] Hence, ethical climates do not characterize the ethical standards of an individual or his level of moral development. They are the individual's perception of his work environment (work group, organization).[185] The ethical behavior of

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[178] Koh, Boo (2001), p.319
[179] Koh, Boo (2001)
[180] Appelbaum, Shapiro (2006)
[181] Appelbaum et al. (2007)
[182] Appelbaum, Shapiro (2006)
[183] Koh, Boo (2001)
[184] Peterson (2002a), p.50
[185] Cullen et al. (2003)

employees is influenced by their managers; "[…] the ethical climate of an organization reflects the climate that management adopts."[186]

Ethical climates influence the ethical decision-making, the behavior in response to ethical dilemmas. The perceived ethical climate helps individuals recognizing ethical dilemmas as well as choosing the criteria that should be used to understand and solve these ethical issues. It helps the members of an organization answer such questions as "What issues have ethical content?", "What are the appropriate decision criteria?", "What is the correct alternative in the organization's view?", and "What should I do?"[187] As a result it is also linked to deviant workplace behaviors such as tardiness, absenteeism, sabotaging, stealing, and sexual harassment.[188] Hence, it is crucial to create strong ethical climates in order to prevent unethical acts.[189]

As already mentioned, co-workers' unethical behaviors influence the unethical behaviors of their peers. Both the ethical climates of the work group and the whole organization will affect theft rates and other deviant behaviors. The ethical climates of work groups, that individuals are part of, are more likely to predict deviant behavior than the climate of the whole organization.[190]

Ethical Climate Questionnaire (ECQ)

In their 1987 paper *A Theory and Measure of Ethical Climate in Organizations,* Victor and Cullen introduced the ethical climate questionnaire. The ECQ measures employee perceptions concerning how members of their organizations deal with ethical choices that confront them.[191] The ECQ "is a typology based on ethical philosophy […] as well as the sociological theory of reference groups."[192] Ethical work climates in organizations vary along two dimensions: The ethical criterion and the referent or loci of analysis.[193] See Appendix for ECQ.

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[186] Appelbaum et al. (2005), p.52
[187] Barnett, Vaicys (2000), p.352
[188] Martin, Cullen (2006)
[189] Leung (2008)
[190] McClurg, Butler (2006)
[191] Appelbaum et al. (2005)
[192] Martin, Cullen (2006), p.177
[193] Barnett, Vaicys (2000)

Ethical Criteria

The ethical criteria are derived from Kohlberg's work on moral development and refer to three major classes of ethical theory.[194] The three dimensions of moral judgment are: Egoistic, Benevolence, and Principle.[195] "One dominant criterion will emerge in an organization and ultimately define the organization's ethical climate."[196] "The three ethical criteria differ in terms of the decision rules used in moral reasoning, and can be described as follows:"[197]

Egoism

An egoistic criterion is characterized by self-interest and self-interest maximization behavior.[198] The ethical reasoning process will be dominated by the consideration of what is in the individual's best interest.[199]

Benevolence

A benevolent criterion is characterized by maximization of the interest of as many people as possible[200] Ethical decisions are made "[…] by considering the positive or negative consequences of actions on referent others."[201]

Principle

A principled criterion is characterized by the "[…] adherence to universal standards and beliefs as law and codes".[202] Ethical decisions are made "[…] after considering actions in regard to universal and unchanging principles of right and wrong."[203]

Locus of Analysis

The locus of analysis serves as a referent group that is used as a source of moral reasoning[204] and is the level at which decision-making is determined.[205] "[…]

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[194] Leung (2008)
[195] Cullen et al. (2003)
[196] Martin, Cullen (2006), p.177
[197] Barnett, Vaicys (2000), p.352
[198] Martin, Cullen (2006)
[199] Barnett, Vaicys (2000)
[200] Martin, Cullen (2006)
[201] Barnett, Vaicys (2000), p.352
[202] Martin, Cullen (2006)
[203] Barnett, Vaicys (2000), p.352
[204] Peterson (2002a)
[205] Martin, Cullen (2006)

Individuals refer to different groups for norms of behavior and role definition."[206] The three different types of referents are Individual, Local, and Cosmopolitan.

Individual

In an individual locus of analysis, the employee's self determined ethical beliefs serve as a source of reasoning.[207] Hence, "[…] the ethical climate of the organization supports an individual-level source for normative standards […]".[208]

Local

Local loci of analysis' sources of reasoning are the organization's standards and policies.[209] Hence, organizational norms favor reference groups that are within the organization.[210]

Cosmopolitan

The referent of cosmopolitan loci of analysis is external to the individual and the organization; it refers to the community and the whole society.[211] Thus, "[…] the ethical climate is supported by norms favoring external sources for ethical reasoning."[212]

Types of Ethical Climates

Cross-classification of the three ethical standards with the three referents produces nine *theoretical* dimensions of an ethical work climate.[213] "Each climate type implies a unique underlying ethical decision criterion." The following five climates types are found more frequently. These are Instrumental, Caring, Independence, Rules, and Law and Code.[214] An organization, a work group, or any other subunit can contain several types of climates.[215]

Figure 4 is taken from Martin and Cullen (2006).[216]

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[206] Barnett, Vaicys (2000), p.352
[207] Martin, Cullen (2006)
[208] Barnett, Vaicys (2000), p.352
[209] Martin, Cullen (2006)
[210] Barnett, Vaicys (2000)
[211] Martin, Cullen (2006)
[212] Barnett, Vaicys (2000), p.352
[213] Peterson (2002b)
[214] Martin, Cullen (2006), p.178
[215] Leung (2008)
[216] Martin, Cullen (2006), p.179

Figure 4. Types of Ethical Work Climate (Martin and Cullen, 2006)

Egoistic Climates

From an egoistic point of view, "[…] ethical dilemmas should be evaluated in terms of the individual's subjective assessment of what will best promote his or her self-interest". Self-interest can be power, wealth, physical well-being, pleasure, or other interests of the individual. Egoistic climates may lead members of the organization "to make decisions that are instrumental to their personal interest without regard to the health of the organization, professional codes, or even laws". As a result, climates based on egoistic values are more likely to be positively related to intentions to engage in deviant workplace behavior.[217]

Instrumental

The instrumental climate is perceived as encouraging ethical decision-making from an egoistic perspective. Self-interest guides behavior, even to the possible detriment of others. Decisions are made to serve organization's interests or provide personal

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[217] Barnett, Vaicys (2000), p. 353

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benefits.[218] Instrumental climates are the least preferred[219], not least because they are most related to unethical behavior.[220]

Benevolent Climates

Benevolent climates encourage considering the effects of ethical decisions on other individuals. These other individuals include the workgroup, other members of the organization, customers, stakeholders, and the whole society. In benevolent climates individuals will be less likely to possess behavioral intention to engage in deviant behavior. Besides, benevolent climates might serve as a moderator between ethical judgment and behavioral intention. Even if an individual might not perceive a situation to be morally wrong, he will be more likely to *rethink* the behavior and "[…] refrain from a behavior that he […] does not consider unethical".[221]

Caring

Caring climates are characterized by concern for the well-being of others. Members of caring climates have concern for others within the organization and the whole society. Concern for others is also supported by the policies, practices, and strategies of the firm. According to literature, caring climates are the employee's preferred work climates.[222]

Principled Climates

In principled climates, "actions are considered ethical as long as they comply with […] universal principles" of right and wrong. Examples of such universal beliefs comprise individual's own beliefs and philosophy, organizational policies, and professional rules and codes. Principled climates encourage ethical decisions "[…] made on the basis of relatively inflexible principles of right and wrong". As with benevolent climates, principled climates are expected to be less linked to intentions to engage in deviant behavior. Individuals might also "[…] refrain from a behavior that he […] does not consider unethical".[223]

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[218] Martin, Cullen (2006)
[219] Cullen et al. (2003)
[220] Martin, Cullen (2006)
[221] Barnett, Vaicys (2000), p.354
[222] Martin, Cullen (2006)
[223] Barnett, Vaicys (2000), p.355

Independence

In climates characterized by independence, individuals act on their own personal moral convictions when making ethical decisions. Moral dilemmas should be solved following personal moral beliefs almost disregarding external forces and influence from outside. The principles used to make decisions are determined through careful consideration.[224]

Rules

Decisions regarding ethical dilemmas are made by using local rules and standards including codes of conduct.[225]

Law and Code

In Law and Code climates, the organization fosters decision-making following external codes including the law, the bible, or professional codes. Employees are encouraged to make decisions based on external systems.[226]

Factors influencing Ethical Work Climate

Ethical climates are influenced by organizational policies, procedures, and reward and control systems.[227] Further factors that influence the ethical climate are personal self-interest, company profit, operating efficiency, team interest, friendships, social responsibility, personal morality, rules, laws, professional codes, and actual behavior of top management. Top managers' behavior, and the culture they establish affects how lower-level employees act and how the organization acts when facing an ethical dilemma.[228] Besides, organizations with different structures or from different industries are most likely to have different ethical climates. Whether the aim of an organization is to create profit or it is non-profit, is likely to influence the ethical climate of the organization.[229] Non-profit organizations are more likely to have higher levels of benevolent and principled climates and lower levels of egoistic climates.

