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## Contagious business: when we copy unethical behavior

Ponsioen, Sanne

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**Contagious business:  
when we copy unethical behavior**

**Sanne Nienke Ponsioen**

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# **Contagious business: when we copy unethical behavior**

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**Promotor**

Prof. dr. H.B.M. Molleman

**Copromotor**

Dr. L.B. Mulder

**Beoordelingscommissie**

Prof. dr. E. van Dijk

Prof. dr. A.E. Tenbrunsel

Prof. dr. B.P. de Bruin

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# **Chapter 1**

## **Introduction**





Unethical behavior within organizations is an everlasting and unfortunate phenomenon. The large history of business scandals at, among others, Parmalat, Worldcom, Enron, and Fannie Mae are well known and cannot be neglected. That ethical misconduct also occurs in science is shown by cases like the Korean biotechnologist Hwang Woo-suk and its notorious fabrication of results in the field of stem cell research, as well as the fraudulent Dutch psychologist Diederik Stapel. Within sports, the international cycling sport received substantive publicity due to its large scope of drug abuse. The recent suspicious reimbursement practices within the Dutch healthcare sector show that also the public sector has not steered clear from unethical practices either.

The presence of facts and figures on unethical behavior forms a clear representation of its scope. Research shows that the up rise of unethical behavior in the USA, in the form of white collar crimes committed per year, has more than tripled since 1940 (FBI, 2009). Research by Meiners (2005) has shown that theft alone costs organizations in the USA as much as \$660 billion annually and accounts for 6% of losses in annual revenues. In addition, reports have estimated that organizations worldwide lose about 5% of their business revenues to fraud each year (Association of Certified Fraud Examiners, 2012). Also, a study conducted by KPMG (2008) among 5065 USA managers and employees shows that 74% of the respondents observed some form of unethical behavior in their organization. Moreover, research by the Compliance and Ethics Leadership Council (2008) conducted in large organizations in five countries shows that 16% of the respondents observed harassment, 15% discrimination, 11% theft, and 7% falsification of expense claims in their organization.

The enumeration of past events and numbers show that unethical behavior is at ever presence and accompanied with high organizational costs, thereby influencing the total functioning of organizations (Huberts, Kaptein & Lasthuizen, 2007). Unethical behavior among employees may have paralyzing consequences for the individual as well as for the organization (Cooper, 2001; Heidenheimer & Johnston, 2002). Besides the potential of large financial losses, the above mentioned examples show that unethical behavior may easily escalate, hence, sometimes (in cases of, for example, Enron and Worldcom) even leading to the downfall of a whole organization (Cohan, 2002). Even more, unethical behavior can lead to the implosion of a

country's economic and political system (Bull & Newel, 2003; Della Porta & Mény, 1997). Thereby, the ample existence of unethical behavior causes the confidence of society in organizations to be undermined, leading stakeholders to decrease their organizational commitment while increasing pressure on diminishing unethical behavior (Treviño, Weaver, & Reynolds, 2006). All in all, organizations clearly face a challenge of preventing, detecting, and responding to unethical behavior (Giacalone, Jurkiewicz, & Deckop, 2008; Goodpaster, 2007; Kidwell & Martin, 2005).

### **Defining Unethical Behavior**

Despite the widespread existence of unethical behavior, the term unethical behavior is not an easy one to define (O'Fallon & Butterfield, 2005). Different theoretical realms try to define ethical decision-making from their point of view. For example, the utilitarian theory states that behavior is to be judged by its consequences (Sidgwick, 1874; Smart, 1973). The more the behavior serves a positive outcome for many others, the more the behavior is defined as being ethical. As such, unethical behavior is defined by behaviors that serve a personal goal at the expense of others (Cavanagh, Moberg, & Velasquez, 1981). Furthermore, the theory of rights argues that everyone has fundamental rights that should be respected. This representation of rights is incorporated in law jurisdictions, such as for example the right of free consent (Bennis & Slater, 1968) and the right to privacy (e.g. Miller, 1971). Unethical behavior would constitute behavior that interferes with the rights of others in a negative way (Cavanagh et al., 1981). Moreover, the theory of justice states that individuals, who are similar in the relevant aspects of, for example a job, should be treated similarly (Perelman, 1963). As such, unethical behavior is defined by those behaviors that are guided by inequality, unfairness, and biased decisions (Cavanagh et al., 1981). Last, the moral foundations theory of Haidt and Joseph (2004) states that morality is a result of five innate moral foundations, which differ across cultures. These five foundations are harm, reciprocity, in-group, hierarchy, and purity. Haidt and Joseph (2004) argue that a variety of definitions of unethical behavior exist due to cross-cultural differences with regard to morality. It is argued that harm and reciprocity form the basis in cultures that are more liberal oriented, whereas conservative cultures value all five foundations equally (e.g. Haidt &

Graham, 2007). Therefore, the moral foundations theory does not only highlight differences between cultures, but also shows resemblances between cultures with regard to perspectives on morality. The different theoretical perspectives show the overall complexity of unethical behavior as a definable concept and thus make it hard to formulate a definition of unethical behavior that is conclusive. Therefore, researchers within the field do not always provide a precise definition of unethical behavior (Jones, 1991).

The term unethical behavior is repeatedly used interchangeably with terms such as antisocial behavior, corrupt behavior, and counterproductive work behavior (Treviño et al., 2006). Indeed, the concepts have a shared overlap in their definition (Bennett & Robinson, 2003; O’Leary-Kelly, Duffy, & Griffin, 2000), as well as related sets of acts they represent under their conceptual umbrella (Treviño et al., 2006). As such, unethical behavior in organizations may include numerous kinds of behaviors, such as stealing office supplies, sexual harassment, overstating one’s performance, lying, cheating, breaching psychological contracts, and social undermining, to name a few. Scholars discuss and differ in their opinion of whether unethical behavior as a concept is appropriate or that it would be better to focus on a specific unethical behavior such as theft (e.g. Greenberg, 1990) or sexual harassment (Gutek, 1985) in isolation instead (Treviño et al., 2006).

Within the context of this dissertation, I define unethical behavior as behavior that “is illegal or morally unacceptable to the larger society” (Jones, 1991, p. 367). As the focus is on unethical behavior in organizations, I extend the definition by adding that the perpetrated behavior has negative implications for the organization and/or other individuals within the organization (Bennett & Robinson, 2000; Vardi & Weitz, 2004; Robinson & Bennet, 1995; Robinson & O’Leary-Kelly, 1998).

### **Motives for Unethical Behavior**

Research shows that different factors influence people’s motive to engage in unethical behavior. For example, the infamous experiment of Milgram (1963) has shown that obedience to authority can cause people to engage in giving others lethal shocks. Participants were willing to do this because the experimental leader, an authority figure, urged them to do so.

Furthermore, people may engage in unethical conduct for reasons of perceived injustice, dissatisfaction or thrill-seeking (Bennett, 1998a, 1998b; Robinson & Bennett, 1997; Robinson & Greenberg, 1999). In this dissertation I argue that the major motive for people to engage in unethical behavior stems from one's self-interest, personal need, or selfishness (Tsang, 2002). People engage in unethical behavior as it often results in positive outcomes for themselves (Brief, Buttram, & Dukerick, 2001; Vardi & Weitz, 2004). Indeed, there are monetary rewards to be gained by reimbursing more money than vindicated and there is the benefit of leisure time when working fewer hours than stated in one's contract. In these cases unethical behavior is rewarded, making it more likely for people to engage in such behavior (Hegarty & Sims, 1978). The self-interest to be fulfilled creates a temptation to engage in unethical behavior, even more so when the payoffs are high (e.g. Tenbrunsel, 1998; Pinto, Leana, & Pil, 2008; Vardi & Wiener, 1996; Treviño, 1986).

### **Major Directions in Research on Unethical Behavior**

Over the last decade, researchers increased their focus on unethical behavior in organizations, producing an intensive body of important research (see Treviño et al., 2006; O'Fallon & Butterfield, 2005; Kish-Gephart, Harrison, & Treviño, 2010 for reviews) and this area is still rapidly growing (O'Fallon & Butterfield, 2005). Researchers have proposed and studied a wide variety of concepts that are expected to be related to unethical behavior. The initial focus was the so called "bad apples approach". This approach argues that unethical behavior is the result of a small number of individuals that lack certain personal characteristics that would otherwise support their moral character (Simpson, 1987, Treviño & Youngblood, 1990). This stream of research studies how individual differences relate to unethical behavior. For example, conventionality has been shown to increase unethical behavior (Greenberg, 2002). Further personal attributes that also influence unethical behavior are, among others, Machiavellianism (Bass, Barnett, & Brown, 1999), achievement orientation (Glover, Bumpus, Logan, & Ciesla, 1997), and gender (e.g. Dreber & Johannesson, 2008).

Later on, the focus changed into a "bad barrels approach". This approach views factors within the organizational environment causing unethical behavior among otherwise good apples

(Treviño & Youngblood, 1990). For example, the presence of a code of conduct is positively related to ethical behavior within the organization (e.g. Weaver & Treviño, 1999; Somers, 2001; Greenberg, 2002; Peterson, 2002). Also, rewarding unethical behavior leads to an increase in such conduct, while effective sanctioning systems tend to reduce unethical behavior (Tenbrunsel, 1998; Ford & Richardson, 1994). Other research shows that unethical behavior is affected by the ethical climate and/or culture of a specific organization (e.g. Treviño, Butterfield, & McCabe, 1998; Cullen, Victor, & Bronson, 1993).

More recently, the large attention for unethical misconduct in organizations also triggered the influence that employees may have over each other when it comes to unethical behavior (e.g. Treviño et al., 2006; Robinson & O’Leary-Kelly, 1998; Jones & Kavanagh, 1996), which I refer to as being the “interpersonal approach”. Kohlberg (1969) already indicated that people search for cues within their social environment as for what behavior is morally acceptable and what not, providing a suitable stepping stone for the growing body of research on the relation between social influence and unethical behavior. For instance, Kallgren, Reno, and Cialdini (2000) show that individuals litter more in an environment that has a lot of litter already than when the environment was clean. Moreover, when people violate a social norm like trespassing a “no trespassing” sign, other people become more likely to violate this social norm as well (Keizer, Lindenberg, & Steg, 2008). Robinson and O’Leary-Kelly (1998) found that a group’s unethical behavior positively influences an individual’s inclination to engage in unethical behavior. Cheating behavior of student colleagues is a valid predictor of cheating behavior in colleges and universities (e.g. McCabe & Treviño, 1993; McCabe, Treviño, & Butterfield, 2002). Also, research by Jones and Kavanagh (1996) show a positive effect of peer influence on ethical decision making. In this dissertation I advance on this interpersonal approach and study people’s susceptibility to copy unethical behavior in organization. I refer to this phenomenon as unethical behavioral contagion.

### **Unethical Behavioral Contagion**

This dissertation argues for the significance of social influence in the emergence of unethical behavior and studies the role of interpersonal interactions between individuals that

may cause unethical behavior to multiply. That such interpersonal influence exists seems likely in the light of several existing corporate scandals. Take the Parmalat scandal. Parmalat employees made use of multifaceted accounting loopholes and special purpose identities in order to hide the existing debt of billions of dollars caused by major firm failure. Due to the complicated usage and procedure of these loopholes and special purpose identities, it is rather unlikely that the employees developed these tactics independently of each other. Instead, there must have been some level of interpersonal interaction in which employees could exchange and copy each other's behaviors.

Indeed, there is ample theoretical and empirical basis to expect that individuals are strongly influenced by what others do. Social learning theory (Bandura, 1977) can explain why people instigate unethical behavior among each other as it underscores the vicarious and observational character of learning. Bandura (1977) argues that individuals learn how to behave by observing and imitating others. Moreover, behavior of others gives us information about what the social norms seem to be in a given context (Goldstein, Cialdini, & Griskevicius, 2008). Behavior of others teaches individuals the acceptable or even the normative way to behave (Tsang, 2002). It is within our nature to make use of the information in our surroundings to interpret the situation and establish attitudes about what is appropriate (Bandura, 1977; Robinson & O'Leary-Kelly, 1998; Smith & Mackie, 2007).

Especially with regard to *unethical* behavior, the process of legitimization may play a role in copying the behavior of someone else. Unethical behavior of one individual may be used in order to rationalize one's own urge to enhance self-interest and behave unethically (Ashforth & Anand, 2003). Also, the concept of motivated reasoning shows (Kunda, 1990) that people are generally inclined to arrive at the conclusions that serves their self-interest most. As a result, seeing someone else behave unethically can be used as a justification that the unethical behavior is morally acceptable and thus "okay", or even, as long as the observed behavior is not punished or disapproved of, appropriate or allowed (Ashforth & Anand, 2003; Goldstein et al., 2008). Consequently, people will be susceptible to engage in similar behavior as well.

### **The Strength of Unethical Behavioral Contagion**

As many unethical behaviors have the additional powerful motive of self-interest (Balch & Armstrong, 2010), it seems logical that unethical behavior is more contaminating than ethical behavior. Also, it has been shown over a broad range of psychological phenomena that bad events have a more powerful impact than good ones (Baumeister, Bratslavsky, Finkenauer, & Vohs, 2001). For example, related to the workplace, Dunlop and Lee (2004) show that workplace deviant behavior, due to its more contagious character, becomes more quickly common within a group than organizational citizenship behavior. Also, Takezawa, Gummerum and Keller (2006) showed that altruistically behaving individuals were less successful in influencing others than egoistically behaving individuals. Egoistic arguments were rational in terms of profit maximization and it required a higher level of moral reasoning to argue against them in favor of pro-social arguments.

### **Moderators of Unethical Behavioral Contagion**

I argue that most individuals are receptive to social influence. However, social interactions may not always cause people to copy unethical behavior. I argue that there are moderators that dampen or trigger unethical behavioral contagion. However, the current research on moderators of unethical behavioral contagion is scarce. As such, I aim to further elaborate on unethical contagion by exploring the conditions under which unethical behavior is copied among employees.

In my dissertation I will look at moderators at three 'levels'. First of all, I will look at moderators that pertain to attributes of individuals, and as such advance on defining individual differences that may describe the people who are most susceptible to copy unethical behavior. Secondly, I'll examine an interpersonal characteristic as a moderator. More specifically, I will look at the perceived status of the behavioral exemplar. In doing so, I try to distinguish the people who are most likely to serve as the unethical exemplars that are to be copied. Last, I will study the role of organization identification, a moderator that pertains to the relationship between the individual and the organization he/she works in. As such, I gain an understanding whether the



feeling and affinity one has with the organization in which the unethical behavior occurs, plays a role in the phenomenon of unethical behavioral contagion.

### **Attributes of the Individual: Moral Disengagement and Moral Identity**

When people observe unethical conduct that is not sanctioned, people may argue that it is okay for them to behave in such unethical manners as well. As such, people legitimize their own unethical behavior by referring to the observed unethical behavior (Ashforth & Anand, 2003). Although people may use this argument of legitimization to copy unethical behavior, some people are more susceptible to do so than others, depending on certain individual differences. More specific, I expect people's propensity to morally disengage to be such an individual difference. Moral disengagement entails the usage of cognitive processes that convince people that their behavior is not violating their own moral standards (Bandura, 1990; Bandura, Barbaranelli, Caprara, & Pastorelli, 1996; Moore, 2008). Individuals make creative use of cognitive mechanisms that will cause their own moral self-image to remain intact while perpetrating unethical behavior (Bandura, 1990; Bandura et al., 1996; Moore, 2008). The usage of these mechanisms will make an unethical act appear less immoral (Moore, 2008). For example, people may tell themselves that the harm of their behavior is not so great, may use euphemistic language to describe their acts, or may reason that others are doing it as well and that their own role in an event is so small that he/she is not to blame (Bandura et al., 1996). As a result, people can allow themselves to engage in unethical behavior.

At the same time, for most people being a moral person is of great importance. However, for some people being highly moral is more of a concern than for others (Aquino, Reed, Freeman, Lim, & Felps, 2009). As moral identity refers to the degree that the moral self is important to one's identity and self-concept (Aquino & Reed, 2002), it may be considered an individual difference that impacts one's inclination to use other people's behavior as a legitimization to behave unethically as well. As such, one's moral identity may withhold a person to copying unethical behavior, even when one's inclination to morally disengage is high.

As research acknowledges the independent contribution of moral disengagement and moral identity to the field of unethical behavior (e.g. Bandura et al., 1996; Moore, 2008; Moore,

Detert, Treviño, Baker, & Mayer, 2012; Aquino et al., 2009), I aim to contribute to the research on moral disengagement and moral identity by combining the two concepts and see whether and how “a moral character” impacts one’s decision to copy observed unethical behavior.

### **Interpersonal Characteristic: Status**

Social learning states that we copy behavior as we learn by observing from others (Bandura, 1977). Often, status increases the likelihood for an individual to be a role model when it comes to learning other’s normatively appropriate behaviors (Bandura, 1986). As such, the status of the behavioral exemplar may positively impact behavioral contagion. And although this rationale may be valid when it comes to *ethical* contagion, I argue that (other) additional processes are necessary to explain *unethical* contagion. Here, I argue reasons of legitimization to be of relevance. People often use behavior of exemplars as a way to legitimize one’s own behavior, especially when the behavior is unethical (Ashforth & Anand, 2003). However, the likelihood of people to legitimize unethical behavior of high status persons may be less straightforward. This may be because, for example, status comes with different rules and privileges to apply to, due to different formalized descriptions within the job (Anderson, Srivastava, Beer, & Spataro, 2006). As such, the degree to which people feel legitimized copying unethical behavior may be depending on the status of the behavioral exemplar.

Intensive research has been done on the relationship between unethical behavior and status (e.g. Piff, Stancato, Coté, Mendoza-Denton, & Keltner, 2012; Aquino & Douglas, 2003) as well as on the relationship between high status people and their accompanied influence (e.g. Galperin, Bennett, & Aquino, 2011). However, scant research has been done on how the status of an unethical behavioral exemplar may instigate unethical behavior among others. I aim to advance to a more pronounced understanding of unethical behavioral contagion by showing how status of a behavioral exemplar impacts one’s decision to copy the behavior, thereby contrasting between ethical and unethical behavioral contagion. In doing so, I will emphasize the uniqueness of unethical behavioral contagion by underscoring its interplay with the status of a behavioral exemplar.

### **The Relation with the Organization: Organization Identification**

As unethical behavior usually damages the organization, some factors may cause people to be unwilling to copy the behavior as they do not want to harm the organization. This abstention may be caused by the relation one has with the organization. For example, people who don't feel connected with the organization are less likely to be concerned with the potential harmful consequences for the organization. Organization identification represents the degree to which an individual defines the self in terms of his/her membership with an organization (Ashforth & Mael, 1989; Tajfel & Turner, 1986). So, although people may be inclined to copy unethical behavior, they may do so to a larger extent when they have a low organization identification.

However, unethical behavior can also be *beneficial* to the organization, at least in the short run (Coleman, 1987; Pinto et al., 2008). Such behaviors include, among others, price-fixing and bribe giving (Pinto et al., 2008). In these cases, organization identification may impact behavioral contagion in a different way. When the observed unethical behavior seems beneficial for the organization, one's organization identification may cause people to go beyond what is ethical to benefit their organization (Umpress, Bingham, & Mitchell, 2010; Umpress & Bingham, 2011), thereby copying the unethical behavior.

The relation one has with the organization is a rather relevant aspect of ethical behavior within organizations (e.g. Kaptein, 2008). As such, one's connection with the context at stake may very well impact the tendency to copy unethical behavior (Hirschi, 1969). I will demonstrate how organization identification impacts one's inclination to copy unethical behavior, thereby distinguishing between unethical behavior that is harmful to the organization and unethical behavior that is beneficial to the organization.

### **Aim of the Dissertation**

Altogether, unethical behavior is an unfortunate organizational phenomenon. This dissertation argues the social context to be of importance, as individuals have been shown to copy unethical behavior from others (e.g. Treviño et al., 2006; Robinson & O'Leary-Kelly, 1998; Jones & Kavanagh, 1996; Kallgren et al., 2000; Keizer et al., 2008; McCabe & Treviño, 1993;

McCabe et al., 2002). An important contribution of focusing on the act of copying unethical behaviors of others is that awareness is created for the significant chance of unethical behavior to spread as a result of social interaction. Sometimes, unethical behavior is an incidental occurrence. For example, one individual that takes home a pile of printing paper is not in itself disastrous for an organization. However, if this behavior is copied by others, one cannot speak of “incidental occurrences” anymore. In fact, when individuals copy unethical behavior, this may eventually lead to the total escalation of unethical behavior within an organization, accompanied with the negative consequences of unethical behavior.

Another aim of this dissertation is to take an inter-individual perspective when examining unethical behavioral contagion. It seems that research on the “interpersonal approach” views social influences as the unethical behavior performed by a *group* of people and as such studies the possible impact of unethical group behavior on the unethical behavior of an individual. In the current dissertation, social influence is often operationalized by the impact that *one* unethical individual exerts over another individual. This is innovative as, so far, to my knowledge, only research by Gino, Ayal, and Ariely (2009) have done this, by showing that, when a confederate cheats on a mathematical task, individuals become more likely to cheat on the task as well. As social interactions within organizations often occur on an interpersonal basis, I deem it highly important to study the impact of a singular behavioral exemplar. Decidedly, the undisputedly starting point of unethical contagion is where one unethical individual influences another individual. As such, this dissertation aims “to stand at the cradle” of where one incidental occurrence may potentially be leading to the spread of unethical behavior throughout the organization.

Furthermore, with the exception of a few studies, scarce research attempt has been made on moderators of unethical behavioral contagion. Robinson and O’Leary-Kelly (1998) found support for the influence of an individual’s tenure in a group such that individuals are more inclined to copy unethical behavior when their time in the group increased. Also, unethical behavior of an individual was more strongly related to the level of unethical behavior in the group when task interdependence was high. O’Fallon and Butterfield (2011) show the moderating impact of individual differences as a low need for affiliation weakens the relationship between

unethical behavior of others and one's own unethical behavior. As such, it seems that research on moderators of unethical behavioral contagion has started, but is still in an early stage. So, more research on such moderators is needed (O'Fallon & Butterfield, 2005; Kish-Gephart et al., 2010). After all, only when we fully understand the conditions that may enhance or inhibit unethical behavioral contagion, organizations can develop effective methods to counter the spread of such behavior throughout the organization. By studying moderators of unethical behavioral contagion I contribute to filling this research gap.

### **Data Collection**

The data in the empirical chapters are based on both field studies as well as experimental studies, and all the empirical chapters combine field data and data retrieved from an experiment. The used field data was collected in two studies: one among medical specialists in a large organization within healthcare and the other among employees in a financial organization. The experiments were conducted in a lab among business and economy students. The inclusion of experimental data allowed me to manipulate the concepts of interest and test for causality. The field data served as a way to generate external validity, as the results pertain to a real life setting. As such, the combination of data increases the robustness of my results.