Additionally, the entrepreneurial orientation of an organization and its age has an impact on the development of the organization's ethical climate. Entrepreneurial

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[224] Martin, Cullen (2006)
[225] Martin, Cullen (2006)
[226] Martin, Cullen (2006)
[227] Barnett, Vaicys (2000)
[228] Appelbaum et al. (2005)
[229] Martin, Cullen (2006)

firms, that are individual and independent, are more likely to have higher levels of individual ethical climates and lower levels of local and cosmopolitan ethical climates. Young organizations are characterized by resource pressures and high risks. They have problems resulting from "[…] raising capital, recruiting and training employees, and paying higher rates and handling costs for public regulatory compliance."[230] Because of the newness of the firm and the subsequent lack of formal structures, the entrepreneur is able to impose his values more strongly. New firms also lack well-established professional codes related to the organizational activities. Hence, entrepreneurs in these organizations are more likely to have to rely on their individual ethical reasoning. Research has shown that firm newness is significantly related to Independence climates. Furthermore, new firms are related to weaker levels of Caring, Rules, and Law and Code climates.[231]

Ethical Work Climate, Ethical Judgment, and Behavioral Intention

As already mentioned, ethical judgment means considering an issue to be morally significant and moral intention describes the probability that an individual will engage in that behavior.

Ethical work climates are expected to affect individuals' stated intentions to engage in deviant behavior and to mediate the relationship between ethical judgment and behavioral intention. Empirical results have shown that there is no direct effect of ethical climates on behavioral intentions. Hence, an individual's perception of the ethical climate in his organization will not affect his stated behavioral intention concerning deviant or unethical acts. Ethical climates directly affect individuals' link between ethical judgment and behavioral intention. When individuals perceive higher levels of benevolent or principled climates, the relationship between ethical judgment and behavioral intention is weaker. This means that individuals have less intention to engage in acts they do not consider unethical (although they are). There is no stronger relationship between ethical judgment and behavioral intention when individuals perceive higher levels of egoistic climates.[232] Hence, egoistic climates neither affect behavioral intentions nor the link between ethical judgment and behavioral intention.

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[230] Neubaum et al. (2004), p.339
[231] Neubaum et al. (2004)
[232] Barnett, Vaicys (2000)

Ethical Work Climate and Deviant Behavior

Deviant behavior occurs more often in organizations characterized by instrumental climates. Affective responses (e.g. commitment) to the organization are negatively related to perceptions of instrumental climates.[233] Empirical results have shown that instrumental climates were most predictive of production deviance including working on a personal matter.[234] Organizations in which individuals are primarily concerned about their self-interest are most likely to be affected by such deviance.[235] A survey has shown that purchasing executives are more likely to repay vendors for gifts or favors when they perceive the ethical climate of their organization to be centered on the self-interest.[236]

In caring climates higher levels of ethical reasoning and more ethical decision-making are prevalent. Affective responses (e.g. commitment) to the organization are positively related to perceptions of such climates.[237] Benevolent climates are negatively related to production deviance, political deviance, and personal aggression.[238]

Analog to caring climates, in principled climates higher levels of ethical reasoning and more ethical decision-making are prevalent. A lack of principled climates is a predictor for deviant behavior.[239] Principled climates are negatively related to production deviance and property deviance.[240] Rules climates are closely linked to property deviance. Organizations that foster adherence to internal policies have the lowest risk to be victim of property deviance as stealing and sabotaging equipment.[241]

Interestingly, personal aggression cannot be linked to any type of climates. Hence, personal aggression might be more related to individual and interpersonal characteristics.[242]

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[233] Martin, Cullen (2006)
[234] Peterson (2002a)
[235] Appelbaum, Shapiro (2006)
[236] Kelley, Dorsch (1991)
[237] Martin, Cullen (2006)
[238] Peterson (2002a)
[239] Martin, Cullen (2006)
[240] Peterson (2002a)
[241] Appelbaum, Shapiro (2006)
[242] Appelbaum, Shapiro (2006)

Employees perceiving climates characterized by benevolence or principle are associated with higher levels of moral awareness than those perceiving egoistic climates. Within a specific ethical criterion, organizations with climates employing broader loci of analysis will have higher levels of moral awareness among their employees than organizations using narrower loci of analysis.[243]

"[…] Individual evaluations of an object lead to attitudes which subsequently explain behavioral intentions." Positive evaluations of an organization's ethical work climate lead to higher job satisfaction.[244] Caring climates and principled climates are positively related to employee's job satisfaction, while the instrumental climates are negatively related.[245] [246] Job satisfaction describes whether and how much people like their jobs. The more positive the climate is the higher will be the trust in supervisors. Trust in supervision comes along when employees have a fair relationship with their supervisor. When employees perceive their work climate to be ethical they have more trust in their supervision. Trust in supervision is also an antecedent to higher job satisfaction.[247]

Interpersonal conflict reflects negative social interactions with co-workers. Such conflict comprises arguments, verbal abuse, and rude behaviors. Thus interpersonal conflict is comparable to personal aggression. Such behaviors are stressors and usually result in frustration and emotional exhaustion. Interpersonal conflict is less likely to occur in climates where employees trust their supervision. Hence, trust in supervision is negatively related to interpersonal conflict.[248]

Job roles are *patterns of behaviors* that are required from employees by their organizations. Employees have to meet not only the expectations that are imposed upon them by the organization, but also expectations imposed by other organizational members. Job roles can result in two types of role stress, role conflict and role ambiguity. Role conflict occurs when an employee feels that he cannot meet the demands and expectations imposed by the job while job ambiguity relates to the uncertainty about job functions and responsibilities. Role stress positively correlates

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[243] VanSandt et al. (2006)
[244] Mulki et al. (2008), p.559
[245] Martin, Cullen (2006)
[246] Kelley, Dorsch (1991)
[247] Mulki et al. (2008)
[248] Mulki et al. (2008)

with emotional exhaustion, "feelings of depleted energy resulting from excessive psychological and emotional demands on people".[249] Employees that are emotionally exhausted feel powerless and are less capable. They dislike going to work and feel unable to display enthusiasm for their work resulting in dissatisfaction with their jobs. Hence, emotional exhaustion is negatively related to job satisfaction. Ethical climates inform employees about behaviors that are proper in the organization. Studies have shown that strong ethical climates reduce role stress. The lower the role stress, the lower will be the emotional exhaustion. Ultimately, the higher will be the job satisfaction.[250]