### **The Present Dissertation**

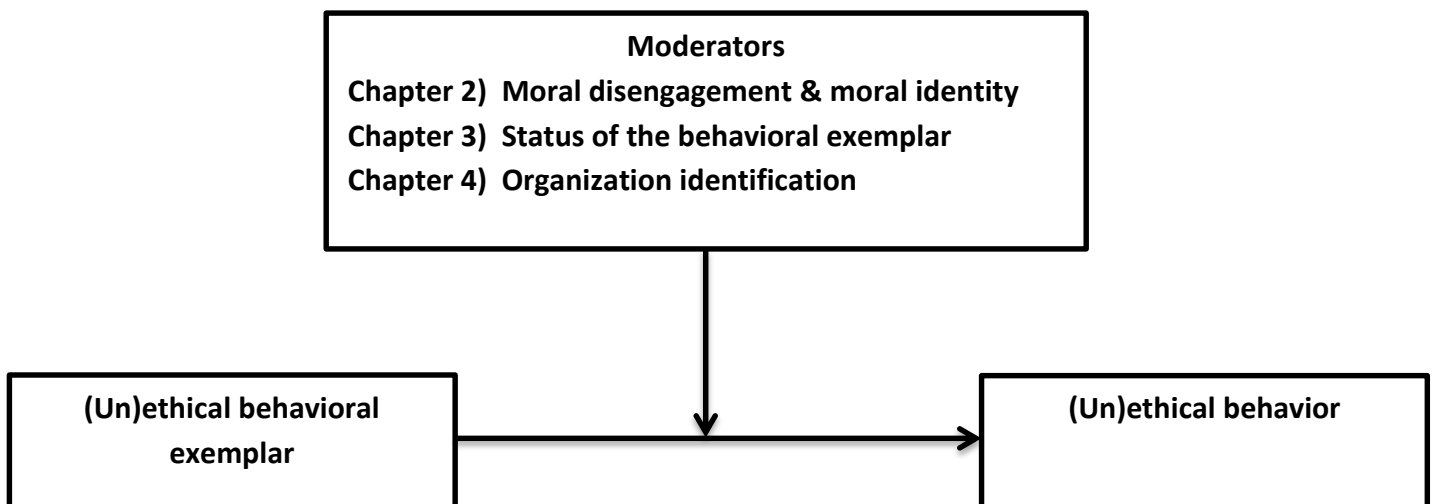
In this dissertation I study unethical behavioral contagion, thereby including different moderators that may further strengthen or dampen this phenomenon. In Chapter 2, I investigate the influence of individual differences on unethical behavioral contagion. More specific, I test in a field study and an experimental study two individual differences that influence one's inclination to copy unethical behavior, namely: moral disengagement and moral identity. Chapter 3 studies the influence of the status of the exemplar on one's inclination to copy the behavior of that exemplar. As I test for the unique interplay between status and unethical behavioral contagion, I make a contrast between ethical and unethical contagion. I test this in a field setting with two points of measurements as well as by means of a laboratory experiment. In Chapter 4, I study the influence of organization identification on unethical behavioral contagion. Also, I test for a

different effect of organization identification by contrasting unethical behavior that is harmful to the organization with unethical behavior that is *beneficial* to the organization. I test this in two field studies, of which one field study has two points of measurements and replicate the results in a laboratory experiment. Chapter 5 provides an overview of the findings from the different empirical studies. I integrate the findings and reflect on their significance within the research field as well as their accompanied practical implications. Also, I will indicate the strengths and limitations of the dissertation as well as highlight my thoughts on future research. I will conclude with drawing some final remarks. See Figure 1.1 for a conceptual overview of the dissertation.

Finally, I would like to note that chapters 2, 3, and 4 are based on papers that are separately submitted in order to be published in the future. As such, the chapters can be read separately and some textual overlap between them exists.

*Figure 1.1*

*Conceptual overview of the dissertation*





# Chapter 2

## On Unethical Behavioral Contagion: The Influence of Moral Disengagement and Moral Identity<sup>1</sup>

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<sup>1</sup> This chapter is based on Ponsioen, S.N., Mulder, L.B., and Molleman, E. (under review)





## Introduction

Unethical behavior within organizations is a serious problem. Theft alone costs organizations as much as \$660 billion annually and accounts for 6% of the losses in annual revenues (Meiners, 2005). Even worse, unethical behavior may escalate throughout the organization as incremental processes can cause little unethical behavior to develop into severe unethical conduct by means of a step-by-step routine (Gino & Bazerman, 2009; Tenbrunsel & Messick, 2004). Unethical behavior is defined interchangeably with terms such as antisocial behavior, corrupt behavior, and counterproductive work behavior (Trevino, Weaver, & Reynolds, 2006). It may include numerous kinds of behaviors, varying from stealing office supplies, to misrepresenting financial figures, or engaging in acts of corruption. We define unethical behavior as behavior that “is illegal or morally unacceptable to the larger society” (Jones, 1991, p. 367), accompanied with negative implications for individuals or for the organization (Robinson & Bennet, 1995; Robinson & O’Leary-Kelly, 1998).

As organizational costs of unethical conduct can be high, it is important to understand what instigates people to behave unethically. One important contextual factor is social influence. Decidedly, individuals are known to be influenced in their behavioral actions by others; people tend to do what others do (Bandura, 1977; Goldstein, Cialdini, & Griskevicius, 2008). Thus, observing others’ unethical conduct may lead to the imitation of that unethical behavior - people may act unethically when they notice others behaving unethically (e.g. Gino, Ayal, & Ariely, 2009; Robinson & O’Leary-Kelly, 1998). However, so far, research on moderators of unethical behavioral contagion is scarce (O’Fallon & Butterfield, 2011). As such, also little is known about individual differences that may determine how people behave and respond to perceived unethical conduct. In line with the interactionist perspective that views unethical behavior to be influenced by an interplay between individual and contextual factors (Umpress & Bingham, 2011), we aim to study the moderating influence of individual differences on the relation between social interactions and unethical behavior. More specifically, the current paper examines whether an unethical exemplar instigates unethical behavior within a person and to what extent this effect is moderated by two individual differences: moral disengagement and moral identity.

Moral disengagement refers to one's proneness to justify unethical behavior (Moore, 2008). As high moral disengagers may use unethical behavior of others as a legitimization to engage in similar behavior, moral disengagement as an individual difference may influence whether unethical behavior is copied from one person to the other. Moral identity, which embodies one's concern with regard to be a moral-self (Aquino & Reed, 2002), may interact with moral disengagement to predict this. The reasoning for this is that a high level of moral identity brings about a higher awareness of what is moral and, as such, of the immorality of rationalizing one's immoral behavior. So, a high moral identity may withhold one's inclination to use other people's unethical behavior as a justification to behave in similar ways. As such, the combination of moral disengagement and moral identity are proposed to be important individual differences that influence one's inclination to copy unethical behavior.

The current paper serves a practical aim as it contributes to the understanding of the spread of unethical behavior in organizations and to how such spread can be prevented. More specific, by showing how individual differences in moral disengagement and moral identity interactively impact unethical behavioral contagion, we advance on the research of moderators that influence one's inclination to copy unethical behavior. This is important as a full understanding of the conditions under which unethical behavior may spread is necessary in order to develop effective methods to reduce the occurrence of such conduct. The inclusion of individual differences also adds to the literature on interactionist perspectives, as we show how individual differences and social cues combine to cause unethical behavioral contagion. After an overview of the concepts to be studied, we will present two studies. First, in a field study we explore the moderating influence of moral disengagement and moral identity on the degree to which employees copy unethical behavior. Second, we conduct an experimental study, aiming to replicate our field findings in the lab and to test for the causal influence of exposure to an unethical exemplar.

## Theory and Hypotheses

### Interpersonal Interaction

Individuals are strongly influenced by each other, leading individuals to copy unethical behavior from each other. Indeed, research supports the existence of such spill-over effects. Cialdini, Reno, and Kallgren (1990) found that individuals litter more in an environment that has a lot of litter already (indicating that others have littered) than when the environment is clean. Also, Gino et al. (2009) showed that students were more likely to cheat on a task when they observed a confederate cheating than without such a confederate. Last, Keizer, Lindenberg, and Steg (2008) showed that when people violated a social norm like trespassing a “no trespassing” sign, other people became more likely to violate this social norm as well.

Different processes may underlie the contagiousness of behavior. Social learning theory shows that people learn how to behave by observing other people’s behavior (Bandura, 1977). Individuals make use of information from their social surroundings to interpret situations and establish attitudes about the valid social norms (Goldstein et al., 2008) and appropriate behavior (Bandura, 1977; Robinson & O’Leary-Kelly, 1998). Although one may intuitively expect it less likely for an exemplar to serve as a role model for *unethical* behavior, the opposite may be true because these exemplars may function as a justification for people to engage in unethical behavior themselves. When people observe unethical behavior, and such behavior is not punished, people may interpret this behavior to be “okay” which may legitimize them to engage in similar conduct (Ashforth & Anand, 2003). As unethical behavior often serves one’s self-interest, people often engage in “motivated reasoning”, which is a biased form of cognitive processing that allows individuals to formulate and focus on arguments that will lead them to arrive at a desired conclusion (Kunda, 1990; Kunda & Sinclair, 1999). Consequently, noticing that others are engaging in a specific type of unethical behavior will make people inclined to refer to this unethical conduct of others as “proof” that the specific behavior is not unethical. In doing so, people have a justification for showing this behavior themselves. As such, social interaction with an unethical exemplar will cause an individual to become more unethical than without such an exemplar.

Although the awareness of others behaving unethically may form a strong trigger to act unethically as well, not all individuals are equally likely to be subject to this trigger. Individual differences may exist that determine how someone reacts to an unethical other. In particular, there may be individual differences that determine whether or not someone uses another person's unethical behavior as justification for behaving in a similar way themselves. We propose two individual difference variables to be important determinants of this. One is the propensity to morally disengage and the other is moral identity.

### **Moral Disengagement**

Moral disengagement entails that people make use of cognitive processes by which they convince themselves that their behavior is not violating their own moral standards (Bandura, 1990; Bandura, Barbaranelli, Caprara, & Pastorelli, 1996; Moore, 2008). For all healthy human beings it is important to keep up an image of being a moral person. When there is an off-balance between actions and beliefs of being a moral person, this causes cognitive dissonance and distress (e.g. Festinger, 1957; Shu, Gino, & Bazerman, 2011). Individuals deal with this dissonance by making creative use of cognitive mechanisms that justify unethical behavior. Consequently, they can keep their own moral self-image intact while perpetrating unethical behavior. In this disengagement process, people may use various mechanisms (Bandura, 1990; Bandura et al., 1996; Moore, 2008). Some of these mechanisms make an unethical act appear less immoral by making the act seem less harmful or more beneficial in some way (Moore, 2008). Examples are using euphemisms (saying "creative bookkeeping" rather than "fraud"), and telling yourself that your behavior serves a greater good (e.g. telling a white lie). Other mechanisms serve to view the effects of the unethical behavior as a minimal consequence or distress caused to others ("Stealing office supplies does not really harm the company"). Last, there are mechanisms that serve to minimize the responsibility of the unethical perpetrator (Moore, 2008). For example, people may tell themselves that their own role in the event is so small that he/she is not to blame (Bandura et al., 1996) or view their actions as a consequence of social pressures from others instead of their own personal responsibility ("My boss asked me to have balanced books").

Individuals differ in their inclination to make use of mechanisms to morally disengage and research suggests that individuals who have a high proneness to morally disengage are more inclined to commit unethical behavior than individuals who have a low proneness to morally disengage (Bandura et al., 1996; Moore, 2008). For example, research by Osofsky, Bandura, and Zimbardo (2005) among prison personnel shows that high moral disengagers are more often member of the execution team that carries out the death penalty, whereas people that score low on moral disengagement were most often not involved in the execution process at all. Further, research by Detert, Treviño, and Sweitzer (2008) shows that people with a high propensity to morally disengage are more inclined to engage in lying, cheating, and stealing.

So far, research has focused on the overall relation between the propensity to morally disengage and immoral behavior. We go a step further and argue that moral disengagement may especially be an important *moderating* factor in the sense that it determines people's reactions to observing another person behaving unethically. We reason that people who have a strong inclination to use mechanisms of moral disengagement may be more easily triggered by contextual factors that provide an opportunity for rationalizing unethical conduct and to grasp such opportunities. As discussed in the previous paragraphs, observing unethical conduct is such a contextual factor that people use as a legitimization for engaging in similar conduct. After all, observing unethical exemplars provides people with tools for shifting (at least part of) one's responsibility to someone else (Mazar, Amir, & Ariely, 2008). High moral disengagers are more likely to engage in motivated reasoning and to use such justifications for immoral behavior. This greater inclination will make them more at ease than low moral disengagers with using cognitive processing tools that tell themselves "if the other is doing it, then it is okay for me to behave in this way". As a consequence, it is expected that they will be more likely to be induced into unethical conduct by an unethical exemplar than low moral disengagers.

### **Moral Identity**

Another individual difference variable that is known to influence ethical and unethical behavior is moral identity (Moore, Detert, Treviño, Baker, & Mayer, 2012). Moral identity represents the accessibility to the part of one's identity that is concerned with morality. Moral

identity can be defined as a mental representation of one's self-concept that is held internally and consists of moral values, goals, traits, and behavioral scripts. It refers to the degree that the moral self is important to one's identity and self-concept (Aquino & Reed, 2002) and entails both private and public moral dimensions of the self (e.g. Fenigstein, Scheier, & Buss, 1975). As such, moral identity reflects one's internal feelings and beliefs, but also reflects one's definition as a social citizen that impacts others (Aquino & Reed, 2002). Although for most people being a moral person is of great importance, for some people being highly moral is more of a concern than for others (Aquino, Reed, Freeman, Lim, & Felps, 2009). Research on moral identity shows its influence on unethical behavior. A study of Aquino et al. (2009) shows that low moral identifiers lied more in business negotiations as compared to high moral identifiers. Also, research shows that a high moral identity leads to a lower report of unethical activities such as stealing, cheating, and infidelity (Schlenker, 2008; Shao, Aquino & Freeman, 2008).

Hence, like moral disengagement, moral identity influences people's moral self-regulation (Mulder & Aquino, 2013). Therefore, we propose moral identity as an additional individual difference variable that drives an individuals' response to perceived unethical conduct. More specific, we propose that moral disengagement and moral identity may combine to moderate the relationship between witnessing an unethical exemplar and unethical conduct of the observer in the form of a three-way interaction. We have already argued that high moral disengagers would be more inclined to copy unethical behavior than people who score low on moral disengagement as they are more likely to use the presence of unethical others as a way to rationalize their own unethical behavior. However, moral identity may serve as a countervailing force for this to occur. High moral identifiers are especially likely to recognize occasions that violate their moral and social values (Skarlicki, Van Jaarsveld, & Walker, 2008). More specific, Skarlicki and colleagues (2008) argue that high moral identifiers are more sensitized to situations in which moral standards are violated. That is, high moral identifiers are assumed to be more aware of the unethicity of an act when encountered with unethical behavior. If this is the case, then one would expect that observing unethical conduct may make them aware of their norms of morality and thereby the immorality of aiming to rationalize such behavior. As they are motivated to uphold a moral self-image (Aquino & Reed, 2002) high moral identifiers may thus

feel inhibited to use another person's unethical behavior as an excuse to act unethically themselves.

Thus, even when moral disengagement proneness is high, an individual may refrain from copying unethical conduct when his/her moral identity is high because this high moral identity will make them aware of the unethicity of using another person's unethical behavior as an excuse to behave unethically themselves. In contrast, low moral identifiers will have no such awareness and, when seeing an unethical exemplar, they will feel no inhibitions to use the behavior of the unethical exemplar as an excuse when they have a proneness to do so. Therefore, we hypothesize a three-way interaction between the presence/absence of an unethical exemplar, moral disengagement, and moral identity to predict an individual's unethical behavior.

*Hypothesis. The extent to which people behave unethically after witnessing an unethical exemplar is moderated by a combination of an individuals' propensity to morally disengage and their moral identity: People are more unethical when confronted with an unethical exemplar than without such an exemplar, but only when they have a high propensity to morally disengage combined with a low moral identity.*

## Study 1

### Participants

We approached 245 employees from three business units of a financial organization to participate in an online questionnaire on integrity<sup>2</sup>. In total, 193 employees (37 percent female,  $M_{\text{age}} = 39$ ,  $SD_{\text{age}} = 8.77$ ) filled out the questionnaire (79%). The average tenure is 14 years. Four percent of the employees had a high school degree, 15% a vocational degree, 43% a bachelor degree, and 12% a master degree; 26% did not indicate their educational degree. There was no reward for the respondents for participating in this study.

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<sup>2</sup> This dataset is also used in chapter 3 and chapter 4.



## Procedure

Respondents received an email with a link to an online questionnaire. Due to the sensitivity of the research objective, it was stated explicitly that the data was handled with the highest confidentiality and that no one - besides the researchers involved - would ever see the results on an individual level.

In the questionnaire, we first measured moral disengagement, followed by moral identity. Then, we measured observed unethical behavior of colleagues, as well as own unethical behavior. Last, we asked the respondents for some demographics.

## Measurements

**Moral disengagement.** As a measure of moral disengagement we used seven items<sup>3</sup> of a scale developed by Moore, Detert, Treviño, Baker, and Mayer (2012). This was done on a seven point answering scale (1 = *completely disagree*, 7 = *completely agree*). Some examples of the items asked were “*It is okay to spread rumors to defend those you care about*”, and “*People shouldn’t be blamed for doing things that are technically wrong when all their friends are doing it too*” (alpha = .64).

**Moral identity.** Due to the organization’s concerns about the length of the survey we only used the 5-item internalization subscale of moral identity (Aquino & Reed, 2002). This specific subscale taps into the degree to which moral traits are central to one’s self-definition and has been used in several studies of moral functioning (Aquino & Reed, 2002; Aquino & Freeman, 2009). Participants were asked to read a list of characteristics (e.g. “Caring”, “Compassionate”, and “Kind”) and to visualize a person that possesses these characteristics. The five items were presented on a seven point answering scale (1 = *completely disagree*, 7 = *completely agree*). Some example items are: “*It would make me feel good to be a person who has these characteristics*”, and “*I strongly desire to have these characteristics*” (alpha = .84).

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<sup>3</sup> The original scale of Moore and colleagues (2012) has eight items. Unfortunately, due to a programming error, we accidentally missed one item in both studies this paper. This item was “Some people have to be treated roughly because they lack feelings that can be hurt”.

**Unethical colleagues.** As a measure of unethical behavior of colleagues we made use of the unethical behavior scale developed by Kaptein (2008). In collaboration with two experts within the organization, we selected nine items of the 37-item questionnaire from Kaptein (2008) that were most relevant within the specific organizational context. These items were: *“Falsifying or manipulating financial reporting information”, “Abusing or misusing confidential or proprietary information”, “Violating document retention rules”, “Providing inappropriate information tot analysts and investors”, “Trading securities based on inside information”, “Engaging in false or deceptive sales and marketing practices”, “Engaging in anticompetitive practices”, “Breaching customer or consumer privacy”, and “Accepting inappropriate gifts, favors, entertainment, or kickbacks from suppliers”*. Participants were asked how often they perceived direct colleague(s) to engage in each of these behaviors on a seven point answering scale. The higher the score, the more often the direct colleague(s) resort to unethical behavior (alpha = .94).

**Unethical behavior.** Respondents’ *own* unethical behavior was measured by means of the same nine items of the unethical behavior scale developed by Kaptein (2008). Participants were asked how often they engaged in each of these behaviors on a seven point answering scale. The higher the score, the more often one’s engagement in unethical behavior (alpha = .80).

### **Convergent and Discriminant Validity**

A Confirmatory Factor Analysis (CFA) was conducted to cross-validate the convergent and discriminant validity of the measured constructs. LISREL 8.80 was used to estimate parameter estimates for 4 models: (1) a model with four latent constructs reflecting the intended factor structure (i.e., moral disengagement, moral identity, unethical behavior of colleagues, and own unethical behavior) , (2) a three factor model where moral disengagement and moral identity load onto a single construct, (3) a three factor model where unethical behavior of colleagues and own unethical behavior load onto a single construct, (4) and a model where all items load onto one factor.

Overall model fit was assessed by several fit indices, including the Root Mean Square Error of Approximation (RMSEA), Non-Normed Fit Index (NNFI), and the Comparative Fit Index (CFI). Models were compared by means of  $\chi^2$ -differences. The values and indices are reported in Table

2.1. Comparing the  $\chi^2$  values for the models reveals that model 1 fits significantly better than model 2 ( $\Delta\chi^2 = 115.82$ ,  $\Delta df = 3$ ,  $p < .001$ ), model 3 ( $\Delta\chi^2 = 492.95$ ,  $\Delta df = 3$ ,  $p < .001$ ), and model 4 ( $\Delta\chi^2 = 800.93$ ,  $\Delta df = 6$ ,  $p < .001$ ). This suggests that model 1 is superior.

Table 2.1

Study 2.1: Confirmatory factor analysis

Model	$\chi^2$	df	$\Delta\chi^2$	$\Delta df$	$\Delta p$	RMSEA [90% CI]	NNFI	CFI
1	991.76	399				0.09 [0.08; 0.10]	0.85	0.86
2	1107.58	402	115.82	3	$p < .001$	0.11 [0.09; 0.12]	0.82	0.83
3	1484.71	402	492.95	3	$p < .001$	0.14 [0.13; 0.15]	0.72	0.74
4	1792.69	405	800.93	6	$p < .001$	0.16 [0.16; 0.17]	0.62	0.67

Note:  $n = 141$ .  $\Delta\chi^2$ ,  $\Delta df$  and  $\Delta p$  are all relative to model 1.

## Results

The means, standard deviations, and correlations between variables are presented in Table 2.2. Table 2.3 presents the results of the regression analyses; Figure 2.1 represents a graphical picture of the results.

Unethical behavior was regressed on the independent variables in four steps by using the procedure recommended by Aiken and West (1991). All the variables of the analysis were standardized before cross products were computed. In the first step, we included the business units. As the organization has three different business units that each have a different task focus within the organization, we included dummies for the business units as control variables in the first model. Then, we added the main effects of unethical behavior of the colleague, moral disengagement, and moral identity in the second model. In the third model, we added the two-way interactions of unethical colleague  $\times$  moral disengagement, unethical colleague  $\times$  moral identity and moral identity  $\times$  moral disengagement. Finally, we added the three-way interaction between unethical colleague, moral disengagement, and moral identity in the fourth model.

The results show that, unethical conduct of colleagues positively predicts respondents' own unethical behavior ( $B = 0.11$ ,  $p < .01$ ). Also, there was a marginal three-way interaction

between moral identity, moral disengagement and the unethical behavior of colleagues on unethical behavior of the respondents ( $B = -0.06$ ,  $p < .10^4$ ,  $\Delta R^2 = .02$ ). To illustrate the nature of the interaction we plotted the interactions in Figure 2.1.

Table 2.2

Study 2.1: Means, standard deviations, and correlations

	Variables	Mean	S.D.	1	2	3	4
1	Moral identity	5.83	0.89	-			
2	Moral disengagement	2.38	0.75	-.02	-		
3	Unethical colleague	1.73	0.87	-.11	.31**	-	
4	Unethical behavior	1.17	0.36	-.04	.13	.34**	-

\*  $p < .05$ , \*\*  $p < .01$

We used Aiken and West's (1991) procedure for plotting interactions with continuous variables. Accordingly, for unethical behavior of colleagues, moral disengagement, and moral identity, we generated Zl and Zh, corresponding to one standard deviation below, and one standard deviation above the mean, respectively. Figure 1 shows that having colleagues who behave unethically, positively predicted own unethical behavior for respondents who have a strong inclination to morally disengage and who score low on moral identity ( $B = 0.21$ ,  $p < .01$ ). Further, having colleagues who behave unethically is not a significant predictor for own unethical behavior for respondents who have a strong intention to morally disengage and score high on moral identity ( $B = 0.08$ ,  $p = .11$ ). Having colleagues who behave unethically does not predict own unethical behavior for respondents who have a low intention to morally disengage and score low on moral identity ( $B = 0.02$ ,  $p = .83$ ). Last, unethical colleagues are not a significant predictor for unethical behavior of the respondents who have a low intention to morally disengage and score high on moral identity ( $B = 0.12$ ,  $p = .09$ ).

<sup>4</sup> The two-tailed significance was  $p < .10$ . However, since this is a hypothesized effect we could have used a 1-tailed test for which the  $p$  was  $< .05$ .

Table 2.3

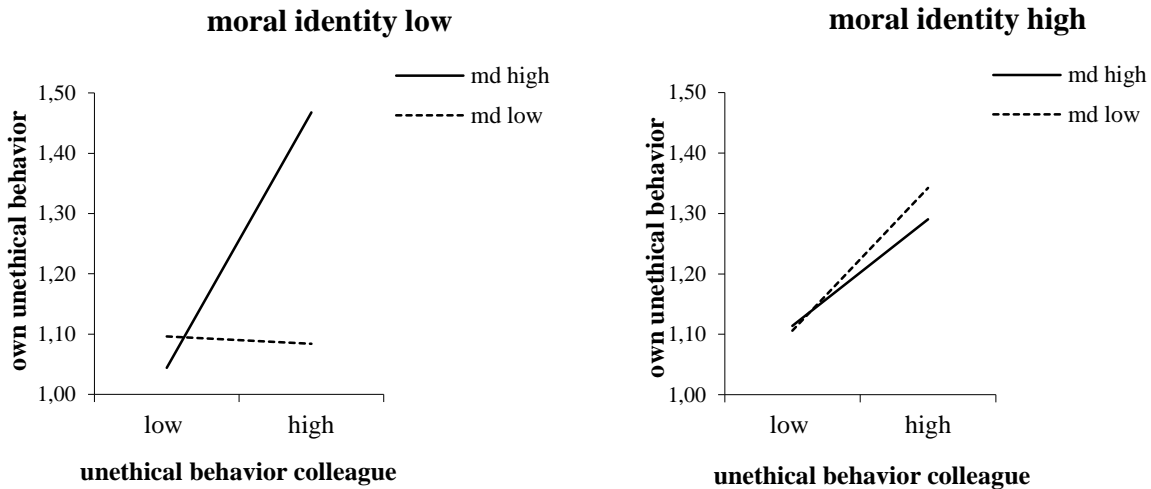
Study 2.1: Regression results on unethical behavior

Step and variables	Model 1		Model 2		Model 3		Model 4	
	B	SE	B	SE	B	SE	B	SE
Intercept	1.24**	(0.10)	1.22**	(0.09)	1.21**	(0.10)	1.19**	(0.09)
<b>Control</b>								
Business Unit 1 dummy	-0.06	(0.11)	-0.04	(0.10)	-0.03	(0.11)	-0.01	(0.11)
Business Unit 2 dummy	-0.10	(0.11)	-0.09	(0.11)	-0.08	(0.11)	-0.08	(0.11)
<b>Main effects</b>								
Moral disengagement			0.02	(0.03)	0.03	(0.03)	0.03	(0.03)
Moral identity			0.01	(0.03)	0.01	(0.03)	0.02	(0.03)
Unethical colleague			0.12**	(0.03)	0.11**	(0.03)	0.12**	(0.03)
<b>Two-way interactions</b>								
MD x MI					-0.06	(0.04)	-0.04	(0.04)
MD x Unethical colleague					0.01	(0.03)	0.04	(0.03)
MI x Unethical colleague					-0.03	(0.04)	-0.01	(0.04)
<b>Three-way interaction</b>								
MD x MI x U. Colleague							-0.06 <sup>†</sup>	(0.03)
R Square	.00		.12		.14		.16	
Δ R Square			.12**		.02		.02 <sup>†</sup>	

\*  $p < .05$ , \*\*  $p < .01$ , <sup>†</sup>  $p < .10$

Figure 2.1

Study 2.1: Three-way interaction moral disengagement, moral identity, and an unethical colleague on unethical behavior (md=moral disengagement)



## Discussion

In line with our expectations, the results of Study 1 show that unethical behavior of colleagues positively predicts unethical behavior of the respondents themselves, but only for those participants who have a strong inclination to morally disengage, combined with a low moral identity. Study 1 thus forms a first indication that copying unethical behavior depends on one's moral disengagement as well as moral identity. As such, the results suggest that when high moral disengagers are aware of existing unethical behavior they may argue such behavior to be normative and thereby use the unethical behavior as a justification to become unethical themselves too. That is, only when their moral identity is low as well, because a high moral identity withholds those who have a high propensity to morally disengage to copy unethical behavior of others.

However, one could also argue that witnessing unethical behavior of others makes people believe that the chance of being caught is small. Then, people with a more opportunistic nature (for example, those with a high propensity to morally disengage and a low moral identity) may engage in unethical behavior not because the perceived unethical behavior helps them to justify

their own acts, but simply because they believe that they can get away with it. In order to rule out this alternative explanation for the results, we controlled for participants' perception of the likelihood of getting caught when engaging in unethical behavior in Study 2.

Also, due to the cross-sectional design of Study 1, the results mainly show the existence of a relation between the concepts and therefore we cannot state causality. Thus, we need to perform an experimental study in which the presence of an unethical exemplar is manipulated and other factors are held constant. This is what we did in Study 2.

## Study 2

### Participants and Design

Sixty-seven economy and business students of a European University (50 male, 17 female,  $M_{age} = 21$ ,  $SD_{age} = 2.37$ ) participated in this experiment for a financial reward. The reward depended on their performance (and their cheating, if they cheated). Therefore, no fixed reward was provided. Our experimental set-up was modeled after a set-up used by Gino and colleagues (2009). Participants were randomly assigned to one of two conditions that resembled the manipulation for the absence or presence of an unethical exemplar (no confederate versus confederate). The propensity to morally disengage as well as one's own moral identity were measured as continuous independent variables<sup>5</sup>.

### Procedure

We conducted 10 experimental sessions, each lasting about 30 minutes. All the sessions were given in a classroom. We randomly assigned the conditions to the sessions. The group size of the sessions ranged from four to ten participants ( $M_{size} = 7.18$ ). Participants were told that they would participate in a study on numerical insights.

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<sup>5</sup> As we also aimed to test whether moral disengagement as a state (rather than trait) influenced the degree to which people copied unethical behavior, we manipulated moral disengagement as well. In the beginning of the experimental session participants either argued in favor of or against several moral rationalization statements. Effects of the manipulation were not found. Controlling for this moral disengagement manipulation in our analyses did not alter the results. Therefore, the moral disengagement manipulation was omitted from further analyses.

Before beginning, all participants gave their informed consent prior to their inclusion in the experiment. Subsequently, at the beginning of each session, every participant was given an envelope containing €10.50. Furthermore, they received a paper sheet and a questionnaire. The paper sheet was a worksheet with 30 matrices, each containing 12 numbers consisting of an integer and two decimals. Participants were told to find two numbers per matrix that added up to 10; they were given five minutes to solve as many matrices as possible. For each pair of numbers correctly identified, participants were allowed to take € 0.25 out of the envelope on their desk. They could theoretically earn € 7.50 by solving all the 30 matrices within five minutes.

Before starting the matrix task, the procedure was explained to the participants. Participants were told that after five minutes, they could self-allocate the money and throw their matrix sheet in the paper bin that was placed in the corner of the classroom, next to the exit. It was made clear to the participants that no one would ever see their matrix sheet as they would have to throw away the matrix sheet in the paper bin after they completed the assignment. To make it appear as if this bin was meant for paper disposal and thus increase the likelihood that participants believed that their matrix sheet would be thrown away, the paper bin was filled with piles of old paper. After that, participants could continue with a questionnaire. The experimenter remained at her desk and did not engage in the process.

After the explanation of the procedure the matrix task started. Participants were given five minutes to solve as many matrices as possible. In the confederate condition, there was a confederate (Caucasian female, aged 22) who, 60 seconds after the beginning of the matrix task, stood up and said: "I've solved everything; I took the € 7.50, "Now what?". As the confederate stood up after such a short period of time, it was evident that the person was lying or cheating (see also Gino et al, 2009). The experimenter explained the procedure again. The confederate threw the matrix sheet in the paper bin and continued with the questionnaire. In the no-confederate condition there was no such confederate.

After the 5 minutes, participants were asked to take their earned money, and throw their matrix sheet in the paper bin. Then, they were asked to fill out a questionnaire measuring the manipulation check and the two individual differences variables. After finishing the questionnaire, participants left the room. After all participants left, the experimenter collected



the paper sheets out of the paper bin. The matrix sheets were coded by means of their matrix order, that was linked to the envelop that contained the left-over money as well as the questionnaire, as the latter two contained a coded label.

### **Measurements and Manipulations**

***Cheating.*** As an indication of cheating we subtracted the amount of money they were entitled to according to the number of matrices they had solved from the amount of money they took from the envelope. The larger this score, the more they had cheated.

***Manipulation check unethical exemplar.*** As an unethical exemplar manipulation check we asked participants whether they thought that someone within the group cheated. Participants answered on a seven point answering scale (1 = *definitely not*, 7 = *definitely yes*).

***Moral disengagement.*** As a measure of moral disengagement we used the same scale and items as we used in Study 1 (Moore et al., 2012), albeit we deleted one item to increase the alpha from .54 to .63.

***Moral identity.*** As there were no organizational constraints with regard to the length of the experiment, here we could use the complete ten-item moral identity scale as was developed by Aquino and Reed (2002). So, besides the already used internalization subscale in Study 1, we now also included the symbolization subscale. Some example items are: *“I often wear clothes that identify me as having these characteristics”*, and *“I often buy products that communicate the fact that I have these characteristics”*. Participants answered on a seven point answering scale (1 = *completely disagree*, 7 = *completely agree*) (alpha = .69).

***Presence of confederate.*** The no confederate condition was coded as “-1” and the confederate condition as “1”.

***Likelihood of getting caught.*** As we wanted rule out an alternative explanation for participants to be unethical for reasons of a small likelihood of getting caught, we presented participants with two items: *“Taking more money than you earned according to your solved matrices is something nobody finds out”* and *“Taking more money than you earned according to your solved matrices will remain unnoticed”*. Participants answered these items on a seven point answering scale (1 = *completely disagree*, 7 = *completely agree*) (alpha = .80).

## Results

**Manipulation check.** The manipulation check was regressed on the independent variables and all the continuous variables of the analysis were standardized before cross products were computed. The results only showed a significant main effect for the confederate condition ( $B = 0.80, p < .001$ ). In the confederate condition people more strongly thought that someone was cheating than in the no confederate condition.

**Cheating.** The means, standard deviations, and correlations between the variables are presented in Table 2.4. Table 2.5 presents the results of the regression analysis; Figure 2.2 represents a graphical picture of the results.

Table 2.4

Study 2.2: Means, standard deviations, and correlations

	Variables	Mean	S.D.	1	2	3	4
1	Moral identity	4.63	0.72	-			
2	Moral disengagement	2.91	0.91	.09	-		
3	Confederate	0.55	0.50	-.05	-.24*	-	
4	Cheating	0.75	1.93	.09	.24*	.07	-

\*  $p < .05$

We hypothesized that people were more likely to cheat in the presence of a confederate than without the confederate, and that this was moderated by moral disengagement and moral identity. Cheating was regressed on the independent variables in four steps, by means of the same procedure as used in Study 1 (Aiken & West, 1991). In the first model (Table 2.5), we included the control variable likelihood of getting caught (to control for this as an alternative explanation). In the second model, we added the main effects of the confederate, moral disengagement, and moral identity. In the third model, we added the two-way interactions of the confederate dummy  $\times$  moral disengagement, the confederate dummy  $\times$  moral identity and moral identity  $\times$  moral disengagement. Finally, we added the three-way interaction between the confederate dummy, moral disengagement, and moral identity in the fourth model.

The results showed, in all models, a main effect of moral disengagement on unethical behavior ( $B = 0.66, p < .01$ ). The higher the inclination of a participant to morally disengage, the more the participant cheated. Also, the regression analysis showed a three-way interaction between moral identity, moral disengagement and the confederate dummy on unethical behavior ( $B = -0.98, p < .01, \Delta R^2 = .13$ ). Figure 2.2 shows a graphical representation of the results. We used Aiken and West's (1991) procedure for plotting interactions with continuous variables.

Table 2.5

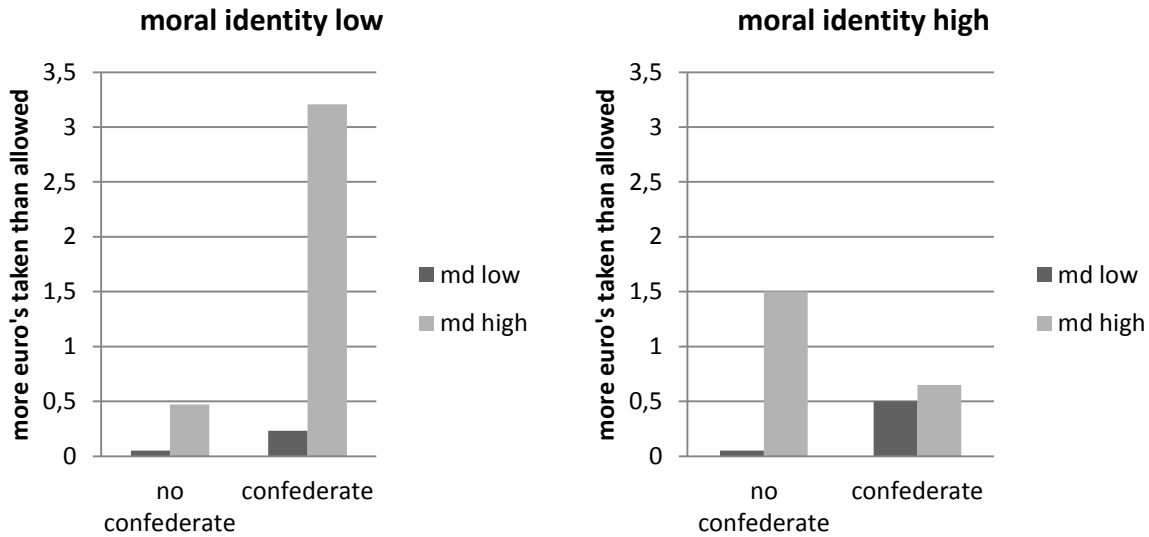
Study 2.2: Results of regression on unethical behavior

Step and variables	Model 1		Model 2		Model 3		Model 4	
	B	SE	B	SE	B	SE	B	SE
Intercept	0.27	(0.56)	0.18	(0.56)	0.15	(0.57)	-0.04	(0.53)
<b>Control variable</b>								
Likelihood getting caught	0.11	(0.12)	0.13	(0.12)	0.14	(0.12)	0.18	(0.11)
<b>Main effects</b>								
Moral disengagement			0.55*	(0.24)	0.52*	(0.25)	0.66**	(0.24)
Moral identity			0.11	(0.24)	0.10	(0.24)	-0.42	(0.28)
Confederate			0.29	(0.24)	0.29	(0.25)	0.40	(0.23)
<b>Two-way interactions</b>								
MD x MI					-0.31	(0.31)	0.01	(0.31)
MD x Confederate dummy					0.09	(0.25)	-0.02	(0.24)
MI x Confederate dummy					-0.41	(0.29)	-0.28	(0.27)
<b>Three-way interaction</b>								
MD x MI x Confederate							-0.98**	(0.31)
R Square	.01		.10		.13		.26	
$\Delta$ R Square			.09		.03		.13**	

\*  $p < .05$ , \*\*  $p < .01$

Figure 2.2

Study 2.2: Three-way interaction moral disengagement, moral identity, and an unethical exemplar on cheating



High moral disengagers were more unethical when faced with an unethical exemplar than without such an exemplar, but only when their moral identity was low ( $B = 1.64, p < .01$ ). When their moral identity was high the unethical exemplar even seems to *decrease* their unethical behavior somewhat, although this effect was only marginally significant ( $B = -0.89, p = .07$ ). For low moral disengagers, the unethical exemplar did not increase cheating when their moral identity was low ( $B = -0.28, p = .57$ ), nor when their moral identity was high ( $B = 1.13, p = .08$ ). All in all, the three-way interaction shows that the unethical exemplar increased cheating among high moral disengagers, but only when their moral identity was low<sup>6</sup>.

## Discussion

The results of Study 2 show that participants who score high on moral disengagement will take more money than they are entitled to when confronted with a cheating confederate, but

<sup>6</sup> Similar significant effects were found when omitting the likelihood of getting caught as a control variable from the analysis.

only when their moral identity is low and not when their moral identity is high. The results also rule out the explanation that this was because observing an unethical others made high moral disengagers and low moral identifiers think that they could get away with cheating. As such, these results support our expectation that a high moral identity suppresses the inclination of those who have a high propensity to morally disengage to justify that the unethical behavior is okay when they encounter an unethical exemplar, thereby withholding them to copy the behavior.

### **General Discussion**

Two studies showed that whether or not observing unethical behavior instigates unethical behavior depends on one's propensity to morally disengage combined with one's moral identity. In Study 1 we found that, albeit marginally significant, unethical behavior of colleagues positively predicted one's own unethical behavior, but only when the observer had a high propensity to morally disengage as well as a low moral identity. In Study 2 the results were replicated in an experiment, thereby providing causal evidence for the found results. Participants cheated more when confronted with an unethical confederate, but only when their propensity to morally disengage was high and when this was combined with a low moral identity. This supports our reasoning that, only for people with a high propensity to morally disengage, other people's unethical behavior serves as a reason to behave unethically themselves, but that this process is inhibited by a high moral identity.

### **Theoretical Implications**

Prior research has shown that an unethical exemplar can instigate unethical behavior among other individuals (e.g. Gino et al., 2009; Keizer et al., 2008). However, research on moderators of this contagion effect is scarce. Robinson and O'Leary-Kelly (1998) found that unethical behavioral contagion is moderated by group-level factors such as an antisocial climate. Also, Gino and colleagues (2009) showed that whether the unethical exemplar belongs to the in-group or out-group moderates an individual's inclination to copy unethical behavior. We add to this literature as we show the importance of moderators at the individual level. More specific,

we find that the individual difference factors of moral identity and moral disengagement influence whether or not people copy an unethical exemplar.

Results of these studies also add to the literature on moral disengagement and moral identity, by showing that the effects of these concepts on moral behavior depend on situational cues. Prior research has shown that individuals with an increased inclination to morally disengage are more likely to engage in unethical conduct (Bandura et al., 1996; Moore, 2008) and so are people with a low moral identity (Aquino & Reed, 2002; Blasi, 1984; O'Fallon & Butterfield, 2011). However, susceptibility to behave in unethical ways may not always translate in unethical behavior per se. For example, in research by Mulder and Aquino (2013) moral identity did not directly influence dishonest behavior. Instead, it was the interaction between one's moral identity and one's previous (dis)honest behavior that affected unethical behavior. Moreover, unethical behavior has been shown to be driven largely by situational factors such as pressure from authorities (Milgram, 1963), or observing unethical others (Gino et al., 2009, Keizer et al., 2008). Such contextual factors may form a "moral challenge" in the sense that they tempt people to engage in unethical behaviors. Resisting these temptations may therefore be regarded as a sign of moral character. Our research shows that moral disengagement and moral identity interact in predicting whether people resist or go along with an unethical other. As such, our research suggests that these two concepts may be important ingredients of moral character.

Last, by showing the interaction between individual differences and a social cue, this research advances on the literature on the situation by personality interactionist perspectives. Globally, two different perspectives can be distinguished that make opposite predictions about how situation and personality interact. The first is situational strength. This perspective argues that the extent to which individual differences determine behavior depends on whether the situational cue is either "strong" or "weak" (Snyder & Ickes, 1985). A situation is strong when the cue is highly structured and salient, causing the situation to overrule the influence of individual differences such that individuals' behavior is foremost guided by the situation. When a situation is ambiguous and unstructured (e.g. a weak cue), behavior is largely determined by individual differences. An example of a strong situational cue is a traffic light, as this strongly dictates how people behave at an intersection. When the traffic light is red, people will be inclined to stop and

this inclination will overrule any influence of individual differences. However, without the presence of a traffic light, behavior would be more strongly determined by individual differences. Then, for example, a high risk taking or daring individual will be more likely to zigzag between cars, whereas a careful individual will be more likely to wait until the road is totally clear before crossing the intersection.

The second perspective is the trait activation theory. According to this perspective, situational factors may *enhance* the influence of individual differences (Tett & Guterman, 2000). When a situation is relevant for a personality trait, that personality trait will be activated (Kenrick & Funder, 1988). For example, an anxious person will only behave anxiously if the situation provides a cue to trigger anxiety (e.g. when a person's anxiety is tested by making the person watch a scary movie). So, whereas situational strength suggests that the situation *reduces* the influence of individual differences, trait activation suggests that situational cues *increase* the influence of individual differences.

By showing that an encounter with an unethical exemplar *increased* the influence of the individual differences of moral disengagement and moral identity on one's own unethical behavior, our results are clearly in line with the trait activation perspective. This is understandable since encountering an unethical exemplar can be seen as a situation that makes moral disengagement and moral identity more *relevant*, which makes trait activation a more appropriate perspective than situational strength. It may be that the appropriateness of the two interactionist perspectives depends on the occasion at stake. In our paper, the situation concerned observing an unethical exemplar. However, one can imagine that another situational variable would render different results that are more in line with the situational strength perspective. For example, a situation in which an individual is dictated to engage in an unethical act by an authority, may function as such a strong situation causing even people with a high moral identity and low moral disengagement to go along with the dictated unethical behavior. An interesting line of further research would be to investigate what type of situations would activate and what type of situation would suppress individual differences in unethical decision making.

## Practical Implications

Our study indicates that social interaction is an important facilitator of the dissemination of unethical behavior. This is relevant in the light of the current increase in installation of temporary interdepartmental and inter-organizational teams with a strong intensification of interpersonal interaction (Brass, Butterfield, & Skaggs, 1998; Molleman, Broekhuis, Stoffels, & Jaspers, 2010). Inadvertently, this increase in interpersonal interaction brings on many opportunities to notice and copy unethical behavior among colleagues (Robinson & O’Leary-Kelly, 1998) that likely will result in the spread of unethical behavior throughout the organization or even to other organizations. As such, there is an increasing need to be aware of the conditions that cause the spread of unethical behavior. Our studies suggest that particularly moral disengagement and moral identity mutually influence the spread of unethical behavior. Therefore it is of importance to enhance one’s moral identity and reduce one’s tendency to use disengagement mechanisms. Moreover, our research suggests that this is especially important in contexts that are characterized by multiple social interactions. After all, multiple social interactions increase the frequency of exposure to unethical conduct. So, it is especially important to have organizational members with a low propensity to morally disengage and a high moral identity *among those who frequently interact with multiple colleagues*.

There are several ways to decrease the propensity to morally disengage and increase moral identity among those people. One way is to select people based on their moral disengagement and moral identity in job applicant’s selection procedures. For example, one could hire job applicants based on information with regard to their past moral goals and values as past moral behavior could be a strong indicator of having a high moral identity (Aquino & Reed, 2002). Also, moral identity and moral disengagement may be assessed in more direct ways by means of a questionnaire. Based on this, people can be selected out.

Another way is determining the propensity to morally disengage and moral identity among *current* employees. Based on this, they can be more effectively monitored with regard to the prevention and tracing of unethical behavior. In this way, one creates a workforce in which it is less likely that unethical conduct is copied.



Finally, one could provide training and/or workshops on integrity that integrates the concepts of moral identity and moral disengagement. Integrity trainers may activate the moral identity of people, as emphasizing the importance of the moral self makes people become less inclined to engage in unethical conduct (Aquino et al., 2009). One's moral identity can for example be activated by means of a clear communication of a code of ethics. Also, trainers can make people conscious of disengagement mechanisms, and underscore the harm of legitimizing one's own unethical behavior. This awareness may "rob" high moral disengagers from their strategies that allow them to perpetrate unethical conduct, even when being faced with unethical exemplars.

### **Strengths and Limitations**

An important strength of this research is its combination of an experimental study with a field study. Whereas the strength of experimental studies lies in the fact that it provides evidence of causality of the influence of the unethical exemplar, the strength of field research lies within its provision of external validity.

A possible weakness of our field research is the cross-sectional design with single source data (i.e. all variables based on self-report). The usage of single source data can lead to common method variance, a shared variance among the measured variables (Spector & Branninck, 2009). However, it has been shown that interactions between continuous variables are hard to ascribe to common method variance (McClelland & Judd, 1993). In fact, several scholars (e.g., Evans, 1985; Siemsen, Roth, & Oliveira, 2010) show that an interaction effect cannot be a product of common method variance at all. Siemsen et al. (2010) showed that common method variance can only cause a deflation of an estimated interaction effect as common method variance lowers the reliability of the measures, leading to a weaker interaction term (see also Lai, Li, & Leung, 2013). Thus, as we find a three-way interaction in Study 1, we can conclude that it is very unlikely that this can be attributed to common method variance.

Another concern with our study is the low internal reliabilities of the moral disengagement scale. A confirmatory factor analysis, however, showed that a model including moral disengagement as a separate construct gives the best statistical fit and that the items

appropriately reflected the construct. Nevertheless, in future studies, it might be wise to expand the scales with additional items to achieve a higher reliability, because, in general, reliable measures make it easier to detect consistent effects.