Job satisfaction, trust in supervision, and emotional exhaustion are all predictors of turnover intention. Employees that are emotionally exhausted become dissatisfied with their jobs and ultimately they might resign. Hence, emotional exhaustion has a positive effect on turnover intention. Trust in supervision commits employees to their organizations, they are more satisfied with their jobs, and therefore they are less likely to quit. Hence, trust in supervision has a negative effect on turnover intention. And finally, job satisfaction is negatively linked to intention to quit.[251]
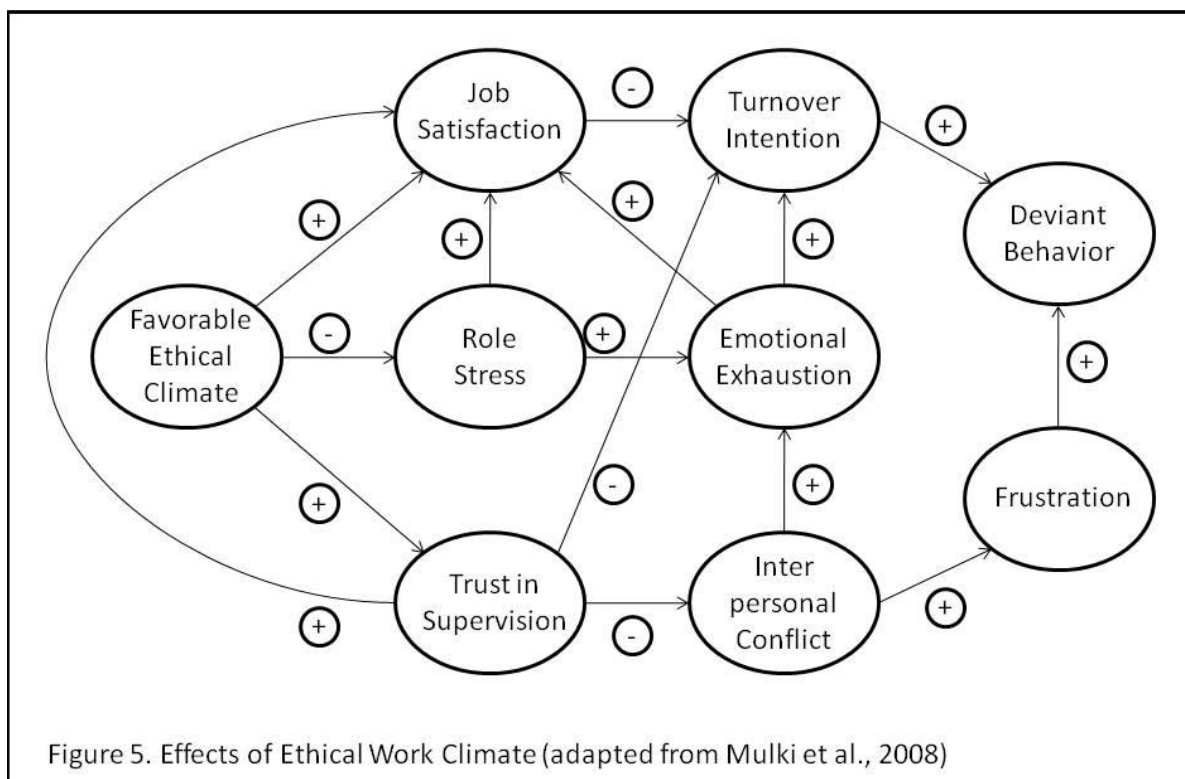

Figure 5. Effects of Ethical Work Climate (adapted from Mulki et al., 2008)

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[249] Mulki et al. (2008), p.562
[250] Mulki et al. (2008)
[251] Mulki et al. (2008)

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3.3.2.8 Organizational Commitment

Organizational commitment is "the relative strength of an individual's identification and involvement" in his organization. Organizational commitment is characterized by:

(1)   "A strong belief and acceptance of the organization's goals and values"

(2)   "Willingness to exercise considerable effort for the organization",

(3)   "A strong desire to remain a member of the organization".[252]

Employees who are more committed to the organization are essential benefits. Organizational commitment makes employees loyal and passionate while doing their work. Furthermore, commitment is an antecedent to organizational citizenship behavior and it is negatively related to absenteeism and tardiness.[253] Hence, employees are least likely to consider quitting and will most likely not commit acts of deviance when they are committed to their organizations. Organizational commitment is negatively related to both interpersonal and organizational deviance.[254] [255] "[…] Cooperation, mutual personal attraction, positive feelings about tasks […] create positive affect toward the organization [and] […] its members."[256] Tenure and job satisfaction have a positive relationship with organizational commitment.[257]

Studies have shown that the perception of egoistic ethical climates is inversely related to organizational commitment, while the perception of benevolent or principled climates is positively related to organizational commitment. Egoistic climates communicate to employees that the organization supports self-interested behaviors at the possible detriment of others. It is less likely that cooperation and group cohesion which are antecedents to organizational commitment will emerge in these types of climates. Signalizing self-interest might also inhibit employees from identifying with the organization values.[258] "[…] The egoistic criterion conflicts with the values and behaviors associated with high levels of organizational commitment […]".[259] Benevolent climates are "more likely to encourage positive affect among organizational members", resulting in "higher attachment to the organization". A

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[252] Cullen et al. (2003), p.172
[253] Cullen et al. (2003)
[254] Appelbaum, Shapiro (2006)
[255] Appelbaum et al. (2007)
[256] Martin, Cullen (2006), p.181
[257] Cullen et al. (2003)
[258] Cullen et al. (2003)
[259] Kelley, Dorsch (1991), p.61

caring environment is also likely to animate cohesiveness among organizational members, which can also lead to organizational commitment.[260] A caring ethical climate that emphasizes kindness is highly valued by the employees and results in developing bond with the organization.[261] [262] There is also a positive relationship between principled climates and organizational commitment. The relationship is stronger with professional workers. Professional workers "internalize the value of principled reasoning […] both during and after their formal training". When perceiving that their organizations encourage principled reasoning, professional workers will have greater attachment to the organization.[263] In a rules climate, employees have a clear idea of what is expected of them. Due to the fact that there is less ambiguity while performing their tasks, higher levels of commitment are the consequence.[264]

Organizational can be directly linked to the repayment dimension of indebtedness. Repaying gifts and favors is not always detrimental to the organization. Purchasing agents who are committed to their organizations can intent to improve the relationship between his organization and the vendor. In the end this type of repayment is beneficial for the organization of the purchasing agent. They can repay gifts and favors in many ways which are not harmful but advantageous for the organization they are committed to.[265]

Organizational commitment can be measured with the Organizational Commitment Questionnaire developed by Porter.[266]

3.3.2.9 Organizational Frustration

Stressful work environments have an impact on employee's behavior.[267] Organizational frustration is linked to various forms of interpersonal deviance (e.g. spreading rumors, aggression), organizational deviance (e.g. vandalism, theft, and sabotage), and intention to quit.[268] [269] Studies have shown that employees, who perceive their organization as a frustrating place, are more likely to call in sick when

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[260] Cullen et al. (2003), p.180
[261] Kelley, Dorsch (1991)
[262] Martin, Cullen (2006)
[263] Cullen et al. (2003), p.180
[264] Kelley, Dorsch (1991)
[265] Kelley, Dorsch (1991)
[266] Kelley, Dorsch (1991)
[267] Appelbaum et al. (2005)
[268] Appelbaum et al. (2007)
[269] Appelbaum et al. (2005)

they are well, take excessive breaks, and similar behaviors. These behaviors "[…] allow employees to withdraw physically and emotionally from the organization".[270]

It is more decisive whether employees love or hate their organization than if they love or hate their jobs. Reducing frustration can inhibit incidences of unexplained absences and unpunctuality.[271]

3.3.2.10 Organizational Justice

Justice is very important to individuals. The *Ultimatum* game shows how sensitive people are concerning justice matters. A pair of two people receives ten dollars. One of the two is the boss and can decide how much he offers to the second. He can offer one, two, etc. dollars. The second individual can either accept the offer (both individuals receive their share of the ten dollars) or he can decline it (both go away empty-handed). Small offers of up to two dollars are usually neglected because individuals prefer to go away empty-handed than with little in comparison to their partners. Interestingly, the most frequent offer is five dollars. The ones who offer might assume that unbalanced offers will be neglected because they themselves would neglect such offers.[272]

Organizational justice deals with employees' perceptions of fairness in organizations. Employees watch the way rewards and sanctions – including money, decisions about promotions, training, trips, transfers, and dismissals - are allocated. These allocations can be viewed as fair or unfair according to three types of justice. Distributive justice refers to "[…] whether someone deserves what […]" he receives, procedural justice describes "[…] whether the allocation process is fair […]", and interactional justice "[…] whether someone is treated with respect […]" within the company.[273]