Last, our main purpose of Study 2 was to find causal evidence for the results that we already found in the first field study. As virtually all experimental laboratory studies, the setting of Study 2 inevitably had an artificial setting and used a student sample. Nevertheless, the fact that a similar three-way interaction was found in both studies suggests that the results of Study 2 generalize to actual behavior in natural organizational settings.

### **Conclusion**

The spreading of unethical behavior within organizations is becoming more of interest to both practice and academics and the necessity to study the underlying processes that drive such behavior is of great importance. This paper contributes to the field of unethical behavior by testing what moderates people's inclination to become more unethical when they are confronted with unethical behavior of others. More specific, it shows evidence from both the lab and field that the spillover effect is moderated by moral disengagement and moral identity. This indicates an important direction in which solutions need to be sought as well as further research is warranted.



# **Chapter 3**

**High Status, High Impact? How a  
Behavioral Exemplars' Status Influences  
(Un)ethical Behavioral Contagion**



## Introduction

Unethical behavior within organizations has a rich history. Already in the 15<sup>th</sup> century the well respected and influential Italian Medici family was accused of unethical practices within the Medici bank. Organizational mismanagement as well as large debts due to the luxurious lifestyle of the family led to the eventual insolvency of the Medici bank in 1494. But also lately, at the large financial institution ABN AMRO, two top executives got fired as they were accused of corruption by means of bribery practices. A recent report by the Josephine Institute (2012) shows that organizational fraud costs US firms \$600 billion a year, which is 6% of the US GDP. Clearly, due to the ever existence of corporate and individual wrong doings as well as their accompanied costs, we cannot neglect the relevance of understanding unethical decision making. As a result, organizations need to actively search for ways to reduce such misconduct. For this purpose, it is important to understand what influences unethical behavior.

We argue that the social context is an important influencer in establishing one's unethical behavior. Decidedly, people are known to be influenced in their behavior by others (e.g. Bandura, 1977; Goldstein, Cialdini, & Griskevicius, 2008). Hence, the example set by one individual can have large consequences for the behaviors of others (e.g. Brass, Butterfield, & Skaggs, 1998; Gino, Gu & Zhong, 2009; Loe, Ferrel, & Mansfield, 2000). Observing others' unethical conduct may lead to the imitation of that unethical behavior - people may act unethically when they observe others behaving unethically (e.g. Gino, Ayal, & Ariely, 2009; Robinson & O'Leary-Kelly, 1998).

One may expect that unethical behavior is especially likely to be copied from high status group members. After all, people with a high status in an organization often function as role models. Indeed, often the high profile people are the ones who are referred to as behavioral exemplars (Bandura, 1986). Therefore, behavior of high status persons may be perceived as more valid (e.g. Brown & Treviño, 2006; Sims & Brinkmann, 2002), making it more likely that their behavior is copied by others. But is this also the rationale when observing *unethical* behavior from exemplars? Is there an increased susceptibility to engage in unethical conduct when encountered with a high status unethical exemplar? In this chapter we will show that this is not the case.

In this chapter we will argue and find that an encounter with a high status unethical exemplar will, different from an encounter with a high status ethical exemplar, *not* increase one's inclination to copy the behavior. Hence, we will conclude that the high status of an unethical exemplar can buffer unethical contagion. To underscore and advance on the exceptionality of the relation between the status of the behavioral exemplar and its effect on *unethical* behavioral contagion, we will explicitly contrast it with the effect of status on *ethical* behavioral contagion. As such, we study how status can inhibit or cause the multiply of unethical and ethical behavior. Also, we aim to further unravel unethical contagion, as it will increase our understanding of how unethical behavior prevails and spreads within the organization. This is important for the successful development of effective methods that aim to reduce the spread of unethical behavior throughout an organization.

After an overview of the concepts to be studied and their hypothesized relationships, we will present two studies to test our hypotheses. In one field study with a multiple measurement design we test our hypotheses in a real life organizational setting. The second study is a lab experiment in which we aim to confirm our field findings and test for causality.

## **Theory and Hypotheses**

### **Unethical Behavior and Interpersonal Interaction**

Unethical behavior “is illegal or morally unacceptable to the larger society” (Jones, 1991, p. 367), and has negative implications for the organization and/or other individuals within the organization (Bennett & Robinson, 2000; Vardi & Weitz, 2004; Robinson & Bennet, 1995; Robinson & O’Leary-Kelly, 1998). Unethical behavior can vary from small, seemingly inoffensive, acts like spreading rumors or telling a white lie to more serious forms of unethical behavior like stealing, sabotage, or fraud (Robinson & O’Leary-Kelly, 1998). Self-interest is the most prominent driver to engage in unethical behavior. Indeed, people behave unethically as it provides them with beneficial gains (e.g. Brief, Buttram, & Dukerick, 2001) on, at least, the short term (Gino, Schweitzer, Mead, & Ariely, 2011). For example, there are monetary rewards to reimbursing more money than justified and there is the benefit of free products when taking home office supplies. This creates a temptation to engage in such behavior, especially when the payoffs are

high (Pinto, Leana, & Pil, 2008; Vardi & Wiener, 1996; Loewenstein & Moore, 2004; Treviño, 1986).

Whether or not people are able to resist the temptation to give into one's self-interest may importantly be influenced by social interaction with others. It is within our nature to make use of the information in our surroundings to interpret the situation and establish attitudes about what is appropriate (Bandura, 1977; Robinson & O'Leary-Kelly, 1998; Smith & Mackie, 2007). As such, observing unethical behavior may generate the idea that unethical behavior is allowed. Since this conclusion is often self-serving (after all, engaging in the unethical behaviour yields benefits to the self), observers may thus use the unethical behavior of an exemplar as a way to legitimize their own unethical behavior (Asforth & Anand, 2003) and, consequently, copy the unethical behavior. Research supports the existence of unethical behavioral contagion. For example, Robinson and O'Leary-Kelly (1998) found that a group's unethical behavior influences individual's unethical behavior. Also, research by Gino et al. (2009) has shown that students became more inclined to cheat on a task when they observe another student cheat as well. Further, research by Cialdini, Reno and Kallgren (1990) showed that people are more at ease with littering in an environment that already is filled with litter in comparison to when the environment is clean.

### **Status**

Although we expect unethical behavior to be contagious, witnessing an unethical exemplar may not necessarily lead to copying that behavior in all cases. Different conditions may strengthen or inhibit one's inclination to copy behavior. Here, we focus on the influence of status of the behavioral exemplar. Status is an individual's influence and respect as given in the eyes of the beholder (Anderson, Srivastava, Beer, & Spataro, 2006). Differences between employees within organizational life cause some employees to have more status than others. Hierarchical status, for example, derives from formalized descriptions that draw a distinction between the CEO and a lower level employee (Aquino, Galperin, & Bennett, 2004).

Research on status and its outcomes is widespread. Research shows, among others, that there are greater benefits for high status persons than low status persons in many areas, such as



health (e.g. Adler, Epel, Castellazzo, & Ickovics, 2000). Studies on individuals' perception of high status individuals show that high status individuals are believed to be more competent, intelligent, and even better looking than those with a lower status (Georgeson & Harris, 1998). Also, high status persons are better paid (Judge & Cable, 2004), and gain a larger authority with regard to decision making (Berger, Rosenholtz, & Zelditch, 1980) than low status persons. Last, Cillessen and Mayeux (2004) show that high status persons are more influential than low status persons.

### **Status and Imitation of Behavior**

Earlier we argued that observing an unethical exemplar serves as a rationalization to give into one's self-interest and behave unethically too. A person may legitimize his/her own unethical behavior by arguing that "another person is doing it, so I can do it too". We argue that this process is less likely when an unethical exemplar has a high status as opposed to a low status due to a believed difference in legitimization to engage in similar (unethical) behaviors. After all, high status persons have different rules and privileges to apply to due to different formalized descriptions within the job (Anderson et al., 2006). Moreover, according to the system justification theory (e.g. Jost & Banaji, 1994; Jost, Banaji, & Nosek, 2004), people are motivated to justify a certain status quo of a social system, even when it may be disadvantageous for them. A social system contends that certain people are granted status and privileges over other people (Brandt, 2013). As a result, lower status people will rationalize their own disadvantaged position, while legitimizing others advantaged position (e.g. Jost, 2011; Bunderson, 2003). Similarly, people often engage in 'legitimizing myths' (Sidanius & Prato, 1999). Legitimizing myths consist of values, beliefs, and attitudes that allow for a rationalization of practices that – in this case – increase levels of social inequalities among people. The divine right of Kings is an example of such a legitimized myth (Sidanius & Prato, 1999). This 'right' states that the King is no subject to an "earthly authority" and can rule directly from the will of God. Therefore, behavior of high status persons is more tolerated than that of other individuals (McElroy & Morrow, 1994).

Based on the system justification theory and the rationale behind 'legitimizing myths' one may expect that people are inclined to perceive the unethical behavior of high status persons as

legitimate, but feel inhibited to conclude that engaging in similar unethical behaviors is allowed and permitted for themselves as well (after all, they do not have such a high status as the unethical exemplar). As such, there will be cautiousness when it comes to legitimizing oneself to engage in similar behavior. On the contrary, when a low status exemplar engages in unethical conduct, observers may conclude that if this exemplar possesses the legitimacy to engage in such behavior, the observer him/herself is certainly allowed into similar unethical behavior as well. So, when a lower status exemplar shows unethical behavior, people may feel less inhibited to use the observation that "others are doing it, so it is okay" as a way to excuse their own unethical behavior.

The above described expected influence of the status of an unethical exemplar on the copying of unethical behavior may be in contrast to the expected multiply of other types of behavior. An *ethical* exemplar may activate different processes that determine whether this behavior is copied or not. Ethical behavior is defined as normative and appropriate conduct reached for by means of individual actions as well as through interpersonal interaction (Brown, Treviño, & Harrison, 2005). Thereby, ethical behavior is defined according to general accepted norms of moral behavior (Treviño, Weaver, & Reynolds, 2006). As such, people do not have to legitimize themselves to engage in ethical behavior. Instead, ethical behavior can be driven by a need to feel good and pleased about oneself (Kandlousi, Ali, & Abdollahi, 2010). Indeed, for human beings it is of importance to establish a moral self-identity (Aquino & Reed, 2002). An encounter with ethical behavior may generate the thought that copying such behavior will lead to this preferable moral self-identity, as the ethical exemplar serves as a model of how one should behave, which may result in the copying of this behavior.

For ethical behavior - in contrast to unethical behavior - we argue that this copying-effect will be *stronger* when the exemplar has a high status. This is in accordance with Bandura (1986) who argues that status increases the likelihood for an individual to be a role model when it comes to learning others normatively appropriate behaviors. That is, people look more up to high status rather than low status people as social models of acceptable behavior (Mischel, 1979; Newstrom & Ruch, 1975). As such, ethical behavior is perceived to be more valid and "correct" when executed by a high status persons as opposed to a low status person (e.g. Brown & Treviño, 2006;

Sims & Brinkmann, 2002). Consequently, behavior of high status persons is often willingly copied (Langworthy, 1959; Kolvereid, 1996).

Altogether, observing ethical behavior may instigate one's inclination to behave ethically too, and this effect may be strengthened when the behavioral exemplar has a high status as opposed to a low status. This is because high status ethical exemplars, being role models, are considered as more valid and leading in setting the norms and determining what is normative and appropriate behavior than low status ethical exemplars. And, although observing *unethical* behavior may instigate one's inclination to behave unethically too, this may be *less* strongly the case when the observed unethical exemplar has a high rather than low status. Although an unethical exemplar may serve as a legitimization to copy unethical behavior and thereby fulfilling one's self-interest, when the unethical exemplar has a high status this may be less effective as the observer may not feel as legitimized as the high status exemplar to engage in similar conduct. As such, we hypothesize the following two hypotheses:

*Hypothesis 1. The extent to which being confronted with an unethical exemplar increases one's unethical behavior is moderated by the status of the exemplar. An unethical exemplar is more likely to increase unethical behavior when the status of the exemplar is low rather than high.*

*Hypothesis 2. The extent to which being confronted with an ethical exemplar increases one's ethical behavior is moderated by the status of the exemplar. An ethical exemplar is more likely to increase ethical behavior when the status of the exemplar is high rather than low.*

## **Study 1**

### **Design and Participants**

We approached a financial organization with the request to participate in an online questionnaire. Their willingness to collaborate lead to the inclusion of 245 employees divided over three business units<sup>7</sup>. In our design we had two points of measurement, with an interval of three months. A hundred and ninety one employees filled out the questionnaire at Time 1, which

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<sup>7</sup> This dataset is also used in chapter 2 and chapter 4.

is a response of 78%. Of those 191 employees, 109 (57%) also filled out the questionnaire at Time 2. This led to a response rate of 44% for both points of measurement together. As such, the sample of Study 1 consists of 109 employees (53 percent female,  $M_{age} = 39$ ,  $SD_{age} = 8.86$ ). Of these employees five percent had a high school degree, 20% a vocational degree, 58% a bachelor degree, 16% a master degree and 1% a different degree. Participation in this study was on a voluntary basis.

## **Procedure**

The questionnaire was sent out to all employees by means of an email with a link to the online questionnaire. It was stated explicitly that the data was handled with the highest confidentiality and that no one - besides the researchers involved - would ever see the results on an individual level.

At Time 1 own ethical and unethical behavior was measured, followed by focal colleagues' status. After a period of three months the follow up questionnaire was sent (Time 2), in which own ethical and unethical behavior was measured again.

## **Measurements**

***Ethical and unethical behavior (T1 and T2).*** A main independent variable was respondents' colleagues' (un)ethical behavior at T1. The dependent variable was respondents' own (un)ethical behavior at T2. As all respondents functioned as possible focal colleagues of other respondents, (un)ethical behavior both at T1 and at T2 were measured among all respondents.

As a measure of unethical behavior we developed a scale, based on work by Bennett and Robinson (2000) on workplace deviance. Workplace deviance is defined as behavior that violates organizational norms and thereby harms the organization and/or its members (Robinson & Bennett, 1995). This has a strong overlap with the definition of unethical behavior in that it violates the generally existing norms (Jones, 1991). This makes the scale of Bennett and Robinson (2000) a useful operationalization of unethical behavior in an organization. The items asked were: *"I said something hurtful about someone at work"*, *"I take property from work without*

*permission*", *"I put little effort into my work"*, *"I intentionally worked slower than I could have worked"*, *"I falsified a receipt to get reimbursed more money than spent"*, and *"I take additional or longer breaks than is acceptable at the workplace"*. We added three items upon request of the organization, as they deemed the items to be highly relevant within their organizational context. These were: *"I work on a personal matter instead of for my employer"*, *"I make inappropriate usage of organization resources"*, and *"I surf on the internet for private purposes during working hours"*. Respondents were asked how often they engage in these behaviors on a seven point answering scale. The higher the score, the more often the respondent engaged in the unethical behaviors (T1  $\alpha = .75$  and T2  $\alpha = .78$ ).

As a measure of ethical behavior we measured four items, based on work by Smith, Organ, and Near (1983) on organizational citizenship behavior. As ethical behavior within organizations is often defined by organizational citizenship behavior (OCB), it is considered to be a correct manifestation of ethical behavior in the workplace (Baker, Hunt, & Andrews, 2006; Turnipseed, 2002). As such, our measurement of ethical behavior as well as the definition of OCB entails the willingness to perform additional tasks with a pro-social character which are not necessary for the completion of the function and go above and beyond literal contractual obligations (Cicei, 2012; Curral, 1998). The items asked are: *"I help colleagues with a high work load"*, *"I assist the supervisor with his or her work"*, *"I attend functions that are not required but that help the organization's image"*, and *"I help colleagues with work related problems"*. Respondents were asked how often they engage in these behaviors on a seven point answering scale. The higher the score, the more often the respondent engaged in the ethical behaviors (T1  $\alpha = .73$  and T2  $\alpha = .80$ ).

***(Un)ethical colleague behavior (T1)***. To determine who were the focal colleagues of a respondent, we asked each respondent (say, for example, respondent 'A') to select those three colleagues with whom he or she communicated most frequently (Brass & Burkhardt, 1993). The reason for this was that individuals are most receptive to social cues from coworkers with whom he or she has a high level of interpersonal contact (Meyer, 1994; Pollock, Whitbread, & Contractor, 2000). Selection of the focal colleagues was done by providing the respondent with a list of names from their coworkers, from which they were asked to choose three names.

These colleagues, in their role of respondent, also assessed their own (un)ethical behavior (see explanation above). For each respondent, the unethical behavior score of these three focal colleagues were averaged to result in the score for unethical colleague behavior. So, for example, if respondent A indicated that his/her focal colleagues were P, Q and S, the scores of respondents P, Q and S were averaged to form A's score of "unethical colleague behavior" (i.e., the independent variable). The same procedure was applied for ethical colleague behavior. By using this method we created a multiple-source design and prevented any potential bias with regard to self-report. In situations in which not all of the three focal colleagues mentioned by the respondent participated in our study, the score for (un)ethical behavior of colleagues was based on the responses of two (N = 38 cases) or one colleague(s) (N = 16 cases). Controlling for the number of colleagues on which the score for (un)ethical behavior was based did not change our results.

***Own (un)ethical behavior.*** The dependent variable was respondents' self-reported own unethical and ethical behavior at T2, the measure of which is explained above. In testing the hypothesis, we controlled for respondents' self-reported own unethical and ethical behavior at T1. By controlling for the behavior at an earlier point in time, we truly study the behavioral change between T1 and T2 (Finkel, 1995).

***Focal colleagues' status.*** Each respondent was asked to rate his/her own focal colleagues with regard to perceived status (Brass & Burkhardt, 1993). We used the status scale as developed by Anderson, John, Keltner, and Kring (2001). The items asked were: "*This colleague exerts much influence over decisions at work*", "*This person is well respected at work*", and "*This persons' work contributions are valuable*" and were rated on a seven point scale (1 = *totally disagree*, 7 = *totally agree*) ( $\alpha = .63$ ). The influence scores assigned to the focal colleagues by the respondent were averaged to obtain a score for focal colleagues' status.

## Results

The means, standard deviations, and correlations between all the variables are presented in Table 3.1. Regression analyses were performed to test our hypotheses. All the variables of the analysis were standardized before cross products were computed (Aiken & West, 1991). Table 3.2 presents the results of the regression analysis for both unethical and ethical behavior.

*Table 3.1*

*Study 3.1: Means, standard deviations, and correlations*

	Variables	Mean	S.D.	1	2	3	4	5	6	7
1	Focal colleagues' status	5.39	0.65	-						
2	Own unethical behavior (T1)	1.80	0.66	-.08	-					
3	Own ethical behavior (T1)	5.74	0.64	.19*	.06	-				
4	Unethical of colleague(s) (T1)	1.82	0.48	.04	.06	-.04	-			
5	Ethical of colleague(s) (T1)	5.71	0.53	-.18*	-.07	.17	-.10	-		
6	Own unethical behavior (T2)	1.79	0.69	-.15	.45**	.01	.07	-.14	-	
7	Own ethical behavior (T2)	5.89	0.67	.05	.04	.39**	-.09	.08	-.04	-

\*\*  $p < .01$ , \*  $p < .05$

Table 3.2

Study 3.1: Regression results on (un)ethical behavior (T2)

Step and variables	Model 1		Model 2		Model 3	
	B	SE	B	SE	B	SE
<b>Results Unethical Behavior</b>						
Intercept	0.95**	(0.18)	0.97**	(0.18)	1.03**	(0.18)
<b>Control</b>						
Own unethical behavior (T1)	0.46**	(0.09)	0.46**	(0.09)	0.43**	(0.09)
<b>Main effects</b>						
Unethical behavior colleague (T1)			0.04	(0.06)	0.05	(0.06)
Focal colleagues' status			-0.09	(0.06)	-0.10	(0.06)
<b>Two-way interaction</b>						
Status x unethical behavior colleague					-0.11*	(0.05)
R Square	.20		.22		.26	
Δ R Square			.02		.04*	
<b>Results Ethical Behavior</b>						
Intercept	3.52**	(0.57)	3.53**	(0.59)	3.48**	(0.58)
<b>Control</b>						
Own ethical behavior (T1)	0.41**	(0.09)	0.41**	(0.10)	0.43**	(0.10)
<b>Main effects</b>						
Ethical behavior colleague (T1)			0.04	(0.06)	0.03	(0.06)
Focal colleagues' status			-0.01	(0.07)	-0.02	(0.07)
<b>Two-way interaction</b>						
Status x ethical behavior colleague					0.10*	(0.04)
R Square	.15		.15		.19	
Δ R Square			.00		.04*	

\*  $p < .05$ , \*\*  $p < .01$

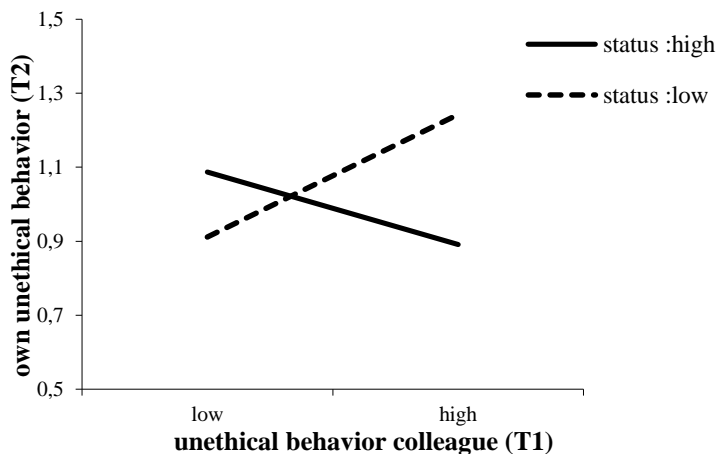


**Unethical behavior.** Unethical behavior was regressed on the independent variables in three steps. In the first step, we included own unethical behavior at T1 as a control variable. Then, we included the main effects of unethical behavior of colleagues at T1 and status in the second model. In the third model, we added the two-way interaction of unethical behavior of colleagues by focal colleagues' status. The three models show that there is a main effect of own unethical behavior at T1 (respectively  $B = 0.46$ ,  $0.46$ , and  $0.43$ , all  $p < .01$ ). One's own unethical behavior at T1 positively predicted one's own unethical behavior at T2. The results show an interaction between unethical conduct of colleagues and focal colleagues' status at T1 on own unethical behavior at T2 ( $B = -0.11$ ,  $p < .05$ ;  $\Delta R^2 = .04$ ,  $p < .05$ ). To illustrate the nature of the interaction we plotted the interaction in Figure 3.1. The interaction indicates that the two slopes differ significantly and shows that unethical behavior of colleagues is less likely to instigate unethical behavior among the respondent when the status of the focal colleague is high as opposed to low. As such, the significant interaction supports Hypothesis 1.

Further simple slopes analyses show that, the positive relationship between focal colleagues' unethical behavior and own unethical behavior at T2 was marginally significant when the focal colleagues' status was low ( $B = 0.17$ ,  $p = .05$ ) and non-significant when the focal colleagues' status was high ( $B = -0.06$ ,  $p = .43$ ).

Figure 3.1

Study 3.1: Interaction unethical behavior of colleagues by status on own unethical behavior

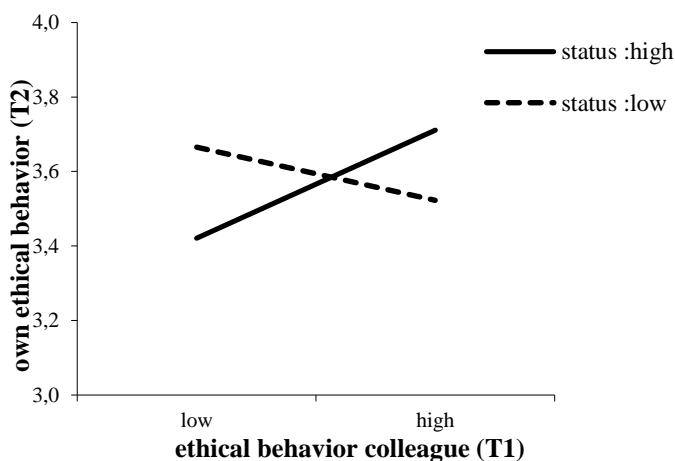


**Ethical behavior.** Ethical behavior was regressed on the independent variables in three steps. In the first step, we included own ethical behavior at T1 as a control variable. Then, we included the main effects of ethical behavior of colleagues at T1 and status in the second model. In the third model, we added the two-way interaction of ethical behavior of colleagues by focal colleagues' status. The three models show that there is a main effect of own ethical behavior at T1 (respectively  $B = 0.41, 0.41, \text{ and } 0.43$ , all  $p < .01$ ). One's own ethical behavior at T1 positively predicted one's own ethical behavior at T2. The results show a positive interaction between ethical behavior of colleagues and focal colleague's status on own ethical behavior at T2 ( $B = 0.10, p < .05; \Delta R^2 = .04, p < .05$ ). To illustrate the nature of the interaction we plotted the interaction in Figure 3.2. The interaction shows that ethical behavior of colleagues instigates ethical behavior more strongly among the respondent when the status of the focal colleague is high rather than low. As such, the significant interaction term indicates that the two slopes differ significantly and this supports Hypothesis 2.