Organizational authority has an impact on how individuals respond to ethical dilemmas. Rewards for positive behavior and sanctions for violations are very important in today's organizations. Organizational leaders are responsible for exercising rewards and sanctions when needed. When violations are sanctioned within organizations, powerful signals about values and norms of the organizations

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[270] Everton et al. (2005), p.120
[271] Everton et al. (2005)
[272] Surowiecki (2004)
[273] Everton et al. (2005), p.126

are communicated. If co-workers get away with violations of such norms, employees are disappointed with the organizational justice.[274]

If organizations and its leaders are perceived as fair and supportive, employees engage in fewer and less severe acts of workplace deviance.[275] Perceptions of fairness within the organization have an impact on individual and organizational outcomes including self-confidence, motivation, performance, job satisfaction, and organizational citizenship behavior.[276] Workplace deviance can be viewed as a response to inequitable treatment in the workplace (retaliation). Employees tend to compare their outcomes (e.g. pay, raises, and promotions) to inputs (e.g. skills, training, education, and effort). When they perceive that they get similar outcomes for similar inputs in comparison with co-workers, equity is experienced. If there is a discrepancy between them and co-workers, employees will experience inequity. Payment inequity arises when the rewards employees receive, relative to the work they are doing, are seen to be less that they should be.[277] Intending to restore their sense of equity, employees will revert to deviant behaviors.[278]

Employee theft can be seen as an act of vengeance to perceived deviant behavior of the employer. Feelings of being exploited by the organization and payment inequity often result in dissatisfaction. Employees might lower their inputs (performance) or even raise their outcomes (theft). Since they feel that they have been mistreated, employees might perceive a moral justification if they upgrade their wages.[279]

A survey revealed that the way in which pay cuts are communicated to employees affects theft and turnover rates. If the reasons for the pay cuts were explained, information was given about why financially this was a good decision, and management apologized for the hardships the employees would face, theft and turnover rate increased less than if management announced pay cuts in a short meeting without giving detailed information and without apologies.[280]

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[274] Appelbaum et al. (2007)
[275] Everton et al. (2005)
[276] Koh, Boo (2001)
[277] Greenberg, Barling (1996)
[278] Appelbaum et al. (2007)
[279] Greenberg, Barling (1996)
[280] Everton et al. (2005)

Employees' perceptions of unfairness and excessive scrutiny make them resentful and they are more likely to behave aggressively towards their supervisor. Perceptions of unfair supervisors increase the probability that employees will act aggressively to the supervisor and the organization.[281]

In another survey, employees in a manufacturing plant who felt that their organization was less fair were more likely not to go to work. Employees of a service organization asked for promotions but did not receive them. Thereupon, they perceived the promotion process to be unfair and they were more likely not to go to work. Tardiness, absenteeism, and quitting are strongly linked to each other. Organizations perceived as unfair might lose in productivity due to late or absent workers and have to face additional costs for paying overtime to existing and replacement workers and turnover expenses.[282]

Perceptions of justice affect employees' job attitudes such as job satisfaction and turnover intention and organizational outcomes. "[…] Employees look more to the broader organizational environment than to their particular role in attributing their satisfaction to their job." Distributive and procedural justices are closely related to job satisfaction. Distributive justice is a more significant predictor of job satisfaction than procedural justice.[283]

Inequity Sensitivity

Although people might perceive the same inequity, it does not necessarily mean that they will all react in the same manner. Some people are more sensitive to inequity while others are not. Those who are less inequity sensitive, feel less distressed, and are less likely to commit deviant acts than those who are highly sensitive. Hence, inequity sensitivity is a moderator between perceived inequity and theft rates or other deviant acts.[284]

Equity and Choice of Referent

Employees usually compare themselves with those co-workers who possess similar levels of abilities and duties. Comparisons with close referents result in greater perceptions of inequity. If the referent of comparison is very similar to the individual in

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[281] Everton et al. (2005)
[282] Everton et al. (2005)
[283] Koh, Boo (2001), p.310
[284] McClurg, Butler (2006)

terms of work, proximity, and hierarchy, the individual will be more distressed about perceived inequity than in comparison to more distant referents. Perceptions of low pay in comparison to top management will lead to less acts of deviance than perceptions in comparison to the supervisor. The highest levels of deviance are expected when individuals compare themselves with their immediate co-workers.[285]

3.3.2.11 Sanctions

Employees might be tempted to engage in deviant workplace behavior because their behavior cannot be directly observed or because they do not have to face any consequences if they do so. If one's performance cannot be evaluated, withholding effort can be the result.[286]

If the risk of being caught stealing is low, the higher will be the likeliness of theft to occur. If the likelihood of catching and punishing employees associated with theft is increased, theft rate will decrease. Formal ethics programs and employer deterrence through severe and certain sanctions are inversely related to theft. Organizations must overtly show that theft is not tolerated in order to prevent employees from stealing. If the costs of stealing (getting caught and punished) are perceived to outweigh the benefits of stealing (money, property), then the behavior (stealing) might not take place. Furthermore, the likelihood that men engage in sexually harassing behavior is reduced when they believe that the organization will impose sanctions on sexual harassment.[287] [288]

Similar violations should be punished the same way. No employee should be preferred over another. In addition, severity of punishment should correspond to the severity of the violation.[289]

3.3.2.12 Intention to Quit

If employees already have an intention to quit they are likely to manifest behaviors such as substance abuse, absenteeism, abuse of employment privileges, and theft.[290]

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[285] McClurg, Butler (2006)
[286] Kidwell (2005)
[287] McClurg, Butler, (2006)
[288] Greenberg, Barling (1996)
[289] Appelbaum, Shapiro (2006)
[290] Appelbaum et al. (2007)

3.3.2.13 Codes of Ethics

There are different names referring to codes of ethics including codes of conduct, business principles, corporate credo, corporate philosophy, corporate ethics statement, and codes of practice. A code of ethics "is a distinct and formal document containing a set of prescriptions developed by and for the company to guide present and future behavior on multiple issues of at least its managers and employees toward one another, the company, external stakeholders, and/or society in general."[291]

Codes of ethics are probably the most common way to influence ethical behavior in organizations. Codes of ethics are the most effective method to foster ethical behavior. They provide guidelines for proper employee behavior, improve the corporate culture and management, help organizations to follow government guidelines, and create organizations that are more socially responsible. Codes of ethics have to reflect ideals that employees can believe in and they have to be integrated into the organizational culture. In order to amend the effectiveness of codes of ethics, top management support for ethical behavior is compulsory.[292]

Codes of ethics are widespread in modern business organizations. 52.5 percent of the 200 largest companies in the world have codes of ethics. Those who do not already have a code are more and more requested by their stakeholders or by law to develop one. One the one hand, codes of ethics are thought to increase organizational efficiency and to amend the work climate. On the other hand, codes are viewed as "mere window-dressing providing superficial […] answers to the question of how to promote ethical behavior in corporate life". They involve more costs than profits and are not effective.[293] After organizations "[…] commit themselves to a philosophy in […] a code of ethics, […] the recorded idealism is distributed or shelved […]" and often that is about it.[294]

Of 79 empirical studies examining the effectiveness of codes of ethics, 35 percent indicated that business codes are effective, 16 percent indicated a weak relationship,

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[291] Kaptein, Schwartz (2008), p.113
[292] Koh, Boo (2001)
[293] Kaptein, Schwartz (2008), p.112
[294] Sims (1992), p.506

33 percent showed no significant relationship, and 14 percent showed mixed results.[295]

Whether organizations have codes of ethics or not, results in differences in their ethical climates. Organizations with codes of ethics are more likely to have benevolent or principled climates. More precisely, principled climates such as Rules might be expected in those organizations. Organizations without codes of ethics are prone to score higher on the self-interest dimension (egoism).[296]

3.3.2.14 Ethical Distance

Ethical distance refers to the distance between deeds and their ethical consequences. The distance that separates employees from the ethical outcomes of their acts will influence their perceptions of these actions and thereby their ethical decision-making. *Temporal distance* describes "how far into the future the consequences of one's acts are". The more distant in time the ramification of their acts lies, the easier employees will engage in deviant acts. The Enron fraud has shown that it was easier for traders to falsify projections for long-term contracts than for short-term contracts. *Structural distance* comes about when individuals are removed from the final outcome of their deeds. *Structural distance* occurs due to specialization in organizations. In contrast to temporal distance, the negative results of one's acts can be immediate, but the individual is removed from them.[297]

3.3.2.15 Perceived Organizational Support

Similar to *organizational justice*, perceived organizational support refers to the perception of fairness in organizations. Employees will feel obligation to exhibit good citizenship behavior towards the organization in return for fair treatment by their companies. Perceived organizational support is related to organizational commitment, positive behaviors, and conformance to the organization. If employees feel that they are supported by their companies, they will more likely refrain from stealing and other deviant acts.[298]

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[295] Kaptein, Schwartz (2008)
[296] Peterson (2002b)
[297] Zyglidopoulos, Fleming (2008), p.269
[298] McClurg, Butler (2006)

3.3.2.16 Technology

With the introduction of computers and the internet in organizations, employees nowadays are inveigled to engage in deviant activities. The use of internet improves organizational performance[299], but accessing personal e-mail and online banking, and downloading pornography diminish productivity.[300] Managers and employees should check their e-mails (of course business) only once an hour in order to focus their attention on their tasks at work. Even harmless family pictures on the desktop disrupt concentration.[301]

3.3.2.17 Stress

Stress is prevalent in organizations nowadays. It is undisputed that stress is responsible for a variety of deviant behaviors including working slow, absenteeism, calling in sick when well. In the worst case, stress can result in suicides. Stress is described as the response to demands caused by external stimuli. There are two types of stress, positive stress (eustress) and negative stress (distress). Stress is caused by organizational change, by the organization and the job itself, by interpersonal relationships inside and outside the organization, and the environment. Different individuals respond in distinctive ways to the same situations. The same work situation can be very motivating for one individual and highly distressful for another. Personality, locus of control, and extraversion are important predictors of the individual's reaction. In addition, training programs in stress management allow employees to reduce several types of stressors.[302]

Change

"The only constant in life is change, and nowhere is this more true than in the workplace."[303] When employees feel uncertainty about the future, stress is a plausible consequence. Changes can occur in the work group, in responsibilities, processes or products, in technology, and so on.[304] Incidences of deviant workplace behavior are frequently related to four types of workplace change: Cost cutting, organizational change, social change, and job insecurity.

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[299] Kidwell (2005)
[300] Everton et al. (2005)
[301] Neudecker (2009)
[302] Connor, Worley (1991)
[303] Sims (1992), p.505
[304] Connor, Worley (1991)

Cost Cutting

Cost cutting refers to the reduction of overall operational expenses (e.g. personnel). Cost cutting is positively related to aggression and obstruction, but is not related to workplace violence.[305]

Organizational Change

Organizational change refers to substantial changes in management, operating procedures, organizational structure and similar. Employees may not like the style of new managers "[…] or they may view new managers as an opportunity to act out […] without reprisals". If shifts are changed, employees can become anxious.[306] Organizational change is positively related to aggression and obstruction, but is not related to workplace violence.[307]

Social Change

Changes in social environment (e.g. increased diversity) are positively related to all forms of workplace aggression.[308]

Job Insecurity

Job insecurity refers to changes that threaten job security of employees. The increased use of temporary workers makes existing employees feel threatened.[309] Job insecurity is positively related to all forms of workplace aggression.[310]

Reducing Stress caused by Change

In order to reduce uncertainty, change processes should be implemented slowly. Individuals have to be convinced that the change is indispensable and they have to be shown the positive aspects of the particular change.[311]

Job Stressors

Stress can be a result of the job itself. Stress can be a consequence of unmet employee expectations of his role in the organization, contradictory requests, and conflicts between what is required by the job and the employee's needs, goals, and

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[305] Appelbaum et al. (2005)
[306] Caudron (1998), p.51
[307] Appelbaum et al. (2005)
[308] Appelbaum et al. (2005)
[309] Caudron (1998)
[310] Appelbaum et al. (2005)
[311] Connor, Worley (1991)

values. Another source of stress is when there is a lack of information about job duties and responsibilities. Role ambiguity comes about because of uncertainty about responsibilities and others' expectations. Furthermore, managers and regular employees can experience stress when they are overloaded or underloaded with work, when they suffer from time pressures and deadlines, when they have to do repetitive work, or when they have responsibility for others.[312]

By clarifying work roles, ambiguity and conflict can be reduced. By setting performance standards and communicating these, uncertainty, role ambiguity, and work overload and under load can be reduced. Individual goal setting can reduce uncertainty, role ambiguity, and stress from time pressures and deadlines. Time out from tasks allows reducing stress from repetitive work, dealing with public, work overload and under load, and responsibility for others. Time outs include meditation, relaxation, and power-napping. Feedback and performance evaluation can be used effectively in order to reduce uncertainty and role ambiguity. Job restructuring and job rotation can reduce stress caused by repetitive work. Time management is used to reduce stress from time pressures and deadlines, and work overload.[313]

Group Stressors

Stress can also result from the work group. People, who necessitate balance and cohesiveness, will suffer when there are conflicts within the work group. By efficient team building, organizations can reduce stress resulting from lack of cohesiveness, loyalty, and stability and conflicts.[314]

Organizational Stressors

Poor communication that reduces the clarity in understanding roles and requirements is a source of stress due to uncertainty. Organizations that request high psychological demands and offer little participation in the decision-making process are another source of stress. Behavior of supervisors such as inappropriate performance evaluations can also lead to stress.[315]

Setting and communicating organizational goals will reduce stress resulting from uncertainty and obsolescence. "By involving individuals […] in the decision-making

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[312] Connor, Worley (1991)
[313] Connor, Worley (1991)
[314] Connor, Worley (1991)
[315] Connor, Worley (1991)

process, […] stress can be reduced." No sense of belonging and lack of recognition and acceptance are reduced resulting in higher organizational commitment.[316]

Environmental Stressors

Crowding, air pollution, noise, odors, extreme temperatures, poor illumination, and office design are possible sources of stress. Besides, the location of the plant or office, the traffic and neighborhood safety can cause stress.[317]

By monitoring the physical environment for the sources of stress mentioned above, organizations are able to locate the factors that are the biggest environmental stressors.[318]

Career Stressors

Career matters are further origins of stress. Whenever there is an imbalance between personal goals, expectations, and achievements, stress will result. Stress is most prevalent when there is a big gap between expectations and reality. Failures to move into higher positions and feelings of over promotion (and being unable to perform) are also likely to cause stress. Last but not least, retirement is a potential stressor. Stress can emerge long before the actual retirement and it gets stronger when it approaches.[319]

Extra organizational Stressors

The last possible type of stressors, are those caused outside the organization. Personal relationships and economic and financial needs will cause stress. The individual's residence is also a possible source of stress. Safety, tax rate, public transportation, roads, climate, noise, pollution, recreation, ad quality of schools will influence the stress levels of individuals.[320]

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[316] Connor, Worley (1991), p.67
[317] Connor, Worley (1991)
[318] Connor, Worley (1991)
[319] Connor, Worley (1991)
[320] Connor, Worley (1991)

4 Preventing Deviant Behavior

Since deviant behavior is associated with enormous costs for organizations, managers are not only interested in identifying the factors leading to and influencing deviant workplace behavior. Hence it is important to give recommendations about how to inhibit deviant behavior.