Further simple slopes analyses show that, the positive relationship between focal colleagues' ethical behavior and own ethical behavior at T2 was marginally significant when the focal colleagues' status was high ( $B = 0.13, p = .08$ ) and non-significant when the focal colleagues' status was low ( $B = -0.08, p = .33$ ).

Figure 3.2

Study 3.1: Interaction ethical behavior of colleagues by status on own ethical behavior



## Discussion

The data of Study 1 support our hypotheses and suggests that employees become more unethical when faced with unethical colleagues that have a low status as opposed to a high status. In contrast, employees become more inclined to copy *ethical* behavior from colleagues with a high status as opposed to a low status.

Study 1 thus forms a first support for the expectation that status differently influences the extent to which behavior is copied, depending on whether the behavior is unethical or ethical. The usage of a multiple measurement design as well as its multiple source design is a strength of Study 1. Nevertheless, the results may merely show the existence of relations between the concepts and it still remains to be tested whether (un)ethical behavior of others as well as the status of the exemplar is truly *causing* (un)ethical behavior among respondents. To test such causality, an experimental study is required in which the independent variables are manipulated and all other factors are kept constant. This is what we did in Study 2.

Also, in Study 1, we did not directly contrast unethical behavior and ethical behavior. As we used one scale to measure unethical behavior and another scale to measure ethical behavior, both scales were developed to measure either ethical or unethical behavior (Smith et al., 1983; Bennett & Robinson, 2000), resulting in two dependent variables that were qualitatively different from each other. As such, they may have been not so suitable for being compared to each other. As the two scales are measuring different acts, we cannot rule out that the difference between the impact of focal colleagues' status on the display of ethical behavior and the impact of focal colleagues' status on the display of unethical behavior was due to something in the differential nature of the scales used. Consequently, we cannot guarantee that the differences found in responses to focal colleagues' low and high status are *due to the specific unethical versus ethical behavior* measured. A lab experiment would allow us to create measures of ethical and unethical behavior that are comparable. In the experiment of Study 2 we will focus on one type of behavior with a differentiation in the presence of an exemplar such that the exemplar either deviates from the standard behavior in an ethical way or in an unethical way. We hypothesize that the way status of an exemplar influences people's inclination to copy the exemplar's behavior depends on whether the exemplar deviates in showing unethical behavior or whether in showing ethical

behavior. More specific, when the exemplar behaves ethically, participants will be more likely to copy the exemplar's behavior when that exemplar has a high status as opposed to a low status. In contrast, when the example behaves *unethically*, participants will be *less* likely to copy the exemplar's behavior when that exemplar has a high status as opposed to a low status.

## Study 2

### Participants and Design

Two-hundred-and-seventy-seven economy and business students (54% male,  $M_{age} = 20$ ,  $SD_{age} = 2.18$ ) from a European University participated in this study for either two research credits or a financial compensation of €4. Participants were randomly assigned to one of the five conditions within the 2 (exemplar behavior: unethical versus ethical) x 2 (status: low versus high) + 1 (no exemplar) design.

### Procedure

Participants were welcomed and guided to individual computer cubicles. All instructions were presented on the computer. They were instructed that, in this experiment, they would be part of a team consisting of four students in total. They were told that they would be conducting a team assignment together and that one of the participants would be the team leader, one participant would be an intern, and two participants would be "regular" team members. It was explained that the participant with the highest score on a leadership test that would follow would get the role of team leader, accompanied with the responsibility to lead the team. Also, the participant with the lowest score would get the role of intern, accompanied with an assisting team role.

Then, participants were presented with the leadership test that would allegedly determine the different roles within the team. Hence, participants completed a 21-item leadership questionnaire (adapted from Anderson & Berdahl, 2002; Lammers & Stapel, 2009). After the questionnaire, participants received a message on their computer stating their role. In reality, their responses of this questionnaire were not used to assign roles as all participants

would be assigned to the role of regular team member. The message stated that, as a result of their score on the leadership test, they were assigned to the role of regular team member.

After this, participants were told that, before they could actually start on the group assignment, they would make an allocation decision within the team. Participants read that the allocation decision was to be made in two pairs, each consisting of an allocator and a recipient. They were told that, according to a random assignment, they were assigned to be the allocator. In reality, all participants were given the task of allocator. Participants were told that they would face an allocation decision in which money could be earned. Participants were informed that, after the experiment was finished, one pair would be randomly chosen and paid according to the decision made in the allocation decision.

The allocation decision that was presented to participants was an adapted version of the dictator game (Kahneman, Knetsch, & Thaler, 1986). Participants read that, in each pair the allocator had to divide 100 chips between him/herself and the recipient, whose identity remained anonymous. In the original set-up of a dictator game (Kahneman et al., 1986), the unit that is to be divided (e.g. chips, lottery tickets) has an equal value for the allocator and recipient. Research has shown that, in this original game, there is little variance in decisions: participants usually make an equal division as this is clearly the fairest option. This is called the “equal division rule” (Allison & Messick, 1990). However, we wanted a situation in which there was more ambiguity about what is the fairest option, so that there would be a wider array of options that would range from being more ethical to more unethical. Also, we aimed to increase variance in participants’ choices. Therefore, in our set-up, an equal chip division did not lead to an equal money division (e.g. Koning, Steinel, Van Beest, & Van Dijk, 2011). Participants were told that, for themselves as allocators, one chip represented €1,50, whereas for recipients one chip represented €0,50. In the instructions to the participants it was made clear that this information with regard to the money value of the chip was only made available to the allocator. Due to the different money value of the chip, an equal money division was realized by a 25/75 chip division (75 chips for the recipient). Giving more than half of the chips to the recipient is therefore not only in line with the value of being altruistic or unselfish, but also in line with the value of fairness. In contrast, when a participant keeps a lot of chips for him/herself, it bears witness of self-

interested behavior. Giving half of the chips can be considered as deceptive as it is the most honest division in the eyes of the recipient, but in reality the allocator gains more money. Giving even less can, of course, be considered as even more selfish as giving half of the chips. Thus, in sum, the more chips allocators give to the recipient, the more this can be regarded as “ethical” and the more chips allocators keep to themselves, the more this can be regarded as “unethical”.

Next, in the four conditions in which there was an exemplar, participants read that the allocation decision of the two allocator-recipient pairs in the team would be made in turns. The computer would randomly decide the sequence of the two pairs. All participants were told that they were last in order, and so the other allocator had already made his/her allocation decision. Participants learned that it was part of the experiment that, whichever allocator made the decision last, would receive information about the allocation decision of the allocator before them. Next, the status manipulation took place. Participants received information that the preceding allocator had the role of intern (in the low status condition) or had the role of team leader (in the high status condition). Then, participants read information regarding their predecessor's actual allocation decision which functioned as the manipulation of exemplar behavior type. Participants heard that the preceding allocator either kept 80 out of 100 chips to him/herself (unethical condition) or that he/she kept 20 out of 100 chips to him/herself (ethical condition). In the no exemplar condition no information was given about a preceding allocator.

Then, participants made their own allocation decision. On the personal computer, they were provided with a slide bar to indicate how many chips they would keep for themselves and how many chips they would give to the recipient they were coupled with. The total would add up to 100 chips.

After participants made the allocation decision, we asked additional questions to check the effect of the different manipulations as well as some demographics. After that, participants were informed that the experiment was finished and no real group assignment would take place. The participants were debriefed, thanked, and dismissed. As promised, a week after the experiment one of the participants was randomly selected and paid according to his/her allocation decision during the experiment.

## Measurements and Manipulations

**(Un)ethical behavior.** (Un)ethical behavior was operationalized by how many chips participants kept for themselves and how many they gave to the recipient. The more chips they kept for themselves, the more this was regarded to reflect unethical behavior, whereas the more chips they gave to the recipient, the more this was regarded to reflect ethical behavior.

**Manipulation check exemplar.** In all conditions, it was tested whether participants had correctly noticed the presence and behavior of the exemplar. We asked participants whether they received information about the allocation decision of another allocator. Participants could answer by choosing between the following options: 1 (“Yes, I was informed that another team member gave more chips to the recipient than to him/herself”), 2 (“Yes, I was informed that another team member kept more chips to him/herself than to the recipient”), 3 (“Yes, I was informed that another team member made an equal division of chips”), or 4 (“No, I received no information about the decision of another team member”). In the no exemplar condition answer ‘4’ was coded correct and the other answers as incorrect. In the ethical exemplar conditions answer ‘1’ was coded as correct and the other answers as incorrect. Last, in the unethical exemplar conditions answer ‘2’ was coded as correct and the other answers as incorrect.

**Manipulation check status.** In the condition in which an exemplar was present, it was measured whether the status of the exemplar was perceived as intended. Therefore, participants in these conditions were presented with nine different items. Some of the example items were: “The allocator I received information on, is a team member with a high position”, “The allocator I received information on, is an influential team member” and “The allocator I received information on, is a respected team member”. Participants that were in the exemplar condition responded on a seven point scale (1 = totally disagree, 7 = totally agree) ( $\alpha = .92$ ).

**Manipulation check exemplar behavior.** As an exemplar behavior manipulation check we asked participants (only those in the exemplar condition) how the other allocator they received information about divided the chips and how that would translate to the money division. They could answer on a bipolar scale, ranging from 1 (“the recipient earned more money than the allocator”) to 7 (“the allocator earned more money than the recipient”).

## Results

### Manipulation Checks

**Manipulation check exemplar.** In the no exemplar condition, all participants indicated properly that no information was provided regarding the decision of another allocator. Of the participants that were in the ethical exemplar condition, eight participants did not indicate correctly that they received information that the other allocator made an unequal division in the chips, in favor of the recipient. Of the participants in the unethical exemplar condition twelve participants did not indicate correctly that they received information that the other allocator made an unequal decision in the chips, in favor of the allocator him/herself. We excluded the 20 participants from the analyses who answered this manipulation check incorrectly<sup>8</sup>.

**Manipulation check status.** A 2 (exemplar behavior) x 2 (status) ANOVA among those participants in the exemplar present condition on the status manipulation check showed only a significant main effect for status,  $F(1,221) = 168.43, p < .001$ . In the low status condition participants indicated that the exemplar had a lower status ( $M = 2.89$ ) than in the high status condition ( $M = 4.74$ ).

**Manipulation check exemplar behavior.** A 2 (exemplar behavior) x 2 (status) ANOVA on the exemplar behavior manipulation check showed only a significant main effect for exemplar behavior type,  $F(1,222) = 260.23, p < .001$ . In the unethical exemplar condition participants indicated more strongly that the allocator divided the chips in a self-serving way ( $M = 6.20$ ) than in the ethical exemplar condition ( $M = 2.55$ ).

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<sup>8</sup> Information on the manipulation check for the presence or absence of an exemplar of 101 participants was lost due to a programming error. The numbers refer to the remaining 176 participants. To be sure that the manipulation of exemplar behavior was successful among the remaining participants, we looked at the results of the manipulation check among the exemplar conditions (the "manipulation check exemplar behavior", see the third paragraph in this section). These results suggest that participants interpreted the ethical exemplar as more ethical and the unethical exemplar as more self-serving. As such, we could safely conclude that the manipulation of exemplar behavior worked sufficiently.



**(Un)ethical Behavior**

The means and standard deviations per condition of the number of chips kept by the participants are presented in Table 3.3. A one-way ANOVA was conducted to test the effect of the five conditions on the number of chips kept by the respondent. The effect of condition was significant ( $F(4,257) = 7.13, p < .001, \eta^2 = .10$ ).

*Table 3.3*

*Study 3.2: Number of chips participant keeps for him/her-self: mean and standard deviation per condition*

Condition	<i>M (SD)</i>
No exemplar	42.95 (18.36)
Unethical low status exemplar	58.06 (27.82)
Unethical high status exemplar	48.56 (22.05)
Ethical low status exemplar	40.57 (20.48)
Ethical high status exemplar	36.92 (19.23)

*Note.*  $N = 257$

To test the difference between the conditions we conducted planned contrasts, thereby comparing all the conditions with the no exemplar condition that served as the baseline. To test whether participants became more unethical when confronted with a low status rather than with a high status unethical exemplar we contrasted the no exemplar condition with the low status unethical exemplar and the high status unethical exemplar. Planned contrasts revealed that, compared to the no exemplar condition ( $M = 42.95, SD = 18.36$ ) a low status unethical exemplar significantly increased one's own unethical behavior ( $M = 58.06, SD = 27.82; t(81) = 3.23, p < .005$ ), whereas a high status unethical exemplar did not ( $M = 48.56, SD = 22.05; t(99) = 1.43, p = .16$ ). To test whether participants became more ethical when confronted with a high status rather than with a low status ethical exemplar, we contrasted the no exemplar condition with

the high status ethical exemplar and with the low status ethical exemplar. This revealed that, compared to the no exemplar condition ( $M = 42.95$ ,  $SD = 18.36$ ) a high status ethical exemplar increased participants' own ethical behavior, albeit this did not reach significance ( $M = 36.92$ ,  $SD = 19.23$ ;  $t(101) = 1.64$ ,  $p = .10$ ). There was no increase in one's ethical behavior when confronted with a low status ethical exemplar ( $M = 40.57$ ,  $SD = 20.48$ ;  $t(101) = 0.63$ ,  $p = .53$ ).

The above planned contrasts suggest that participants become more unethical when confronted with an exemplar, but only when this exemplar has a low status. Also, albeit non-significant ( $p=.10$ ), the trend shows that participants become more ethical when confronted with an exemplar, but only when this exemplar has a high status.

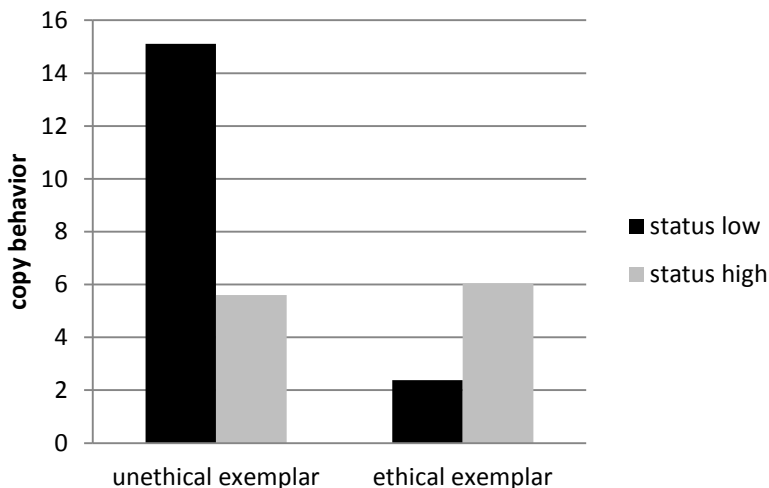
Valuing the results as found by planned contrasts, finding an interaction between exemplar behavior and status would be a more accurate support of our expectation that status differentially affects the influence of an ethical and an unethical exemplar. More specific, we expected that people are more inclined to copy ethical behavior from higher status colleagues than from lower status colleagues and that they are *less* inclined to copy *unethical* behavior from higher status colleagues than from lower status colleagues. In order to test this, we tested for a status  $\times$  exemplar behavior interaction on the extent to which people *copy* behavior. For this purpose, we created a direct operationalization of "copying behavior". In order to do so, we transformed participants (un)ethical behavior into a variable that reflected the extent to which they followed the behavior of the preceding allocator (which, of course, differed between the ethical exemplar and the unethical exemplar condition). As a baseline for this transformation, we used the average number of chips kept by the allocator in the *no exemplar condition* (42.95 chips). After all, this reflected participants' choices when they are not influenced by an exemplar. In the unethical condition, following the exemplar entailed keeping more than 42.95 chips to themselves. So, in this condition, we subtracted the 42.95 chips from the number of chips kept by the participant. For example, a participant who kept 60 chips would, in the unethical exemplar condition (where the exemplar kept 80 chips) obtain a copy-score of  $60 - 42.95 = 17.05$ . In the same condition, a participant who kept 30 chips would obtain a copy-score of  $30 - 42.95 = -12.95$ ; a negative copy score. In contrast, in the ethical exemplar condition, copying the exemplar entailed keeping less than 42.95 chips to oneself. So, in this condition, we subtracted the number

of chips kept by the participant from the 42.95 chips. For example, a participant in the ethical exemplar condition (where the exemplar kept 20 chips) who kept 30 chips would obtain a copy-score of  $42.95 - 30 = 12.05$ . Also, when a participant, in the same ethical exemplar condition, kept 60 chips he/she would obtain a copy score of  $42.95 - 60 = -17.05$ ; a negative copy score. As such, this method resulted in a variable that stood for the degree to which exemplar behavior was copied from the ethical or unethical exemplar. The higher the score, the more a participant copied exemplar behavior. Negative scores would entail that a participant reacted against the exemplar by showing opposite behavior.

A 2 (status) x 2 (exemplar behavior) ANOVA on the degree to which behavior was copied from the exemplar showed an interaction effect between status and behavioral act ( $F(1,202) = 4.28, p < .05, \eta^2 = .04$ ) (see Figure 3.3). Further simple main effects show that, participants are more willing to copy unethical behavior from a low status person ( $M = 15.11, SD = 27.82$ ) than a high status person ( $M = 5.61, SD = 22.05$ ),  $F(1,198) = 4.47, p < .05$ . Participants are not more willing to copy ethical behavior from a high status person ( $M = 6.03, SD = 19.23$ ) than a low status person ( $M = 2.38, SD = 20.48$ ),  $F(1,198) = 1.20, p = .42$ .

Figure 3.3

Study 3.2: Interaction behavioral exemplar by status on imitation behavior



## Discussion

Results of Study 2 show that the extent to which ethical and unethical behavior is copied by observers indeed depends on the status of the exemplar. The interaction showed that participants are less willing to copy the behavior of the unethical high status exemplar as opposed to the unethical low status exemplar, but that they are not more willing to copy the behavior of the ethical high status exemplar as opposed to the ethical low status exemplar.

This study corroborates the results of Study 1 as we again found a differential moderation effect of status for an unethical and ethical exemplar. To the extent that people are more inclined to copy behavior from higher status colleagues than from low status colleagues, this is *not* the case when it concerns unethical behavior. In fact, they are *less* inclined to copy unethical behavior from higher status colleagues than from lower status colleagues. Unlike Study 1, high status did not increase the copying of ethical exemplar behavior.

The experimental design of Study 2 allowed us to systematically compare ethical with unethical behavior, whereas the field design of Study 1 did not allow for such a comparison. Study 1 provides us with external validity of the results, whereas Study 2 shows its internal validity, as the experimental design proves the causality of the results. Altogether, Study 2 supports our hypotheses.

## General Discussion

Two studies showed that whether or not observing unethical behavior instigates unethical behavior among others depends on the status of the unethical exemplar. Although one might intuitively argue that high status people are overall more influential and may thus instigate behavior among others to a greater extent than low status group members, we argued that this may not be the case for *unethical* behavior. Because an exemplar's high status may inhibit people's inclination to use the exemplar's behavior as a way to legitimize the unethical behavior for themselves, high status exemplars unethical acts would be less likely to be copied than low status exemplars' unethical acts. We tested and found that unethical behavior is indeed *less* likely to be copied from high status people as opposed to low status people. Also, as we wanted to underscore the uniqueness of unethical behavioral contagion, we contrasted it with ethical

behavioral contagion. The studies showed how status of the behavioral exemplar impacts one's susceptibility to copy behavior in a different way when the behavior performed is ethical. The results show that, to the extent that high status contributes to the copying of an exemplar's behavior, this is certainly *not* the case when the behavior is *unethical*. In fact, when the exemplar's behavior is unethical, *low* status contributes to the copying of the behavior. This is different from the situation when an exemplar shows ethical behavior. In case of ethical exemplar behavior, to the extent that status influences affects copying behavior (it does not in Study 2, but does in Study 1), high status is more likely to lead to the copying of this behavior.

### **Theoretical Implications**

Prior research on unethical behavioral contagion shows its existence (e.g. O'Fallon & Butterfield, 2012; Robinson & O'Leary-Kelly, 1998; Gino et al., 2009) as well as the presence of moderators that may contribute to the spread of unethical behavior. Moderators that influence unethical behavioral contagion are, among others, individual differences (Ponsioen, Mulder, & Molleman, 2013) and the presence of social norms in a group context (e.g. Gino et al., 2009; Robinson & O'Leary-Kelly, 1998). By showing that high status unethical exemplars are less likely to be copied, we contribute to the research on unethical behavioral contagion as we present a moderator that may cause people to actually *refrain* from copying unethical behavior.

Furthermore, research shows that an increase in the status of an individual often leads to an increase in the unethical behavior of this same individual (e.g. Aquino & Bommer, 2003; Aquino & Douglas, 2003; Piff, Stancato, Coté, Mendoxa-Denton, & Keltner, 2012). For example, Piff and colleagues (2012) show that high status individuals are more likely than low status individuals to break the law while driving. Also, high status individuals are more susceptible to cheat to increase prize winning chances than low status individuals (Piff et al., 2012). The current studies take the research on status and unethical behavior a step further by elaborating on the impact of the unethical behavior perpetrated by these high status persons. We show how unethical behavior of high status persons may not provoke other people's tendency to engage in similar unethical behavior. Whilst not denying that there will be occasions in which unethical behavior is copied from high status persons, the results leads us to conclude that the

contagiousness of high status unethical exemplars is not so strong as one might initially expect. As such, we put the research on unethical behavior and status in perspective by providing some boundaries with regard to the impact that unethical high status individuals might have on others.

Last, it is important to note that, although our results show that an unethical exemplar is more willingly copied when this exemplar has a low rather than high status, we do not state that high status persons have less influence than low status persons in general. On the contrary, research often shows the immense influence of high status persons beyond low status persons as their behavior is more willingly copied (Langworthy, 1959; Kolvereid, 1996). However, the main point we want to make is that, when the behavior at stake is unethical, the influence of high status persons functions differently.

### **Practical Implications**

This study shows that, in contrast to ethical behavior, we are less likely to copy unethical behavior from high status persons than from low status persons. As such, the results suggest that high status persons have less impact on the spread of unethical behavior than low status persons. On itself, this is a promising result as it suggests that, within organizations, misconduct within the top will not automatically lead to a license to engage in unethical conduct among other members of the organization. Rather, the results suggest that people are more influenced by lower than high status colleagues when it comes to unethical decision making. Hence, social interactions with lower status colleagues may instigate organizational members to behave unethically. Organizations aiming to reduce the spread of unethical conduct should pay close attention to social interactions between colleagues on the work floor, as there is where the spread of unethical conduct seems most likely to take place. So, interventions focused on social interactions among peers seem to be most effective.

The current results also help us to give shape to interventions related to ethical and unethical behavior. The differential results for ethical and unethical behavior suggest that ethics training that focuses on the encouragement of ethical behavior should be differentially shaped than ethics training that focuses on the discouragement of unethical behavior. For trainings that focuses on encouraging ethical behaviors (e.g. helping behavior, honesty, kindness, respect), high

status employees within an organization would serve as appropriate trainers and supporters of ethical behavior (Kaptein, 2011). When ethicality is encouraged and voiced by a high status exemplar it is perceived to be more valid because the message is brought by someone with a high status (e.g. Brown & Treviño, 2006; Sims & Brinkmann, 2002). However, our data suggests that, with regard to trainings that focus on the discouragement of unethical behaviors, it may be better to base the training on equal or even lower status (compared to the training attendees) exemplars. Since not all our hypotheses were fully supported, it is warranted to study the expected effectiveness of such trainings.

### **Strengths, Limitations, and Suggestions for Future Research**

An important strength of this research is its combination of a field study with an experimental study. Whereas the strength of the field Study 1 lies within its provision of external validity, the strength of the experimental Study 2 lies in the fact that it provides evidence of causality of the influence of the status of the behavioral exemplar.

Moreover, the multiple source data design of Study 1 is another strength of our field research. The data source is different for the different variables that measure (un)ethical behavior. One may argue that the fact that all the data is self-report is precarious as unethical behavior may be especially susceptible to a social desirability bias, with the potential of resulting in the underreporting of actual unethical behavior (Aquino & Douglas, 2003). However, research by Bennett and Robinson (2000) shows that individuals are willing to report their engagement in different unethical behaviors. Also, when a social desirability bias would be present, it would become even harder to find significant relations, as the variance of the reported unethical behavior would be rather restricted (Aquino & Douglas, 2003). Therefore, the fact that we *do* find significant relations, indicates that the results truly represent an existing phenomenon that may in potential even be larger than we can anticipate on.

Furthermore, Study 1 had a multiple measurement design as we measured a change over time. This is important as we aimed to measure one's inclination to copy observed behavior. By using a multiple measurement design we preempted on that, thereby contributing to research on the influence of the social context over time. By focusing on conditions that may influence

one's inclination to copy observed behavior on an inter-individual level we made an important step in the prediction of factors that may lead to the spread of behavior within an organization. By taking a social network approach, future research could aim at emphasizing even more on the multiply of unethical conduct throughout the organization. A social network analysis may allow more precisely testing for true "contagion" throughout an organization and thereby providing an overview of how unethical behavior spreads from one employee to another, and again to another.

Also, according to the used argument of legitimacy, one could expect that people would copy unethical behavior from people with an equal status as easily as they would copy unethical behavior from people with a lower status. In the current chapter we did not specifically aim to distinguish between having a low versus equal status. In Study 1, status was measured in absolute terms as the status of the behavioral exemplar was not measured in comparison to the respondent him/herself. In Study 2 we manipulated status in relative terms as the status of the behavioral exemplar was either higher or lower than the status of the participant. The results over the two studies show the similar differential effect of exemplar status with regard to copying unethical versus ethical behavior. However, an interesting question is whether the effect of status on the copying of his/her unethical behavior is stronger when the exemplar's status is operationalized in relative terms rather than in absolute terms. The legitimacy explanation suggests it should be. Future research could investigate this in order to gain even more insight into this matter.

The explanation that we gave for our findings lies in the self-interested drive of unethical behavior (e.g. Pinto et al., 2008) and that the observation of an unethical other serves as a way to legitimize one's own behavior (Ashforth & Anand, 2003). This is less likely the rationale when the unethical exemplar has a high status, because, in the eyes of the observer, high status persons may be more legitimized to engage in the unethical conduct than others. As such, people would be less likely to conclude that "it is okay" for them to behave in similar ways. However, there may be other explanations for not copying unethical behavior of a high status exemplar. For example, judging by the widespread attention and focus on their misdeeds that high status people generate (Fragale, Rosen, Xu, & Merideth, 2009), one could argue that unethical high status



persons evoke the feeling of betrayal of trust as they have been selected specifically on their skills and competences to fulfill the hierarchical position they are in (Zahra, Priem, & Rasheed, 2005). Due to their hierarchical abuse (Hogan & Emler, 1981), high status persons can expect more resentment as opposed to low status persons when engaging in unethical conduct (Aquino et al., 2004). As a result, feelings of resentment may cause people to refrain from copying unethical behavior from a high status unethical exemplar. The current research was aimed to be a first test for a moderating effect of status. It was beyond the scope of this chapter to test for precise mechanisms that could potentially explain the found results. By showing the unique effect of status on unethical and ethical behavioral contagion, an important first step was made. Further research is needed to verify the underlying processes that inhibit or stimulate the spread of (un)ethical behavior.

Furthermore, the results showed a consistent and significant interaction effect of status for an unethical and ethical exemplar over the two studies. Specifically Study 2 shows that the moderating effect of status is more pronounced for unethical contagion than for ethical contagion. People seem to be more inclined to copy unethical behavior from low status persons than they are inclined to copy ethical behavior from high status persons. A possible explanation may be that, in general, unethical behavior has a more pronounced chance of being copied than non-unethical behavior. Baumeister, Bratslavsky, Finkenauer, and Vohs (2001) already assumed that “bad is stronger than good”. Unethical behavior being driven by self-interested motives makes it easier to rationalize in terms of profit maximization than ethical behavior (Takezawa, Gummerum, & Keller, 2006). This rationale is also supported by Dunlop and Lee (2004), who suggest that workplace deviant behavior seems more quickly to become common within a group than organizational citizenship behavior. As such, this may have resulted in the stronger copy-effect of a low status unethical exemplar as opposed to a copying-effect of a high status ethical exemplar. However, further research could more explicitly distinguish between ethical and unethical behavioral contagion, thereby aiming to find a solid explanation for the more pronounced effect of status on unethical behavior as opposed to ethical behavior.

Last, our main purpose of Study 2 was to find causal evidence for the results that we already found in the first field study. As virtually all experimental laboratory studies, the setting

of Study 2 inevitably had an artificial setting and used a student sample. Nevertheless, the fact that two similar interactions were found over both studies suggests that the results of Study 2 generalize to actual behavior in natural organizational settings.

### **Conclusion**

We copy behavior; it is within our nature to observe our surrounding in order to establish and decide on our own behavioral expressions. Although high status individuals are generally more influential, this chapter suggests that they are not when it concerns unethical behavior: We refrain from copying high status exemplars when the observed behavior is unethical whereas we do copy unethical behavior from low status members. By making an explicit comparison with ethical behavioral contagion, this chapter underscores the uniqueness of unethical behavioral contagion. More specific, it shows that low and high status exemplars differently influence other people's inclination to copy behavior, depending on whether the behavior is ethical or unethical. We hope this chapter contributes in developing a better understanding of unethical contagion as well as the prevention of the future escalation of unethical behavior.



# **Chapter 4**

## **Unethical Behavioral Contagion at Cost or Favor of the Organization: The Influence of Organization Identification**



## Introduction

The large history of business scandals at, among others, Parmalat, Enron, and Fannie Mae are well known and cannot be neglected. More recent is Philips' Poland conviction of bribing hospital directors on a large scale to buy Philips products. Research done by the Association of Certified Fraud Examiners (ACFE, 2012) estimated that organizations worldwide lose about 5% of their business revenues to fraud each year. This shows that unethical behavior is at ever presence and accompanied with high organizational costs.

The ample existence of unethical behavior causes the confidence of society in organizations to be undermined, leading stakeholders to increase pressure on diminishing unethical behavior (Treviño, Weaver, & Reynolds, 2006). Therefore, it is important to understand the factors that cause unethical behavior to spread throughout an organization so that interventions can be developed that help to call the expansion of unethical behavior to a halt. For this purpose, it is vital to consider the role of the social context as people are known to be influenced in their behavior by others (Bandura, 1977; Goldstein, Cialdini, & Griskevicius, 2008). As people learn from each other how to behave, as well as what behavior is appropriate (Goldstein et al., 2008), observing unethical conduct can lead to copying such behavior (e.g. Robinson & O'Leary-Kelly, 1998; Gino, Ayal & Ariely, 2009).

In this chapter we propose and test that copying observed unethical behavior is influenced by the organization identification of the observer. Research generally shows a positive relation between organization identification and favorable outcomes such as job satisfaction and performance (Mael & Ashforth, 1995). In line with these findings, it is not unlikely that organization identification relates negatively to unethical behavior. After all, those who identify with the organization are likely to be more bothered by the potential harmful consequences for the organization, which may inhibit them to act unethically. However, there are also forms of unethical behavior that are less harmful to the organization. Indeed, research acknowledges that unethical behavior can be either primarily seemingly beneficial or harmful to an organization (Coleman, 1987, Pinto, Leana, & Pil, 2008). In fact, recent research suggests that individuals who highly identify with the organization may go beyond what is ethical to benefit their organization (Umphress, Bingham, & Mitchell, 2010; Umphress & Bingham, 2011). As such, we expect that

high organization identification can also strengthen one's susceptibility to copy unethical behavior, as long as this behavior is perceived to be seemingly beneficial to the organization.

Thus, the current chapter examines whether unethical behavior that is seemingly beneficial and unethical behavior that is harmful to the organization multiply as a cause of social interaction and how this is moderated by organizational identification. In doing so, this chapter answers to an important societal call to reduce unethical behavior by researching the factors that cause the spread of unethical behavior. As such, it progresses both the literature on unethical behavioral contagion (e.g. Robinson & O'Leary-Kelly, 1998; Gino et al., 2009) and the dark side of organizational identification (e.g. Banfield, 1958; Umphress et al., 2010; Umphress & Bingham, 2011). After an overview of the concepts to be studied, we will present three studies. In two field studies we test our hypotheses in two different organizational settings. The third study is a lab experiment in which we aim to replicate our field findings and test for causality.

## **Theory and Hypotheses**

### **Unethical Behavior and Interpersonal Interaction**

Unethical behavior "is illegal or morally unacceptable to the larger society" (Jones, 1991, p. 367) and has negative implications for the organization and/or other individuals within the organization (Bennett & Robinson, 2000; Vardi & Weitz, 2004; Robinson & Bennet, 1995; Robinson & O'Leary-Kelly, 1998). Self-interest is the most prominent motive for breaking these moral behavioral norms. For example, there are monetary rewards to reimbursing more money than justified and there is the benefit of free products when taking home office supplies. This creates a temptation to engage in such behavior, especially when the payoffs are high (Pinto et al., 2008; Vardi & Wiener, 1996; Treviño, 1986). Whether or not people are able to resist these temptations may importantly be influenced by social interaction with others. People make use of the information in their surroundings to interpret the situation and establish attitudes about what is appropriate (Bandura, 1977; Robinson & O'Leary-Kelly, 1998). When observed behavior renders positive rather than negative outcomes, the behavior is more likely to be copied (Treviño & Ball, 1992). So, if observed unethical behavior does not lead to punishment or disapproval, an observer may conclude that such behavior is normal and appropriate (Ashforth & Anand, 2003;

Goldstein et al., 2008), thereby increasing the chance that observed unethical behavior is copied. Moreover, other people's unethical behavior may be used in order to legitimize one's own urge to enhance self-interest and behave unethically (Ashforth & Anand, 2003).

Research shows support for the spill-over effect of unethical conduct. Gino and colleagues (2009) showed that students cheat more when they observed a confederate cheat than without such a confederate. Also, Robinson and O'Leary-Kelly (1998) showed that when people were confronted with antisocial behavior of colleagues, they became more anti-social themselves too. Last, Keizer, Lindenberg, and Steg (2008) showed that when people violated a social norm like trespassing a "no trespassing" sign, other people became more likely to violate this social norm, as well.

### **Organizational Identification**

Although we expect unethical behavior to be contagious, witnessing an unethical exemplar may not always lead to copying this behavior. As unethical behavior usually damages the organization, and people may not want such a damage, they may also choose to abstain from engaging in similar unethical conduct. The extent to which an individual identifies with the organization may be a factor that causes such abstention. Organization identification is the extent to which individuals define the self in terms of their membership with an organization (Ashforth & Mael, 1989; Tajfel & Turner, 1986). Organization identification represents the extent to which an individual's identity as an organization member is more salient than other identities. It indicates the resemblance between characteristics that an individual gives to the self-concept and those of the organization (Dutton, Duckerich, & Harquail, 1994; Ashforth & Mael, 1989; Adler & Adler, 1987).

Organization identification has mainly been associated with positive outcomes (Ashforth, Harrison, & Corley, 2008). For example, it positively predicts job performance and negatively predicts turnover intentions (Mael & Ashforth, 1995). Also, a meta-analysis by Riketta (2005) shows that organization identification is positively correlated with job and organizational satisfaction and job involvement. In line with these positive outcomes, we expect that organization identification is negatively related to unethical behavioral contagion. As high



organization identifiers' self-interest is aligned with the organization's interest, they are threatened in their self-concept when they observe unethical behavior that may cause damage to the organization (Ellemers, Spears, & Doosje, 2002). This may form an inhibition to copy this unethical behavior. Low organizational identifiers, on the other hand, will feel no such threat. For them, their personal self-interest is different from the organization's interest and their personal interest will surface as a main motive. Observing unethical conduct will then serve to justify that the behavior is not inappropriate. This may unleash any inhibitions a low identifier may have with regard to following their self-interest, which makes them susceptible to copy such behavior. Therefore we hypothesize:

*Hypothesis 1. People will show more unethical behavior that is harmful to the organization when confronted with an exemplar that behaves unethically against the organization than without such an exemplar, and this effect is stronger when their organizational identification is low as opposed to high.*

The above arguments are based on the assumption that unethical behavior is harmful to the organization. And, in the long run, most unethical behavior will be disadvantageous for an organization, as it threatens the organization's reputation (Van Riel & Fombrun, 2007), negatively affects revenues (Orlitzky, Schmidt, & Rynes, 2003) and the endurance of the organization (Grant & Visconti, 2006; Kaptein, 2008). However, unethical behaviors do *differ* in the extent to which they harm or benefit the organization. While some behaviors are clearly directly harmful for the organization, for example, stealing office supplies, over reporting hours or expenses and accepting bribes (Pinto et al., 2008), other unethical behaviors seem, at least on the short term, to *benefit* the organization (Umphress et al., 2010; Umphress & Bingham, 2011; Zahra, Priem, & Rasheed, 2005). Examples of such behavior include withholding negative information about the organization (Umphress et al., 2010), falsifying records in order to improve chances of obtaining a contract for the organization (Vardi & Wiener, 1996), pollution control violations (Zahra et al., 2005), price-fixing, and bribe giving (Pinto et al., 2008).

People may engage in unethical behavior that benefits the organization to help the organization as a consequence of an existing norm of reciprocity. Employees may feel an obligation to care about the welfare of the organization and a willingness to help the organization reach its goals, as the organization also values their contribution and well-being (Eisenberger, Armeli, Rexwinkel, Lynch, & Rhoades, 2001). Also, one might engage in unethical behavior that benefits the organization to gain social approval, such as positive evaluations and feedback (Wimbush, 1999) or a future reward (Umphress et al., 2010; Deckopp, Cirka, & Lynne, 2003). Last, employees engage in this kind of unethical behavior as they believe to be good organizational members by behaving in these ways (Ashforth & Anand, 2003). Then, if employees observe others behaving unethical, they may argue that such behavior is indeed normative and expected, for reasons of reciprocity, gaining social approval as well as for abiding the standard of being a good organizational member. As such, there is an increased tendency to copy the behavior.

People's inclination to copy unethical behavior that is seemingly beneficial to the organization may be influenced by organizational identification, but in a different way compared to unethical behavior that is harmful for the organization. High organization identifiers are likely to take the organization's perspective and to act in the organization's best interest (Dutton et al., 1994). Unlike low identifiers, high identifiers' willingness to act in the best interest of the organization may cause them to disregard personal boundaries of morality, making them more likely to engage in unethical behavior that is seemingly beneficial to the organization (Umphress et al., 2010). Then, when high identifiers observe unethical behavior that is seemingly beneficial for the organization, they may regard this behavior as normative within that specific context (Ashforth & Anand, 2003; Goldstein et al., 2008) and expect social approval from also engaging in it. Moreover, they may lose the motivation to question the ethicality of organizational acts (Banfield, 1958) as they think that the behavior serves the best interest of the organization. More than low identifiers, the inclination of high identifiers to act on behalf of the organization would make them copy these behaviors. As such, we hypothesize:

*Hypothesis 2. People will show more unethical behavior that is seemingly beneficial to the organization when confronted with an exemplar that behaves unethically on behalf of the organization than without such an exemplar, and this effect is stronger when their organizational identification is high as opposed to low.*

## Study 1

### Design and Participants

We approached 179 medical specialists from five departments of an organization within healthcare to participate in a research on integrity. In total, 96 medical specialists (49 percent male,  $M_{\text{age}} = 46$ ,  $SD_{\text{age}} = 8.85$ ) filled out the questionnaire (54%). The medical specialists were informed that, per completed questionnaire, a donation of €5 euro was made to a charity.

### Procedure

The online questionnaire was developed in close collaboration with the organization, to guarantee a valid questionnaire that was adapted to the specific working context of the organization. Due to the sensitive nature of the research objective, it was stated explicitly that the data was handled with the highest confidentiality and that no one - besides the researchers involved - would ever see the results on an individual level.

Respondents received an email with a link to the online questionnaire. The questionnaire measured organization identification and observed unethical behavior of colleagues as well as respondents' own unethical behavior, respectively. The behaviors measured included both behaviors that were seemingly beneficial, as well as harmful to the organization.

### Measurements

**Organization identification.** As a measure of organization identification we made use of the organization identification scale, as developed by Mael and Ashforth (1992). We used all the six items. Some of the example items are: *“When I talk about this organization, I usually say ‘we’ rather than ‘they’”* and *“If a story in the media criticized the organization, I would feel*

*embarrassed*". Participants responded on a seven point scale (1 = *totally disagree*, 7 = *totally agree*) ( $\alpha = .86$ ).

***Harmful and seemingly beneficial unethical colleague behavior.*** Harmful unethical colleague behavior served as the independent variable. We wanted the measurement to be relevant and valid for this specific organization. Therefore, we used the integrity code of the organization to find behaviors that were mentioned as being unethical. This code stated that issues with regard to disrespectful interaction are viewed to be unethical. This is in line with the typology of Robinson and Bennett (1995), which states that different types of negative work behaviors can be distinguished, interpersonal deviance being one of them. Interpersonal deviance is characterized by specific unethical work behaviors that are violating regulations with regard to respect (Montgomery, Kane, & Vance, 2004; Venkataramani & Reeshad, 2007). Examples of such unethical behavior are bullying (Björkqvist, Österman, & Hjeit-Bäck, 1994, p. 175), gossiping (Sackett & DeVore, 2001), and incivility (Venkataramani & Reeshad, 2007). As such, we used a scale developed by Arnold, Blank, Race, and Cipparrone (1998) as they measured items with regard to interpersonal respect in healthcare. An example item is: *"My colleagues make derogatory statements about other medical specialty groups"*. We added three extra items upon request of the organization, as these were considered to be relevant as well. The extra items were: *"My colleagues arrive later on work appointments than agreed upon"*, *"My colleagues taunt other colleagues"*, and *"My colleagues make a fool out of patients"*. Participants responded on a seven point scale. The higher the score, the more often one's engagement in the unethical behavior ( $\alpha = .85$ ).

As a measure of observed seemingly beneficial unethical behavior we used items of the scale for pro-organizational unethical behavior, as developed by Umphress and colleagues (2010). Four items that the hospital deemed as most relevant for their specific work context were included. These items were: *"My colleagues would misrepresent the truth to make the organization look good"*, *"My colleagues would exaggerate the truth about the company's products or services to customers and clients"*, *"My colleagues would withhold negative information about the company or its products from customers or clients"* and *"My colleagues would conceal information from the public that could be damaging to the organization"*.

Participants responded on a seven point scale. The higher the score, the more often one's engagement in the unethical behavior ( $\alpha = .89$ ).

***Harmful and seemingly beneficial unethical behavior of the self.*** Own harmful ( $\alpha = .87$ ), as well as seemingly beneficial ( $\alpha = .89$ ) unethical behavior was measured by means of the same items, albeit in this case the items referred to participants' own behavior. Participants responded on a seven point scale. The higher the score, the more often one's engagement in the unethical behavior.

## Results

The means, standard deviations, and correlations between the variables are presented in Table 4.1. Table 4.2 and Table 4.3 present the results of the regression analyses.

***Harmful unethical behavior.*** Own harmful unethical behavior was regressed on the independent variables in three steps, by using the procedure recommended by Aiken and West (1991). All the variables of the analysis were standardized before cross products were computed. As we distributed the questionnaire among five departments within the same organization, our data has a nested structure. However, the number of units is so low that a multi-level analysis including random effects for units would be meaningless (Snijders & Bosker, 1999). Instead, therefore, we included dummies for the departments as control variables in the first model. Also, as type of appointment (i.e. part-time or full-time, weekly hours worked) is known to be related to organization identification (e.g. Lee & Johnson, 1991; Smeenk, Eisinga, Teelken, & Doorewaard, 2006) and is arguably not independent of knowing about colleagues' unethical behavior, we controlled for type of appointment, as well. Then, we included the main effects of harmful unethical colleague behavior and organization identification in the second model. In the third model, we added the two-way interaction of harmful unethical colleague behavior by organization identification (Table 4.2).

Table 4.1

Study 4.1: Means, standard deviations, and correlations

Variables	Mean	S.D.	1	2	3	4	5	6	7	8	9	10
1 Dummy Dep. 1	0.11	0.31	-									
2 Dummy Dep. 2	0.13	0.34	-.14	-								
3 Dummy Dep. 3	0.35	0.48	-.26**	-.29**	-							
4 Dummy Dep. 4	0.33	0.47	-.24**	-.27**	-.51**	-						
5 Appointment	54.70	13.19	-.11	.09	.20	-.19	-					
6 Organization Identification	4.98	1.10	-.10	.05	.09	-.11	.09	-				
7 Harmful unethical colleague	4.12	1.19	-.07	-.05	.13	.01	.09	.12	-			
8 Harmful unethical self	3.00	1.35	-.02	.06	.06	-.02	.07	-.05	.69**	-		
9 Seemingly beneficial unethical colleague	2.91	1.34	-.17	-.02	-.05	.25*	.08	-.11	.37**	.23*	-	
10 Seemingly beneficial unethical self	2.28	1.23	-.05	-.11	-.08	.29**	-.05	-.06	.38**	.32**	.64**	-

\*  $p < .05$ , \*\*  $p < .01$

Table 4.2

Study 4.1: Regression results on unethical behavior that is harmful to the organization

Step and variables	Model 1		Model 2		Model 3	
	B	SE	B	SE	B	SE
Intercept	2.12	(0.77)	2.87	(0.54)	2.68	(0.53)
<b>Control</b>						
Dummy Department 1	0.38	(0.69)	0.17	(0.49)	0.36	(0.48)
Dummy Department 2	0.56	(0.51)	-0.07	(0.35)	0.08	(0.36)
Dummy Department 3	0.68	(0.59)	0.49	(0.41)	0.59	(0.41)
Dummy Department 4	0.61	(0.61)	-0.02	(0.38)	0.01	(0.38)
Appointment	0.01	(0.01)	0.00	(0.01)	0.00	(0.01)
<b>Main effects</b>						
Organization Identification			-0.26*	(0.11)	-0.34**	(0.12)
Harmful behavior colleague			1.02**	(0.11)	1.01**	(0.11)
<b>Two-way interaction</b>						
OID x Harmful behavior colleague					-0.23*	(0.11)
R Square	.03		.54		.57	
$\Delta$ R Square			.52**		.03*	

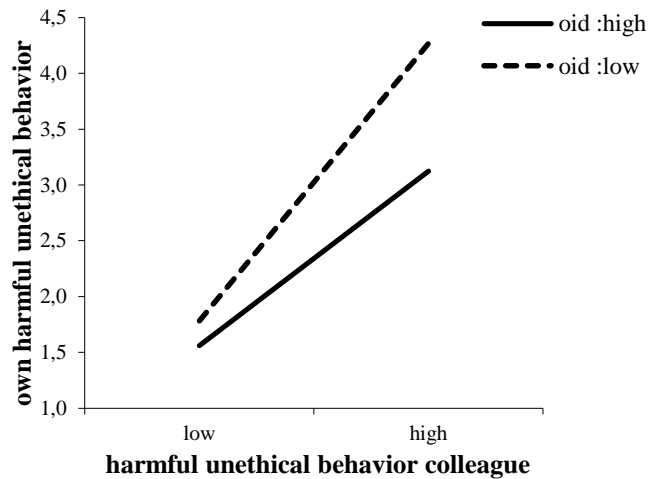
\*  $p < .05$ , \*\*  $p < .01$ 

The results show an effect of harmful unethical colleague behavior on own harmful unethical behavior ( $B = 1.02$ ,  $p < .01$ ). Also, the results show an effect of organizational identification on own harmful unethical behavior ( $B = -0.26$ ,  $p < .05$ ). Then, we found a two-way interaction between organization identification and harmful unethical colleague behavior on own unethical behavior ( $B = -0.23$ ,  $p < .05$ ,  $\Delta R^2 = .03$ ). To illustrate the nature of the interaction we plotted the interactions in Figure 4.1. We used Aiken and West's (1991) procedure for plotting interactions with continuous variables. Accordingly, we generated ZI and Zh, corresponding to one standard deviation below, and one standard deviation above the mean, respectively. Figure

4.1 shows a positive effect of harmful unethical colleague behavior on own harmful unethical behavior for those who score low on organization identification ( $B = 1.24, p < .01$ ). There was a less strong (albeit also significant) positive effect of harmful unethical colleague behavior on own harmful unethical behavior for those who score high on organization identification ( $B = .78, p < .01$ ). In sum, as the organization identification  $\times$  harmful unethical colleague term was significant the slopes differed significantly. Notably, a harmful unethical colleague also increased harmful unethical behavior among people with high organization identification, but this was less strongly the case than among people with low organization identification. This supports our hypothesis that the positive effect of a harmful unethical colleague on one's own harmful unethical behavior is stronger for people with low organizational identification than for people with high organizational identification.