Difficulties in developing policies to battle against deviant behavior occur because of the different reasons leading to deviant behavior. Stealing for instance, can be attributed to opportunity or economic need on the one hand, but on the other hand poor working conditions, dissatisfaction with the job, compensation, the organization, co-workers or the supervisor can be the origin. The steps that can be taken by management include deterrence-based control, effective personnel selection, but also more importantly, providing a proper culture and an ethical leadership to guarantee that employees are satisfied with their organization.[321]

4.1 Promoting an Ethical Organizational Culture

By "[…] creating a unitary and cohesive organizational culture around core ethical values" employees receive clues about the behavior that is expected from them. The employees must share and value this culture which has to possess the ability to affect their behavior.[322] Top management has to transfer the values down to the operational ranks.[323] Hence, the two main points in order to establish an ethical culture are:

(1) "Formulate a clear philosophy or mission statement"
(2) "Actions of top managers must reflect the moral climate that is desired"[324]

4.2 Ethical Leadership

Deviant behavior in the workplace can be caused by a lack of *moral leadership* in organizations. Leaders, who commit deviant acts, act as role models and induce employees to commit themselves such acts. Employees notice the ethical judgment

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[321] Anonymous (2005)
[322] Appelbaum et al. (2005), p.52
[323] Appelbaum, Shapiro (2006)
[324] Appelbaum et al. (2005), p.52

of their supervisors and might imitate their actions, regardless of the fact that this imitation implies acting unethically.[325]

In order to be perceived as an ethical leader, a good reputation is key. An ethical leader needs to be perceived not only as a moral person but also as a moral manager. Executives have to concentrate the attention of the organization on ethics and values in order to provide principles guiding the behavior of their employees. The way managers perceive themselves to be – honest, caring, fair… - is not necessarily the way that others see them. Hence, communicating one's values is crucial.[326]

Moral Person

A moral person needs to possess certain traits, to engage in "certain kinds of behaviors", and to make "decisions based upon ethical principles".[327]

Traits

The traits that are linked to moral persons are integrity, trustworthiness and honesty. There has to be a consistency in a moral person's actions, values, methods, and principles. "An ethical leader does not sugarcoat things… he tells it like it is."[328]

Behaviors

Since actions speak louder than words, it counts more what managers do then what they say. The behaviors that are linked to being a moral person include doing the right thing, showing concern for people and treating people right, being open and communicative, and demonstrating morality in one's personal life. Ethical leaders treat everybody with respect and dignity, everybody ranging from top management to lowest level workers. Managers have to be approachable and also good listeners. "To be a leader you have a greater standard, a greater responsibility than the average person would have to live up to."[329]

Decision-making

The moral person holds to a "solid set of ethical values and principles", is "objective and fair", and he is concerned "about the broader society and community".[330] In order

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[325] Appelbaum et al. (2007)
[326] Trevino et al. (2000)
[327] Trevino et al. (2000), p.130
[328] Trevino et al. (2000), p.131
[329] Trevino et al. (2000), p.132
[330] Trevino et al. (2000), p.132

to make ethical decisions, moral managers use ethical decision-making rules including the *New York Times Test* and the *Golden Rule*. According to the *New York Times Test*, managers should ask themselves if they would like to see their deeds (the results of their decision-making) on tomorrow's front page.[331] The *Golden Rule* says: "Do unto others as you would have them do unto you."[332] (Kant)

Moral Manager

In order to be known for ethical leadership, managers need to be role models through visible action, they have to communicate about ethics and standards, and they have to use reward systems to sustain the ethical standards.[333]

Role Modeling through Visible Action

Managers have to realize which words and actions will be noticed and the way they will be interpreted by subordinates. Visible action has the ability to send powerful messages.[334]

Communicating about Ethics and Values

Moral managers need to communicate the values that are important to them and the organization.[335]

The Reward System

Rewards and sanctions are adequate to "[…] send signals about desirable and undesirable conduct". In order to maintain norms and rules, rewarding ethical behavior and punishing unethical behavior are essential.[336]

4.3 Installing "Toxic Handlers"

Toxic handlers are a kind of *watchdog* for the organization. They "[…] voluntarily shoulder the sadness and the anger […]" of employees in order to prevent damage. Toxic Handlers perform the following tasks:[337]

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[331] Trevino et al. (2000)
[332] Garofalo (2003), p.493
[333] Trevino et al. (2000)
[334] Trevino et al. (2000)
[335] Trevino et al. (2000)
[336] Trevino et al. (2000), p.135
[337] Appelbaum et al. (2005), p.52

(1) "Filter […] directives from toxic bosses"

(2) "Listen to staff members' frustration and anger"

(3) "Prevent pain and hold the confidence of others in the workplace"[338]

Toxic handlers are often unrecognized, underappreciated, and not taken seriously. They are likely to become distressed themselves and experience burnout. Hiring consultants as toxic handlers has the advantage of anonymity but since they are unknown they might not be trusted.[339]

4.4 Training Programs

Training programs are the best source for learning ethical expectations. In order to improve their employees' personal ethical framework, organizations have the opportunity to offer ethics training. Organizations should give "more resources to ethics training to help its members […] make ethical decisions in difficult circumstances". Sims provided a seven-step list that might be useful when facing ethical dilemmas; the steps are:[340]

(1) Recognizing and clarifying the dilemma

(2) Obtaining "all possible facts"

(3) Listing all possible options

(4) Testing all options: "Is it legal? Is it right? Is it beneficial?"

(5) Decision-making

(6) Checking the decision made: "How would I feel if my family found out about this? How would I feel if my decision was printed in the local newspaper?"

(7) Taking action[341]

4.5 Personnel Selection

The scope of personnel selection is to select honest and reliable employees from the pool of applicants. Questionnaires are used to identify people who have potential for deviant behavior and once these are detected, they are eliminated from the hiring process. Instruments that are used frequently are background checks, polygraph

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[338] Appelbaum et al. (2005), p.52
[339] Appelbaum et al. (2005)
[340] Sims (1992), pp.511-512
[341] Sims (1992), pp.511-512

tests, employment interviews, and honesty tests. Those organizations that perform effective pre-employment screening will have fewer problems due to employee theft and other acts of deviant workplace behavior.[342]

4.5.1 Background Checks

Background checks are uncomplicated. Applicants' records are analyzed, and if they have a history of previous theft or other criminal behavior, they are excluded from the hiring process. It is assumed that somebody who has been delinquent in the past will act the same way in the future.[343] Individuals who have done something wrong in the past will not be given a second chance, which is very harsh. Furthermore, "it is becoming increasingly difficult to obtain information about prior employment because of privacy legislation."[344] Nowadays organizations may request a clean bill of character.

4.5.2 Polygraph Test

In the past the polygraph test (lie-detector) was frequently used. In 1988 it was prohibited as a selection instrument in the United States.[345]

4.5.3 Employment Interview

Employment interviews are not very useful in identifying those employees who are likely to engage in deviant behavior in the workplace. The main problem seems to be the fact that interviewers do not know what behaviors can be associated with theft and other deviant acts.[346] As a result wrong decisions might be made in the hiring process.

4.5.4 Honesty Tests

Personality tests as a selection instrument are quite popular. Honesty tests are usually used to predict theft and other types of dishonest (deviant) behavior. It is not sure whether the tests select employees that are less disposed to engage in deviant activities or the organizations discourage deviant behavior by testing future employees (deterrence). Integrity tests are also applied to test current employees.[347]

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[342] Greenberg, Barling (1996)
[343] Greenberg, Barling (1996)
[344] Greenberg, Barling (1996), p.57
[345] Greenberg, Barling (1996)
[346] Greenberg, Barling (1996)
[347] Greenberg, Barling (1996)

4.5.5 Psychometric Tests

Psychometric tests are more and more used in personnel recruitment and development. Psychometric tests can be written, oral or practical. They are able to quantify various types of human behavior, both normal and deviant. The types of psychometric tests that are most frequently used are aptitude tests, personality questionnaires, and 360-degree questionnaires.[348]

Aptitude Tests

Aptitude tests analyze individuals' abilities in specific skills such as verbal, numerical or conceptual thinking.[349]

Personality Questionnaires

Personality questionnaires examine personality characteristics that are relevant to the employer. These questionnaires analyze for instance how individuals deal with problems and stress, their ability to deal with emotions, and their motivation.[350]

360-Degree Questionnaires

360-degree questionnaires do not only examine an individual's own perceptions but also others' perceptions of the individual's abilities and behavior.[351]

4.6 Control

In order to assure that current employees do not engage in deviant activities- or at least to reduce the occurrence of those activities-, control seems to be an adequate method. Surveillance techniques, keeping records, and inspections are instruments of control.[352] Control primarily aims at deterring employees from theft.