Figure 4.1

Study 4.1: Interaction OID and harmful unethical behavior of colleagues on own behavior (controlled for department dummies and appointment)



**Seemingly beneficial unethical behavior.** Own seemingly beneficial unethical behavior was regressed on the independent variables in three steps. Here, we used the same procedure as followed for the regression that tested harmful unethical behavior (see Table 4.3). The results show an effect of seemingly beneficial unethical colleague behavior on own seemingly



beneficial unethical behavior ( $B = 0.78, p < .01$ ). Also, we found a two-way interaction between organization identification and seemingly beneficial unethical colleague behavior on own unethical behavior ( $B = 0.26, p < .05, \Delta R^2 = .04$ ). To illustrate the nature of the interaction we plotted the interactions in Figure 4.2. Figure 4.2 shows a positive effect of seemingly beneficial unethical colleague behavior on own seemingly beneficial unethical behavior for those who score high on organization identification ( $B = 1.02, p < .01$ ). There was a less strong, but significant, positive effect of seemingly beneficial unethical colleague behavior on own seemingly beneficial unethical behavior for those who score low on organization identification ( $B = 0.49, p < .01$ ). Again, the interaction term indicates that these slopes differ significantly.

Table 4.3

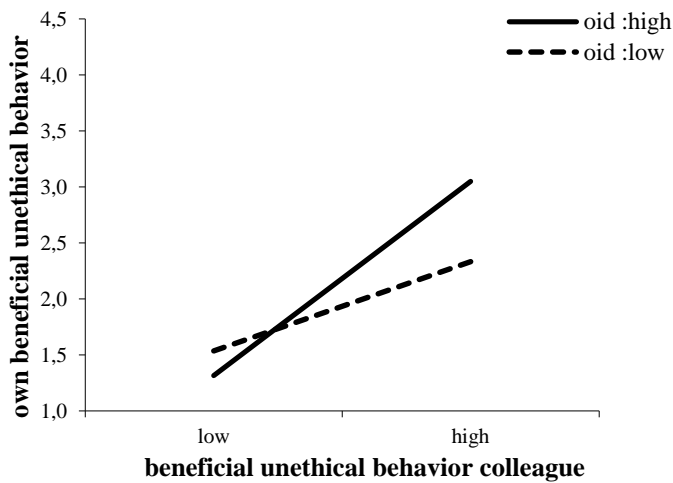
Study 4.1: Regression results on unethical behavior that is beneficial to the organization

Step and variables	Model 1		Model 2		Model 3	
	B	SE	B	SE	B	SE
Intercept	1.85	(0.65)	2.32	(0.52)	2.27	(0.50)
<b>Control</b>						
Dummy Department 1	0.23	(0.59)	0.60	(0.47)	0.43	(0.47)
Dummy Department 2	0.22	(0.43)	0.09	(0.34)	0.11	(0.33)
Dummy Department 3	0.05	(0.50)	-0.05	(0.39)	-0.13	(0.39)
Dummy Department 4	1.04*	(0.46)	0.64	(0.37)	0.76*	(0.36)
Appointment	0.00	(0.01)	-0.01	(0.01)	-0.00	(0.01)
<b>Main effects</b>						
Organization Identification			0.13	(0.11)	0.12	(0.11)
Beneficial behavior colleague			0.78**	(0.11)	0.76**	(.11)
<b>Two-way interaction</b>						
OID x Beneficial behavior colleague					0.26*	(.11)
R Square	.10		.45		.49	
$\Delta$ R Square			.35**		.04*	

\*  $p < .05$ , \*\*  $p < .01$

Figure 4.2

Study 4.1: Interaction OID and seemingly beneficial unethical behavior of colleagues on own behavior (controlled for department dummies and appointment)



## Discussion

The results of Study 1 show a stronger positive relationship between harmful colleague behavior and own harmful unethical behavior when organization identification is low as opposed to high. Also, there is a stronger positive relation between seemingly beneficial unethical colleague behavior and own seemingly beneficial unethical behavior when organization identification is high as opposed to low. These results are in line with our expectations.

Study 1, which had a cross-sectional design, thus forms a first indication that copying unethical behavior depends on both the type of unethical behavior and one's organizational identification. To test this idea further, a second field study was developed.

## Study 2

In contrast to Study 1, Study 2 had a multiple measurement design. The advantage of a multiple measurement design is that it enables us to make more inferences on the influence of the social context over time. Also, we used different measures of own and colleagues' unethical

behaviors. In Study 1, existing scales were used. Whereas the scale for beneficial unethical behavior was especially developed for tapping into this concept (Umphress et al., 2010), the scale for harmful unethical behavior was not. Although, in our view, the items in this latter scale all pertain to harmful unethical conduct, it was not made for the purpose of contrasting it with seemingly beneficial unethical behavior. This made the two scales not only different in terms of beneficial versus harmful unethical behavior, but possibly also in terms of other characteristics. For example, the beneficial unethical behavior scale contained items with a general content, whereas the harmful unethical behavior scale contained items that were especially applicable to healthcare. We cannot rule out that the difference in shape of the identification by unethical colleague behavior interactions between the two dependent measures was due to something in the differential nature of the behaviors measured. As such, we cannot safely conclude that the differences found in responses to an unethical colleague between low and high identifiers are *due to the harmful versus seemingly beneficial aspect* of the unethical behavior.

Therefore, in Study 2 we aimed to focus on a more accurate comparison between seemingly beneficial and harmful unethical behavior, and used more comparable measures of both types of behaviors. We chose to have two measures that differed in whether they harmed or benefited the organization, but described the same type of unethical behavior, namely *bribing*. Research by Pinto et al. (2008) argues that *accepting* bribes is a clear example of unethical behavior that harms the organization as its main goal is the personal financial benefit for the individual. However, *offering* bribes is a clear example of unethical behavior that benefits the organization as the main aim of the behavior is to provide support and help to the organization.

### **Pilot Study**

In the development of the items that had to measure unethical behavior, we chose to focus on a specific type of behavior, namely *bribing*. The development of the items originates from a questionnaire of Kaptein (2008) in which he formulates 37 items that all capture unethical behavior. More specific, the item we based our items on was *“Accepting inappropriate gifts, favors, entertainment, or kickbacks from suppliers”*. Aiming to contrast unethical behavior that is harmful for the organization to unethical behavior that is seemingly beneficial to the

organization, we came up with two contrasting items that both capture the unethical act of bribing. One described the harmful unethical behavior of bribe accepting (*“Accepting gifts from professional relations, even though the chance exists that the gift is offered in order to get something done”*) and the other the seemingly beneficial unethical behavior of bribe giving (*“Offering gifts to professional relations in order to get something done”*). To make sure that the items indeed differed in the extent to which they were perceived as being seemingly beneficial or harmful to an organization we conducted a pilot study among 39 persons with fulltime affiliations at different organizations.

For each of the two items, participants were provided with a bipolar scale on which they indicated how seemingly beneficial or harmful the behavior would be for the organization, ranging from 1 (beneficial to the organization) to 7 (harmful to the organization). A paired t-test showed that accepting gifts is perceived as more harmful to an organization ( $M = 4.18, SE = 0.18$ ) than offering gifts ( $(M = 3.36, SE = 0.21), t(38) = 4.02, p < .001$ ). As such, we could conclude that accepting gifts is viewed as being more harmful and less beneficial to the organization than offering gifts. This made these two items suitable to use as dependent variables of harmful and seemingly beneficial unethical behavior and were subsequently used in Study 2.

### **Design and Participants**

We approached 245 employees from three business units of a financial organization to participate in an online questionnaire on integrity<sup>9</sup>. We used a multiple measurement design, with two points of measurements, with an interval of three months. At measurement point T1, 191 employees filled out the questionnaire (78%). Then, of those 191 employees, 109 (57%) filled out the questionnaire at T2. This gives a response rate of 44% for both points of measurements together. As such, 109 employees (53 percent female,  $M_{age} = 39, SD_{age} = 8.86$ ) participated. All the employees participated voluntary in this study.

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<sup>9</sup> This dataset is also used in chapter 2 and chapter 3.

## Procedure

The executive board of the organization agreed on cooperating in a research on integrity. The online questionnaire was developed in close collaboration with the organization, to guarantee a valid questionnaire that was adapted to the specific working context. Due to the sensitivity of the research objective, it was stated explicitly that the data was handled with the highest confidentiality and that no one - besides the researchers involved - would ever see the results on an individual level.

Respondents received an email with a link to the online questionnaire. The questionnaire at T1 measured organization identification, observed unethical behavior of colleagues as well as own unethical behavior. The behaviors measured included both behavior that was seemingly beneficial and behavior that was harmful to the organization. After a period of three months we send the follow up questionnaire (T2), where we again measured both types of unethical behavior.

## Measurements

**Organization identification.** As a measure of organization identification we used the organization identification scale, as developed by Mael and Ashforth (1992). We included the following four items from this scale as they were considered to be most relevant and valid for the specific work setting: *“When someone criticizes this organization, it feels like a personal insult”*, *“I am very interested in what others think about this organization”*, *“This organization’s successes are my successes”*, and *“When someone praises this organization, it feels like a personal compliment”* ( $\alpha = .85$ ).

**Harmful and seemingly beneficial unethical colleague behavior (T1).** Harmful unethical colleague behavior at T1 served as the independent variable. As a measure we used the item *“My colleagues accept gifts from professional relations, even though the chance exists that the gift is offered in order to get something done”*. Seemingly beneficial unethical colleague behavior at T1 also served as the independent variable. As a measure we used the item *“My colleagues give gifts to professional relations in order to get something done”*. Participants responded on a seven point scale. The higher the score, the more often one’s engagement in unethical behavior.

***Harmful and seemingly beneficial unethical behavior of the self (T2).*** Own harmful unethical behavior at T2 served as the dependent variable. Harmful unethical behavior was measured by means of the same item of that of colleagues, albeit in this case respondents had to refer to their own behavior. At both measurement points (T1 and T2), participants responded on a seven point scale. The higher the score, the more often one's engagement in unethical behavior. For seemingly beneficial unethical behavior we followed an identical measurement procedure.

## Results

The means, standard deviations, and correlations between the variables are presented in Table 4.4. Table 4.5 and Table 4.6 present the results of the regression analyses.

***Harmful unethical behavior.*** Own harmful unethical behavior (T2) was regressed on the independent variables and interaction variables in three steps, using the same procedure as in Study 1. The business unit dummies, type of appointment, and own harmful unethical behavior (T1) were included as control variables. In step two, we included the main effects of harmful unethical colleague behavior (T1) and organization identification. In the third model, we added the two-way interaction between harmful unethical colleague behavior and organization identification (Table 4.5).

The results show an effect of harmful unethical colleague behavior (T1) on own harmful unethical behavior (T2) ( $B = 0.14, p < .01$ ). Also, we found a two-way interaction between organization identification and harmful unethical colleague behavior on own unethical behavior ( $B = -0.08, p < .05, \Delta R^2 = .04$ ). To illustrate the nature of the interaction we plotted the interactions in Figure 4.3 (Aiken & West, 1991), showing a positive effect of harmful unethical colleague behavior on own harmful unethical behavior for those who score low on organization identification ( $B = 0.23, p < .01$ ), but not for those who score high on organization identification ( $B = 0.07, p = .11$ ).

*Table 4.4*  
*Study 4.2: Means, standard deviations, and correlations*

Variables	Mean	S.D.	1	2	3	4	5	6	7	8	9	10
1 Dummy BU 1	0.44	0.49	-									
2 Dummy BU 2	0.43	0.49	-.76**	-								
3 Appointment	0.90	0.18	.05	-.18*	-							
4 Organization identification	5.18	1.01	.18*	-.12	.09	-						
5 T1 Harmful unethical colleague	1.91	1.26	-.14	.17*	.02	.04	-					
6 T1 Harmful unethical self	1.17	0.53	-.06	.05	.02	-.13	.27**	-				
7 T2 Harmful unethical self	1.14	0.45	-.08	.05	-.00	-.12	.38**	.41**	-			
8 T1 Seemingly beneficial unethical colleague	1.96	1.35	-.12	-.06	.11	-.08	.63**	.36**	.41**	-		
9 T1 Seemingly beneficial unethical self	1.34	0.98	-.01	-.13	.14	-.11	.21*	.55**	.48**	.54**	-	
10 T2 Seemingly beneficial unethical self	1.22	0.87	.16	-.21*	.14	.13	.04	.45**	.23*	.31**	.69**	-

\*  $p < .05$ , \*\*  $p < .01$

Table 4.5

Study 4.2: Regression results on unethical behavior that is harmful to the organization (T2)

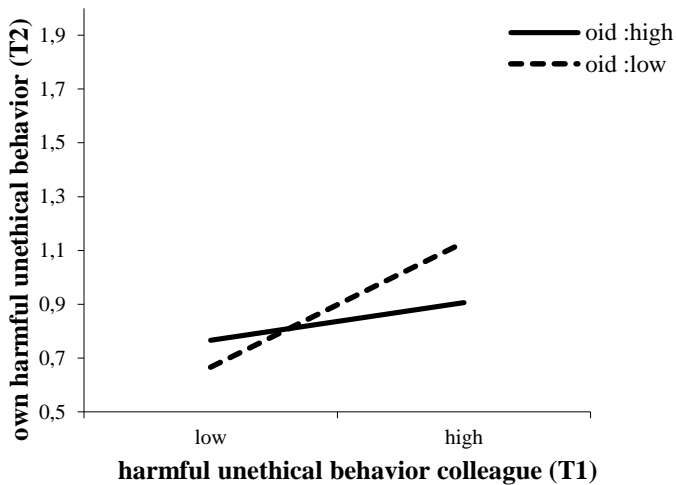
Step and variables	Model 1		Model 2		Model 3	
	B	SE	B	SE	B	SE
Intercept	0.93**	(0.28)	1.05**	(0.27)	1.05**	(0.26)
<b>Control</b>						
Own harmful behavior (T1)	0.37**	(0.08)	0.29**	(0.08)	0.24**	(0.08)
Dummy BU 1	-0.18	(0.15)	-0.17	(0.14)	-0.14	(0.14)
Dummy BU 2	-0.12	(0.15)	-0.18	(0.14)	-0.16	(0.14)
Appointment	-0.01	(0.02)	-0.01	(0.02)	-0.01	(0.02)
<b>Main effects</b>						
Organization Identification			-0.04	(0.04)	-0.03	(0.04)
Harmful behavior colleague (T1)			0.14**	(0.04)	0.16**	(0.04)
<b>Two-way interaction</b>						
OID x Harmful behavior colleague					-0.08*	(0.03)
R Square	.18		.27		.31	
$\Delta$ R Square			.09**		.04*	

\*  $p < .05$ , \*\*  $p < .01$



Figure 4.3

Study 4.2: Interaction harmful unethical behavior of colleague x OID on own unethical behavior (controlled for own unethical behavior at T1, BU dummies, and appointment)



**Seemingly beneficial unethical behavior.** Own seemingly beneficial unethical behavior (T2) was regressed on the independent variables in three steps, using the same procedure as followed for the regression that tested harmful unethical behavior (see Table 4.6).

The results show a two-way interaction between organization identification and beneficial unethical colleague behavior (T1) on own unethical behavior (T2) ( $B = 0.17, p < .01, \Delta R^2 = .04$ ). To illustrate the nature of the interaction we plotted the interactions in Figure 4 (Aiken & West, 1991), showing a positive effect of seemingly beneficial unethical colleague behavior on own seemingly beneficial unethical behavior for those who score high on organization identification ( $B = 0.18, p = .05$ ) but not for seemingly beneficial unethical colleague behavior on own seemingly beneficial unethical behavior for those who score low on organization identification ( $B = -0.17, p = .09$ ).

Table 4.6

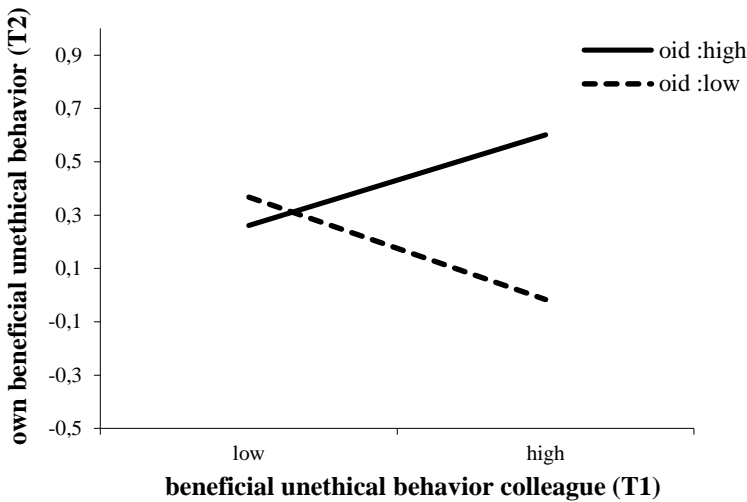
Study 4.2: Regression results on unethical behavior that is seemingly beneficial to the organization (T2)

Step and variables	Model 1		Model 2		Model 3	
	B	SE	B	SE	B	SE
Intercept	0.15	(0.43)	0.17	(0.43)	0.13	(0.41)
<b>Control</b>						
Own beneficial behavior (T1)	0.69**	(0.07)	0.69**	(0.08)	0.72**	(0.09)
Dummy BU 1	0.16	(0.23)	0.18	(0.24)	0.18	(0.23)
Dummy BU2	-0.10	(0.24)	-0.05	(0.24)	0.02	(0.23)
Appointment	0.02	(0.04)	0.02	(0.04)	0.01	(0.04)
<b>Main effects</b>						
Organization Identification			0.12	(0.06)	0.12	(0.07)
Beneficial behavior colleague (T1)			0.02	(0.08)	0.01	(0.07)
<b>Two-way interaction</b>						
OID x Beneficial behavior colleague					0.17**	(0.06)
R Square	.49		.51		.55	
Δ R Square			.02		.04**	

\*  $p < .05$ , \*\*  $p < .01$

Figure 4.4

Study 4.2: Interaction seemingly beneficial unethical behavior of colleague x OID on own unethical behavior (controlled for own unethical behavior at T1, BU dummies, and appointment)



**Discussion**

The results of Study 2 show a positive relation between harmful unethical colleague behavior and participants’ own harmful unethical behavior, three months later, but only when one’s organization identification is low. Also, Study 2 shows a positive relation between seemingly beneficial unethical colleague behavior and participants’ own seemingly beneficial unethical behavior three months later, but only when one’s organization identification is high. As such, these results suggest that people low on organization identification are more inclined to copy unethical behavior when such behavior is harming the organization, whereas people who highly identify with the organization are more susceptible to copy unethical behavior when this behavior is seemingly beneficial to the organization. Together with the results of Study 1, these results support our hypotheses.

The usage of a multiple measurement design is a strength of Study 2, as well as its replication of Study 1. Both studies show that the influence of an exemplar engaging in unethical behavior that is harmful to the organization is stronger for low organizational identifiers than

high identifiers. Also, both studies show that the influence of an exemplar engaging in unethical behavior that is seemingly beneficial to the organization is stronger for high organizational identifiers than low identifiers. Nevertheless, the results particularly represent the existence of relations between the concepts. It still remains to be tested whether unethical behavior of others, as well as organization identification is truly *causing* unethical behavior among participants. To test such causality, an experimental study is required. This allows one to manipulate the concepts of study while keeping all the other factors constant. Another strength of Study 2 is that it was designed in such a way that the measures of seemingly beneficial and harmful unethical behavior pertained to the same issue (i.e. bribing), thereby making them more comparable. Because of this we can more surely conclude that different reactions to an unethical colleague of low and high identifiers are due to the consequences of the unethical behavior for the organization (i.e. being harmful or seemingly beneficial). However, despite their similarities, accepting bribes and giving bribes are still, of course, different acts. In that sense, the most perfect test of the effect of the observed behavior being seemingly beneficial or harmful, is performing an experiment. In an experiment, it could be manipulated whether the exact same type of behavior (cheating) has either harmful or seemingly beneficial consequences for the organization. This is what we did in Study 3.

### **Study 3**

#### **Design and Participants**

170 economy and business students (52% male,  $M_{age} = 21$ ,  $SD_{age} = 2.20$ ) from a European University participated in the study for either 2 research credits or a financial compensation of €4. They were randomly assigned to one of the 8 conditions of our 2 (type of unethical behavior: harmful versus beneficial) x 2 (organization identification: low versus high) x 2 (an unethical exemplar: absent versus present) between subjects design.

#### **Procedure**

Participants were welcomed and guided to a cubicle where they found a computer, a hard copy worksheet, a diary, a green pen, and an envelope containing €3. The experiment started

with the first part of manipulating participant's identification with the university department of their own study, which was the Faculty of Economics and Business (hereafter named "FEB"). The details of this manipulations as well as all other used manipulations are explained later on, in the "manipulations" section. This manipulation was followed by an explanation of the upcoming anagram task, a modified version of Schweitzer, Ordonez, and Douma's (2004) anagram task (see Gino & Pierce, 2009). Participants were explained that they would be asked to create words using a seven letter set and to list them in the hard copy worksheet by means of the green pen. There was a bonus attached to the task, such that participants could gain up to an extra bonus of €1 to €3. Participants were told that to ensure anonymity, at the end of the study they would record the valid number of words they created on the computer and take the money they earned from the envelop while throwing away the hard copy worksheet in a waste paper bin that was located outside the cubicle. This was done to create the impression that it could not be checked whether the number of words they had listed on their hard copy work sheet actually matched the money they awarded themselves (in reality, this *would* be checked). Subsequently, we manipulated the type of unethical behavior by underscoring either the organizational benefits or the organizational disadvantages of a high performance on the anagram task. Then, the second part of the organization identification manipulation followed. Next, participants were told to read the diary that was placed in the cubicle before starting the anagram-task, as the diary consisted of "predecessor's opinions regarding the upcoming anagram-task". The diary served as the manipulation for the absence or presence of an unethical exemplar.

Then the anagram task started. Participants completed three experimental anagram rounds<sup>10</sup>. For each round, participants were given 7 letters and 90 seconds (indicated by a timer on the computer screen) to create words following the rules given at the beginning of the study. Participants had the goal of creating 19 words for each round and they were told that they would earn €1 for each round in which they met this goal. As such, they could earn up to an additional

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<sup>10</sup> We started the experiment with 6 experimental anagram rounds in which participants could earn an additional €0,50 per round (so, also up to €3 in total). Later on, for practical reasons, we adjusted the design to 3 experimental rounds in which participants could earn an additional €1 per round. Controlling for this change in the design in our analyses did not alter the results.