4.6.1 Surveillance Techniques

Surveillance techniques and undercover security personnel are applied to control shoplifting but also employee theft. The financial costs associated with such strategies are immense and employees will be annoyed with the lack of trust.[353]

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[348] Dent, Curd (2004)
[349] Dent, Curd (2004)
[350] Dent, Curd (2004)
[351] Dent, Curd (2004)
[352] Greenberg, Barling (1996)
[353] Greenberg, Barling (1996)

4.6.2 Keeping Records

Keeping accurate records of funds and supply will identify mishandling of those.[354]

4.6.3 Inspections

Inspections include checking bags and lunch boxes and are performed to catch employee thieves. The organization signals that stealing is not tolerated. Although some financial savings are gained, the organization will promote a negative environment resulting from the mistrust of employees.[355] Imagine you- an honest person- are checked before leaving home after a hard day of work. Organizations should be aware of the fact that this kind of control could be counterproductive. Formerly committed employees could lose motivation, absenteeism and loss in productivity could be the result.

4.7 Promoting Pro-Social Behavior

Pro-social types of behavior include organizational citizenship behavior, whistle-blowing, corporate social responsibility and creativity/innovation.[356] By stimulating such behavior, workplace deviance is less likely to occur.

4.7.1 Organizational Citizenship Behavior (OCB)

Organizational citizenship behavior is positive behavior that is not demanded of an individual by his organization (extra-role behavior), but that will support the efficiency, innovativeness and competitive advantage of the organization.[357] [358] OCB is characterized above all by altruism – "helping a specific individual" and thus contributing to the organization – and conscientiousness – "doing things right and proper."[359] Showing initiative and giving more than just demanded are more increasingly crucial for the success of organizations. OCB improves the organizational performance. OCB is influenced by the perceived ethical work climate in organizations. Individual ethical climates are negatively associated with OCB, while benevolent and principled climates are positively associated with OCB.[360]

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[354] Greenberg, Barling (1996)
[355] Greenberg, Barling (1996)
[356] Appelbaum et al. (2007)
[357] Appelbaum et al. (2007)
[358] Leung (2008)
[359] Leung (2008), p.43
[360] Leung (2008)

4.7.2 Whistle Blowing

Whistle blowing describes "disclosure of illegal, immoral, or illegitimate practices under the control of their employers, to a person or organizations that may be able to effect action". Employees are usually the first to recognize deviant activities in organizations. But unfortunately they are not always willing to report irregularity because they fear sanctions, the loss of their jobs, their friends (co-workers), and potential promotions.[361] Managers fear financial losses and being treated as deviants. Individuals may also decide not to report wrongdoing because they fear that their identity will not be kept secret and because they do not expect any remedial action. These are the reasons why corporate scandals such as Enron could take years to be revealed.[362] [363]

Whistle blowers decide to report wrongdoings "[…] out a sense of personal ethics or sense of duty […]" without fearing pressures and sanctions from the organizations.[364] Normally they are male, possess more education, and are longer with the organization. Loyal employees are more likely to report wrongdoing if it is in the interest of the organization. In order to avoid scandals an increased number of organizations have installed whistle blowing policies.[365]

4.7.3 Corporate Social Responsibility

Consumers more and more avoid products and services from organizations that have unethical reputations.[366] Society not only expects from today's organizations to be economically efficient (including providing jobs) but also to contribute in a positive manner to the community and to act socially responsible. Companies have realized that good ethics can be good money and they respond to expectations with environmentally friendly processes, employees' rights programs, and donations.[367] By doing so, organizations are perceived as fair and they are less likely to be subject of deviant workplace behavior.

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[361] Appelbaum et al. (2007), p.589
[362] Kidwell (2005)
[363] Appelbaum et al. (2007)
[364] Appelbaum et al. (2007), p.590
[365] Kidwell (2005)
[366] Mulki et al. (2008)
[367] Appelbaum et al. (2007)

4.7.4 Innovation

Innovation is the successful introduction of creative ideas in organizations.[368]

4.8 Ethics Courses

The prevalence of business scandals emphasizes the necessity for society "[…] to do much more to ensure high standards of ethical behavior among managers and employees."[369] The Enron and Arthur Anderson scandal resulted in the largest bankruptcy case in US business. In view of such scandals, universities start recognizing the relevance of adding ethics courses to their curriculum in order to foster awareness of ethical dilemmas and to improve the ethical decision-making skills of students.[370]

Unethical values are communicated unknowingly in business classes. The reckless nature of the competitive economy and the focus on outcomes (bottom line) that are transmitted in class, influence students so much that they seem to be more unethical after finishing their studies than they have been before. Therefore, it is essential to include ethics courses into the curriculum.[371] Students who will become managers or employees in organizations have to look at the ethical implication of deviant workplace behavior because they will come across such behavior in their careers sooner or later. What managers and employees do at work, not only impacts organizational performance; it can also affect co-workers and in the worst case the well-being of the society.[372] Due to the Enron bankruptcy many small investors and workers lost their savings because of ruthless managers and employees.

Some hold that trying to teach ethics to college students might be too late because character formation has already taken place at this age. But others are of the opinion that teaching decision-making strategies and ethical values can affect moral development at the age of college. Introducing ethics courses into the curriculum "[…] can often lead to improvement in ethical sensitivity, moral reasoning, and even ethical behavior."[373] If students get used to apply ethical decision-making in class, there is a higher chance of applying the same strategies in business life. Those

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[368] Appelbaum et al. (2007)
[369] Loo (2003), p.169
[370] Loo (2003)
[371] Ritter (2006)
[372] Kidwell (2005)
[373] Ritter (2006), p.154

students who already possess an engrained ethical background are more likely to be positively influenced by ethics curricula. Ethics education should aim at meeting the following goals:[374]

(1) "Stimulate moral imagination"

(2) "Recognize ethical issues"

(3) "Elicit a sense of moral obligation"

(4) "Develop analytical skills"

(5) "Tolerate and reduce disagreement and ambiguity"[375]

There should be a required ethics class in the first year of college teaching students basic philosophical theories regarding ethical decision-making. In addition, there should be further courses where students apply the philosophical theories in real life situations they could face in their careers. Hence, it is important that courses are relevant to students and that the courses can be applied to business situations. Students will recognize the relevance of ethics if they are shown that there exist many situations in day-to-day business where ethics has to be considered. Students should be confronted with ethical dilemmas to foster moral imagination.[376]

Studies have shown that an experiential approach is most effective to teach ethical decision-making.[377] The application of case studies is very efficacious. "[…] Case studies of ethical scandals will positively affect students' ethical perceptions, making the students less willing to tolerate unethical of questionable behavior."[378]

5 Conclusion

In order to prevent deviant workplace behavior we have to consider both individual characteristics and workplace situation.

If we are given the opportunity, most of us will engage in some deviant workplace behavior. Especially if money is a core motivator, individuals tend to do whatever it takes to make money, whether this "whatever" is ethical or unethical. Employees who are young, and who have short tenure and low paying positions are especially prone

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[374] Ritter (2006)
[375] Ritter (2006), p.156
[376] Ritter (2006)
[377] Ritter (2006)
[378] Cagle, Baucus (2006), p.217

to commit acts of deviance. The more formal education individuals possess, the less likely they will engage in deviant acts. Furthermore, women are less likely to act deviant. Nevertheless, individual variables explain only a small part of the variance of deviant behavior.

Organizations and peers have a significant influence on their employees because they provide information about what is acceptable and what is not acceptable in the workplace. Work groups have a big impact in influencing their members because they serve as role models. Unfortunately, even those individuals with strong ethical standards will adapt to deviant environments. They might feel uncomfortable, but still they will not intend to quit. If the individual's identification with his work group is strong, he will be more likely to engage in deviant behavior if such behavior is accepted within the group. Both demographic and personality dissimilarity to the work group will lead - with few exceptions - to a higher frequency of deviant behavior.

Organizations that operate in specific industries are more likely to engage in illegal activities. The food, lumber, petroleum, and automobile industries are known for prior wrong-doing. In large firms deviant behavior is more prevalent.

The behavior of managers and the culture they establish are very influential. Employees who are attached (commitment) to their organizations are most likely to follow the organizations' norms. As a result, they will less likely engage in acts of deviance. If employees feel that they are supported by their companies, they will more likely refrain from stealing and other deviant behavior. Hence, it is crucial to create strong ethical climates in order to prevent unethical acts. In organizations characterized by instrumental climates deviant behavior is more prevalent than in organizations characterized by benevolent and principled climates. By installing codes of ethics, principled climates can be fostered. Besides, benevolent and principled climates encourage "Organizational Citizenship Behavior", which is negatively related to deviant behavior. Deviant behavior can be seen as retaliation to being treated inequitably in the workplace (Justice). If organizations and its leaders are perceived as fair and supportive, employees are more committed to their firms.

Deviant behaviors usually begin small and escalate into more severe acts. Minor incidents of incivility can lead to aggression and ultimately unexplained absences and

actions against the organization. Managers need to understand that employees who have been victims of interpersonal deviance might respond with forms of organizational deviance such as absenteeism or intentionally working slow.

If deviant behavior cannot be directly observed or if it is not sanctioned, individuals will more likely commit such behavior. The likeliness of theft occurrence is higher if the risk of getting caught is low. Hence, firms have to signalize by any means that deviant behavior is not tolerated. Codes of ethics have the potential to amend the work climate and to prevent deviant acts.

It is very challenging to battle against deviant behavior because of the different reasons that antecede such behavior. Control and personnel selection, but also and more importantly, providing a proper culture and fostering an ethical leadership are crucial to guarantee employees' satisfaction with their organizations. Ethical leaders have to be moral persons; they have to be role models. Including ethics courses to the curriculum of business studies can result in more ethical sensitivity and amended ethical behavior of future executives. If students get used to apply ethical decision-making in class, there is a higher chance of applying the same strategies in business life.

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Abstract

Deviant Workplace Behavior is defined as "voluntary behavior that violates significant organizational norms and in so doing threatens the well being of an organization, its members, or both".[379] Deviant behavior can be either aimed at the organization (Organizational Deviance) or at co-workers (Interpersonal Deviance).

Behaviors such as fraud, theft, sabotage, withholding effort, and aggressiveness are prevalent and very serious. In a survey employees accounted for a higher percentage of retail thefts than did customers. Up to 75 percent of all employees have engaged in some deviant action. Besides huge economical costs of approximately 600 billion $US (in the United States) deviant workplace behavior is also linked to social and psychological costs. Hence it is crucial to identify the factors that contribute to such behavior and to find solutions to prevent it.

Factors that influence deviant behavior are individual, social and interpersonal, and organizational. Individual factors include both personality and demographics. Factors are value orientation, love of money, personality flaw, gender, tenure, education, age, etc. Social and interpersonal factors include influence of work group, influence of supervisors, opportunity, need, indebtedness, and dissimilarity. Organizational factors are abundant: Operational environment, organizational culture, organizational commitment, organizational justice, ethical work climates, and stress, only to mention some. Deviant behavior can be best predicted by considering a combination of both individual characteristics and workplace situation. Norms and values imposed by organizations can induce an otherwise moral individual to commit unethical and deviant acts.

Difficulties in developing policies to battle against deviant behavior occur because of the different reasons leading to deviant behavior. The steps that can be taken by management to prevent deviant behavior include control and personnel selection. More importantly is providing a proper culture, ethical leadership, and training in order to guarantee that employees improve their ethical decision-making and that they are committed to their organizations.

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[379] Robinson, Benett (1995), p.556

Zusammenfassung

Abweichendes Verhalten am Arbeitsplatz ist freiwilliges Verhalten, das wichtige Normen des Arbeitgebers verletzt, und dadurch das Wohl des Unternehmens, seiner Mitglieder, oder beider gefährdet. Abweichendes Verhalten kann sich gegen das Unternehmen oder gegen Mitarbeiter richten.

Betrug, Diebstahl, Sabotage, absichtlich langsam arbeiten und Aggressivität sind häufige und ernst zu nehmende Probleme. Eine Untersuchung ergab, dass Arbeitnehmer im Einzelhandel für mehr Diebstähle verantwortlich waren als Kunden. In einer anderen Studie haben bis zu 75 Prozent aller Beschäftigten eine abweichende Handlung am Arbeitsplatz verübt. Abweichendes Verhalten ist nicht nur die Ursache für hohe wirtschaftliche Kosten (jährlich ca. 600 Milliarden US-Dollar in der Vereinigten Staaten), sondern ist auch Ursprung sozialer und psychologischer Kosten. Daher ist es äußerst wichtig die Faktoren, die zu solchem Verhalten führen, zu identifizieren und Lösungsansätze für dieses Phänomen anzuführen.

Faktoren, die abweichendes Verhalten beeinflussen, sind individuelle, soziale und interpersonelle und jene, durch das Unternehmen bedingte. Individuelle Faktoren beinhalten Persönlichkeit und Demographie. Diese Faktoren sind: Wertorientierung, Liebe zum Geld, Persönlichkeitsstörungen, Geschlecht, Beschäftigungsdauer, Ausbildungsgrad, Alter, etc. Soziale und interpersonelle Faktoren inkludieren Einflüsse von Arbeitsgruppen, Einflüsse von Vorgesetzten, Opportunität, Notlagen, Verpflichtungen und Verschiedenheit. Unternehmensbedingte Faktoren sind reichlich, deshalb möchte ich nur einige ausschlaggebende erwähnen: Das Unternehmensumfeld, die Unternehmenskultur, die Bindung an das Unternehmen, die Gerechtigkeit im Unternehmen, das ethische Arbeitsklima und Stress. Abweichendes Verhalten am Arbeitsplatz kann am besten unter Berücksichtigung individueller und Arbeitsplatzcharakteristika prognostiziert werden.

Aufgrund der unterschiedlichen Ursachen, die zu abweichendem Verhalten führen, erweist es sich als schwierig Richtlinien zu dessen Bekämpfung zu entwickeln. Die Schritte, die das Management einleiten kann, beinhalten Kontrolle und gründliche Personalauswahl. Wesentlich erfolgreicher dürften Maßnahmen wie das Bereitstellen einer korrekten Unternehmenskultur, ein ethischer Führungsstil und geeignetes Training sein. Dadurch erreicht man eine Sensibilisierung der Entscheidungsfindung

in ethischen Belangen und man bindet die Arbeitnehmer stärker an das Unternehmen.

Acknowledgments

Curriculum Vitae

Personal Details

Name: Paul-Titus ROGOJAN

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Education

1999-2009	International Business Administration – University Of Vienna
	Majors in International Management and Logistical Management
2006-2007	Semester abroad with Erasmus Scholarship
	Las Palmas de Gran Canaria, Spain
1998	Graduation at BGRG Rainergasse, 1050 Vienna

Employment History (Highlights)

Kika/ Leiner, EMP Trade (Romania), Capespan Austria, OMV, Honeywell Life Safety Austria, Foot Locker Austria

Language Skills

German: Native Speaker, Romanian: Native Speaker, English: Business Fluent,

Spanish: Business Fluent, French: Basic Knowledge

Interests

Languages, Non-Fiction, Movies, Music

Sports: Football, Running

Appendix

Ethical Climate Questionnaire

The following questionnaire is taken from Weber et al. (2003).[380]

Instrumental

In this company, people protect their own interests above all else.

In this company, people are mostly out for themselves.

There is no room for one's personal morals or ethics in this company.

People are expected to do anything to further the company's interests, regardless of the consequences.

People here are concerned with the company's interests – to the exclusion of all else.

Work is considered substandard only when it hurts the company's interests.

The major responsibility of people in this company is to control costs.

Caring

What is best for everyone in the company is the major consideration here.

The most important concern is the good of all the people in the company as a whole.

Our major concern is always what is best for the other person.

In this company, people look out for each other's good.

In this company, it is expected that you will always do what is right for the customers and public.

The most efficient way is always the right way in this company.

In this company, each person is expected above all to work efficiently.

Independence

In this company, people are expected to follow their own personal and moral beliefs.

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[380] Weber et al. (2003), pp.376-377

Each person in this company decides for themselves what is right and wrong.

The most important concern in this company is each person's own sense of right and wrong.

In this company, people are guided by their own personal ethics.

Rules

It is very important to follow the company's rules and procedures here.

Everyone is expected to stick by company rules and procedures.

Successful people in this company go by the book.

People in this company strictly obey the company policies.

Law and Code

People are expected to comply with the law and professional standards over and above other considerations.

In this company, the law or ethical code of their profession is the major consideration.

In this company, people are expected to strictly follow legal or professional standards.

In this company, the first consideration is whether a decision violates any law.

Table of Figures