€3 with the anagram-task. They were told that they could find the €3 in the envelope in their cubicle.

After the anagram task, participants were asked to come out of the cubicle to the experimenter, who gave them the answer sheet and also changed their green pen for a red pen (“for doing the correction work”). This red pen was meant to enable the experimenters to check afterwards whether participants had added or changed words while checking their own work (words written or changed by the red pen would not reflect their actual performance during the task). Post-experimental checks revealed that no participant had added or changed words. Participants went back into their cubicle to check their own work. They were instructed that they could consider their answers (i.e. the words they wrote down during the anagram task) as correct when they were listed on the answering sheet. Participants counted the number of correctly generated words per round. On the computer screen they read that for each round in which they obtained a minimum of 19 correct words, they were entitled to take €1 euro out of the envelope. They were told to type in the number of correct words per round on the computer screen, pay themselves accordingly by taking out the money that they earned from the envelope, and seal the envelop.

Next, participants filled out some closing questions and statements that served as a check for the effectiveness of the different manipulations. After that, the experiment was finished. When they came out of the cubicle they threw their worksheet in the paper bin and put their envelope with the left-over money in a drop box. Participants were compensated and thanked. After participants left, the experimenter collected the worksheets out of the paper bin. Each worksheet came with a unique set of letters that was consistent with the code on the envelope. As such, we could check whether the money that was missing from the envelope was consistent with the words actually listed on the worksheet. Hence, as these codes were unique for each participant, their cheating behavior could be recorded.

## **Manipulations**

***Organization identification.*** Identification with the FEB was manipulated by a combination of a method used by Jetten, Spears, and Manstead (1997), Leonardelli and Brewer

(2001), and Stroebe, Lodewijckx, and Spears (2005) and a method used by Nadler, Harpaz-Gorodeisky, and Ben-David (2009). In the first part (modeled after Jetten et al., 1997), participants were asked to respond to a list of six negative and seven positive attributes concerning the FEB. They were asked to tick the statements that were applicable to themselves and to leave blank the statements that were not applicable to themselves. In the low identification condition the negative statements about the FEB were only moderately negative (e.g. *"I don't always feel like going to college"*) whereas the positive statements were extremely positive (e.g. *"Studying at the FEB is the best thing that ever happened to me"*). Hence, it was most likely that participants mainly ticked negative statements. In the high identification condition this was the other way around: the positive statements about the FEB were moderately positive (e.g. *"The educational offerings consist of nice courses"*) whereas the negative statements were extremely negative (e.g. *"I always hate going to college"*), making it likely for participant to mainly tick positive statements.

In the second part of the manipulation (adapted from Nadler et al., 2009) we first showed them graphically the results of the statement-task. The graphs showed that they were either a typical FEB student (high organization identification) or either an a-typical FEB student (low organization identification). To further prime their identification we made participants interpret the graphs by asking them questions about the graphs. The questions asked were: *"According to the graphs, I identify more strongly with the FEB than the average FEB student"*, *"According to the graphs, I identify less strongly with the FEB than the average FEB student"*, and *"According to the graphs my identification with the FEB is average"*. Participants indicated their answer on a scale from 1 (totally disagree) to 7 (totally agree). After this, they were presented with the written results of the statement-task. In the high organization identification condition participants read: *"The results show that you are a typical FEB student; you are a student that highly identifies with the FEB"* whereas in the low organization identification manipulation participants read: *"The results show that you are an a-typical FEB student; you are a student that hardly identifies with the FEB"*. Subsequently, participants answered a last question with regard to the graphs, namely: *"The written conclusion on the statement-task is in accordance to the graphical result as given by*

*the graphs*". Participants indicated their answer on a scale from 1 (*totally disagree*) to 7 (*totally agree*).

**Type of unethical behavior.** In the harmful unethical behavior condition, participants were told that the research was funded by the FEB and that the FEB would pay for the extra reward to be earned with the anagram task. It was explicitly mentioned that the higher the performance of students, the more money it would cost the FEB. In the seemingly beneficial unethical behavior condition, participants were told that the research was funded by the government and that the government would pay for the extra reward to be earned with the anagram task. In addition, participants were told that the scores of the anagram-task were to be compared with anagram-task scores of students of other faculties. Therefore, it was explicitly mentioned that a high performance was important, as high scores would make the FEB "look good", also with regard to their reputation. In this way, overstating one's performance in the anagram task, harmed the FEB financially in the harmful unethical behavior condition. However, in the seemingly beneficial unethical behavior condition overstating one's performance didn't cost the FEB anything and merely made the FEB "look good" in comparison to other university departments.

**Unethical exemplar.** To manipulate the absence or presence of an unethical exemplar we used a diary that consisted of "predecessor's opinions regarding the anagram-task." In all conditions, there were three messages of "predecessors", two of them neutral, stating: "Ok, no comment" and "Fine". In the unethical exemplar condition, the third message stated: "The task was hard. Time too short to reach the target. Therefore, I took all the €3 euro. They should have made it more realistic". In the no unethical exemplar condition, the third message stated: "The task was hard. Time too short to reach the target".

## Measurements and Manipulations

**Cheating.** As an indication of cheating we calculated, per participant, the difference between the amount of money participants took from the envelope and the amount of money they were entitled to, according to their worksheet.



**Manipulation check organizational identification.** As an organizational identification check we asked participants the following items: “*I strongly identify with the FEB*” and “*I’m a typical FEB student*”. Participants answered on a seven point answering scale (1 = *definitely not*, 7 = *definitely yes*) ( $\alpha = .86$ ).

**Manipulation check type of unethical behavior.** As a harmful unethical behavior check we asked participants the following item: “*Being dishonest while conducting the anagram-task costs the FEB money*”. As a beneficial unethical behavior check we asked participants the following item: “*Lying about one’s score on the anagram-task benefits the FEB*”. Participants answered on a seven point answering scale (1 = *definitely not*, 7 = *definitely yes*).

**Manipulation check unethical exemplar.** As a check for the presence or absence of an unethical exemplar we asked participants the following items: “*I believe that there has been a participant that acted dishonest with regard to the anagram-task payment*” and “*There was a participant that cheated on the anagram-task*”. Participants answered on a seven point answering scale (1 = *definitely not*, 7 = *definitely yes*) ( $\alpha = .91$ ).

## Results<sup>11</sup>

### Manipulation Checks

**Organization identification.** A 2 (type of unethical behavior) x 2 (organization identification) x 2 (unethical exemplar) ANOVA on the organization identification manipulation check showed only a significant main effect for organization identification with the FEB ( $F(1,168) = 17.64, p < .001$ ). In the high organizational identification condition participants identified more strongly with the FEB ( $M = 4.06$ ) than in the low organizational identification condition ( $M = 3.13$ ).

**Type of unethical behavior.** A 2 (type of unethical behavior) x 2 (organization identification) x 2 (unethical exemplar) ANOVA on the harmful unethical behavior manipulation check showed only a significant main effect for harmful unethical behavior,  $F(1,169) = 49.54, p$

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<sup>11</sup> We excluded 11 participants that were able to reach the targets of the anagram task (which made them not in the position to cheat on the task). Furthermore, as our identification manipulation was designed for FEB students, we excluded students that were not FEB students and/or were affiliated to a different faculty than the FEB as well ( $N = 23$ ). Last, there were three outliers ( $> 3.5$  standard residuals from their predicted values) who we excluded from our analyses.

< .001. In the harmful condition participants indicated more strongly that engaging in unethical conduct would harm the FEB ( $M = 5.40$ ) than in the beneficial condition ( $M = 3.23$ ). A 2 (type of unethical behavior) x 2 (organization identification) x 2 (unethical exemplar) ANOVA on the seemingly beneficial unethical behavior manipulation check showed only a significant main effect for seemingly beneficial unethical behavior,  $F(1,169) = 50.55, p < .001$ . In the seemingly beneficial unethical behavior condition participants indicated more strongly that engaging in unethical conduct would benefit the FEB ( $M = 3.48$ ) than in the harmful condition ( $M = 1.77$ ).

**Unethical exemplar.** A 2 (type of unethical behavior) x 2 (organization identification) x 2 (unethical exemplar) ANOVA on the unethical exemplar manipulation check showed only a significant main effect for the unethical exemplar condition,  $F(1,169) = 33.76, p < .001$ . In the unethical exemplar condition participants believed more strongly that others were cheating on the task ( $M = 5.59$ ) than in the no unethical exemplar condition ( $M = 3.91$ ).

### Unethical Behavior

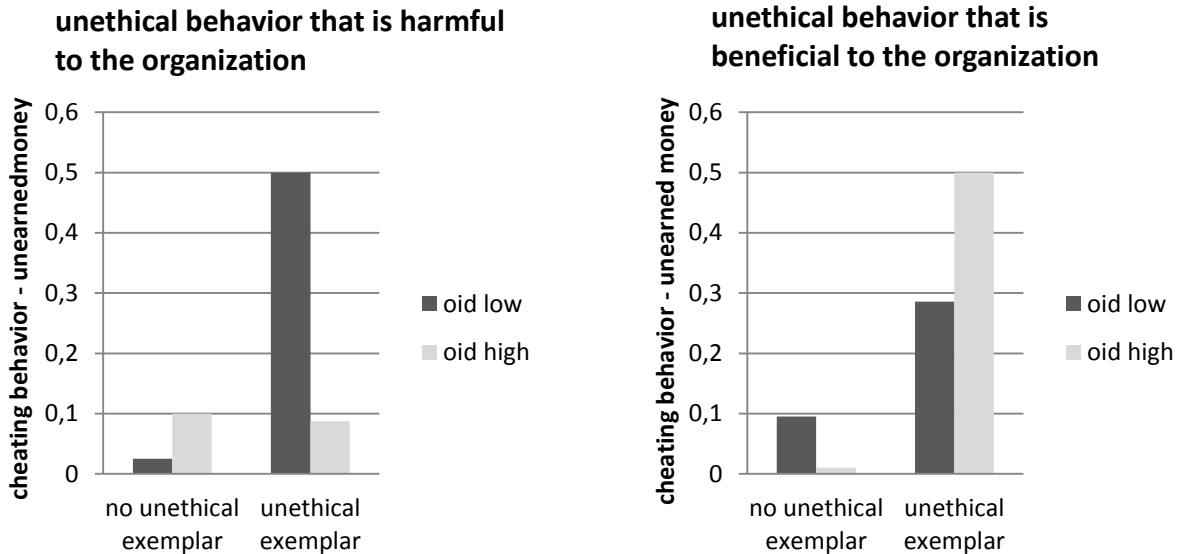
We performed a 2 (type of unethical behavior) x 2 (organization identification) x 2 (unethical exemplar) ANOVA on the extent to which participants cheated on their anagram-task. There was a significant main effect of the presence of an unethical exemplar on unethical behavior,  $F(1,169) = 9.26, p < .005$ . In the unethical exemplar condition participants cheated more ( $M = 0.34, SD = 0.83$ ) than in the no unethical exemplar condition ( $M = 0.06, SD = 0.28$ ).

In line with our expectations, we found a 3-way interaction between the type of unethical behavior, organization identification, and the presence of an unethical exemplar on unethical behavior,  $F(1,169) = 4.34, p < .05, \eta^2 = .03$ . To illustrate the nature of the interaction we plotted the interaction in Figure 4.5. Pairwise comparisons showed that an unethical exemplar instigated cheating among low organization identifiers, but only when the cheating was harmful to the organization. In this case, they cheated more when they were confronted with an unethical exemplar ( $M = 0.50, SD = 1.01$ ) than without such an exemplar ( $M = 0.03, SD = 0.11$ ),  $F(1,161) = 6.24, p < .05$ . Also, the unethical exemplar instigated cheating among high organization identifiers, but only when this cheating was seemingly beneficial to the organization. Then, high

organizational identifiers cheated more when confronted with an exemplar ( $M = 0.50, SD = 1.06$ ) than without such an exemplar ( $M = 0.00, SD = 0.00$ ),  $F(1,161) = 6.86, p < .05$ .

Figure 4.5

Study 4.3: Cheating as a function of harmful and seemingly beneficial behavior, OID, and an unethical exemplar



### Discussion

The results of Study 3 show that participants cheated more at the expense of the FEB when confronted with an unethical exemplar than without such an exemplar, but only when they hardly identify with the FEB. Also, participants cheat more on behalf of the FEB when confronted with an unethical exemplar than without such an exemplar, but only when they highly identify with the FEB. This is in line with the results of Study 1 and Study 2.

As such, Study 3 shows the existing causality of the relations we studied and contributes to the internal validity of our findings. Moreover, due to the experimental design we were able to manipulate the harmful versus seemingly beneficial consequences of the unethical behavior, while keeping the behavior itself constant. As such, we can conclude that one's reaction to an unethical exemplar truly depends on the consequences of the unethical behavior rather than on possible other aspects of the behavior at stake, as well as one's organization identification.

## General Discussion

Two field studies and one experimental study showed that the extent to which people are likely to copy unethical behavior depends on the type of unethical behavior and on organization identification. When the unethical behavior at display is harmful to the organization, *low organizational identifiers* are more eager to copy such behavior. When the unethical behavior is seemingly beneficial to the organization, *high organization identifiers* will be more prone to copy the unethical behavior.

## Theoretical Implications

The relevance of research on unethical behavior and its antecedents is evident. An important contribution of the current chapter is that we found the social context as an antecedent to be moderated by organization identification and type of unethical behavior. Although research has shown that an unethical exemplar can instigate unethical behavior among others (e.g. Gino et al., 2009; Keizer et al., 2008), research on moderators of this contagion effect is scarce.

A next contribution is that the current research underscores the importance of differentiating between unethical behavior that is seemingly beneficial and harmful to the organization. By doing so, we contribute to research that aims to create categories and/or typologies of unethical behavior (e.g. Robinson & Bennett, 1995; Kaptein, 2008). Research on unethical behavior is often focused on specific types of behavior. Such studies have looked exclusively at, for example, excessive executive compensation practices (e.g. Bebchuk & Fried, 2006), gossip (Noon & Delbridge, 1993), or production and property deviance (Hollinger & Clark, 1983). In other literature, unethical behavior is studied as a general concept, not by focusing on any specific type of behavior (e.g. meta-analysis by O'Fallon & Butterfield, 2005). Although all research on (specific forms of) unethical behavior contributes to the understanding of such events, using categories can help in gaining a more comprehensive theoretical understanding of the processes underlying the occurrence of unethical behavior (Robinson & Bennett, 1995). As this research shows, different categories of unethical behavior are driven by different motivators.

Also, we underscore a form of unethical behavior that gained scarce research attention so far – namely, unethical behavior that is beneficial to the organization. Umphress et al. (2010) were the first to empirically examine this class of unethical behaviors. Before, scant theoretical research has been done on unethical behavior that is beneficial (Pinto et al., 2008; Brief, Buttram, & Dukerich, 2001; Dukerich, Kramer, & Parks, 1998). The current research contributes to earlier work and especially to the empirical work of Umphress et al. (2010) in gaining a better understanding in the antecedents and moderators of this type of unethical behavior. Moreover, we add to the research of Umphress et al. (2010) as we contrast seemingly beneficial unethical behavior with harmful unethical behavior. While Umphress et al. (2010) focused on the positive influence of organizational identity on seemingly beneficial unethical behavior, our research went a step further and showed that the direction of the effect of organizational identification depends on whether the unethical behavior is seemingly beneficial or harmful for the organization.

Another contribution of our research is that it shows that organizational identification can have negative consequences. Most research on organization identification has focused on only the positive consequences for organizational attitudes and behavior, such as job satisfaction, extra-role behavior and high performance (Mael & Ashforth, 1995). Less research has been done on the negative consequences such as unethical behavior (e.g. Umphress et al., 2010; Umphress & Bingham, 2011; Dukerich et al., 1998). The current research adds to this by showing that it is the interaction with the social context that facilitates the potential negative and positive effects of organization identification. As such, it shows that organization identification in itself does not necessarily affect unethical behavior. When the social context is ethical (i.e. colleagues who behave in ethical ways), people who identify much with the organization may not be triggered into seemingly beneficial unethical behaviors (and, similarly, people who identify little with the organization may not be triggered into harmful unethical behaviors). We show that the negative effects of organization identification will be more evident in a combination with other factors that are of relevance to unethical conduct, in this case the social context and the type of unethical behavior. Future research could elaborate on the negative outcomes of organization identification in order to gain a more ample understanding of its impact within organizations.

## Practical Implications

In an effort to reduce the costs of unethical behavior, this study provides valuable insights in the mechanisms that cause the contagion of unethical behavior. We show that aiming to increase one's organization identification works well for the prevention of unethical behavior that is harmful to the organization. However, it becomes hazardous when people identify too strongly with the organization. Then, people cross ethical boundaries in order to serve the organization. Therefore, organizations must take notion of the tension between stimulating organization identification while maintaining awareness among employees for moral issues.

Organization identification can be stimulated in several ways. First, by establishing an open and respectful climate where employees are provided with ample information about the organization, and to involve employees in decision making by let them speak out and listen to their contributions (Smidts, Pruyn, & Van Riel, 2001). Second, the recruitment process can be designed in order to attract employees who identify with the organization (Caldwell, Chatman, & O'Reilly, 1990). Realistic job previews clarify pre-entry expectations such as advancement opportunities and work climate (Feldman, 1977), making it easier to match job applicants to the job and organizational culture, selecting out the ones who match the best (O'Reilly, Chatman, & Caldwell, 1990). Third, a well-developed socialization procedure increases one's organization identification as it learns the newcomer the organization's cultural perspective, providing a clear referent for identification (Ashforth & Saks, 1996).

However, the results show that high organization identification can cause the escalation of unethical behavior that is aimed to benefit the organization. As such, awareness should be created among employees that this behavior *is* actually harmful for the organization. This could be done, for example, by emphasizing the use of codes of conduct and organizing workshops on integrity. Also, employers should make sure these unethical behaviors are not rewarded (Umphress et al., 2010). If, in these ways, employees are made aware that unethical acts that seem to benefit the organization, in the long run actually harm the organization and are thus not tolerated, high identifiers who are confronted with seemingly beneficial unethical behavior will be able to recognize the wrongness of the act, making them less motivated to engage in similar conduct.

### **Strengths and Limitations**

The most important strength of this chapter is its combination of field studies with an experimental study, leading to a replication of the interaction results over three studies. Whereas the field studies provide external validity by means of a real life setting, the experimental study provides the internal validity by proving causality. Another strength is the used sample diversity. Whereas Study 1 consisted of a sample of medical specialists, Study 2 included employees employed within the financial sector. Last, in Study 3 the sample consisted of economy and business students. Considering the sample diversity, replication of the results over the three studies shows its robustness over different groups of people.

Nevertheless, as all studies have limitations, this study is no exception. The data of both our field studies was single source, as it was based entirely on self-report. Although the disadvantage of common source variance could have been prevented with multiple source data, self-report is argued to be an accurate method to measure unethical behavior (e.g. Akers, Massey, Clarke, & Laurer, 1983). Moreover, it has been shown that interactions between continuous variables are hard to ascribe to common source bias (McClelland & Judd, 1993). Evans (1985) and Siemsen, Roth, and Oliveira (2010) show that an interaction effect cannot be a product of common method variance at all. More specific, Siemsen et al. (2010) showed that common method variance can only cause a deflation of an estimated interaction effect as common method variance lowers the reliability of the measures, leading to a weaker interaction term (see also Lai, Li, & Leung, 2013). Even more, we replicated the results in Study 3, which is a lab experiment in which organizational identification, the presence of an unethical exemplar, and the type of unethical behavior were manipulated rather than measured. This strongly suggests that, in real life, these variables causally influence unethical behavioral contagion.

Furthermore, although Study 2 did have a multiple measurement design and thereby contributed to research on the influence of the social context over time, the spread of unethical behavior throughout the organization was not measured. Knowing whether the social context causes the contagion of unethical behavior throughout an entire organization in the long run necessitates a social network approach, as it studies the path of contagion through the total network of people that are involved. For the current research, we were primarily interested in

the inter-individual level of unethical behavioral contagion, as this is, without doubt, the starting point of unethical contagion through the organization. This made a social network design beyond the scope of our research. Future research could perform such an approach and further test the effects of identification and type of unethical behavior on the spread of unethical contagion throughout a total organization over time.

### **Conclusion**

Unethical behavior is an unfortunate phenomenon within organizations. This chapter suggests that unethical behavior that is harmful to the organization spreads among low organizational identifiers, whereas unethical behavior that is seemingly beneficial to the organization spreads among high organizational identifiers. As such, we hope to have contributed to the recognition of the relevance of different types of behaviors. Even more, as unethical behavior may multiply from one employee to another, we underscore the potential risk of the escalation of unethical behavior. Altogether, this chapter may prove to be an important starting-point for the development of effective methods that have to prevent future business scandals.





# **Chapter 5**

## **General Discussion**



Unethical behavior is a trending topic. Both within practice and science a lot of attention is paid to the unfortunate reality of unethical behavior. Practitioners face a daily challenge in reducing such conduct, while scholars are actively occupied with searching for effective ways to do so. In order to reduce unethical behavior it is necessary to know more about the antecedents and triggers that cause unethical behavior as, only then, effective methods to reduce unethical behavior can be developed. This dissertation contributes to the important stream of research on unethical behavior in organization. I focused on the influence of social interactions on unethical behavior while studying different moderators that could either enhance or diminish this influence. More specific, I showed individual attributes, characteristics of the interpersonal relation, as well as the relation one has with the organization to be of influence on one's inclination to copy unethical behavior.

In this concluding chapter I reflect on the results that stem from the empirical chapters. I present the main findings and provide some major implications for both researchers as well as practitioners. Following, I underscore the strengths and limitations of this dissertation and elaborate on opportunities with regard to future research. In the end, some concluding remarks are drawn.

### **Summary of the Main Findings**

Throughout the dissertation I have studied the conditions that may enhance or inhibit one's inclination to copy unethical behavior. I argued that the processes that underlie the copying of behavior may be social learning, norms, and legitimization. The social learning theory (Bandura, 1977) states that people observe others to learn about appropriate and acceptable behavior within a certain environment. People observe behavior and assume such behavior to be acceptable, leading them to copy the behavior. However, in the context of *unethical* behavior (which usually serves people's self-interest), it is expected that people may have an extra  *motive* to conclude from observing an unethical exemplar, that the observed behavior is normal and acceptable. In this sense, unethical behavioral contagion can for a large part be explained by the process of legitimization (Ashforth & Anand, 2003). This means that observing an unethical exemplar serves as a rationalization to give into one's self-interest and behave unethically too,

as individuals may tell themselves that “another person is doing it, so it is okay for me to do it as well”.

However, not everyone will be equally susceptible to copy unethical behavior of others. Moreover, it may depend on the circumstances to what extent people are susceptible to copy such behavior. There are moderators that may strengthen or dampen unethical behavioral contagion. Each of the empirical chapters dealt with testing one or two factors that moderates one’s inclination to copy unethical behavior.

### **A ‘Moral Character’ Influences Unethical Behavioral Contagion**

In chapter 2, I addressed the influence of individual attributes on one’s susceptibility to copy unethical behavior. I argued moral disengagement to be an important individual difference variable, because high moral disengagers are inclined to use cognitive mechanisms that cause a self-convincing believe that engaging in unethical behavior is not in violation with their own moral standards (Bandura, 1990; Bandura, Barbaranelli, Caprara, & Pastorelli, 1996; Moore, 2008). So, when an opportunity arises to legitimize one’s immoral behavior (e.g. being exposed to an unethical exemplar), high moral disengagers will be easily seduced into using this opportunity to their benefit. At the same time, moral identity is an important individual difference variable that affects this process. Moral identity refers to the degree that the moral self is important to one’s identity and self-concept (Aquino & Reed, 2002). For high moral identifiers it is very important to behave in moral ways, as their morality embodies a central part of their self-identity (Aquino & Reed, 2002). When high moral identifiers observe unethical behavior they are more likely to recognize the immorality of the act and will, as such, refrain from using another person’s unethical behavior as an excuse for them to behave in a similar way, even though their score on moral disengagement may be high.

I conducted a field study among 193 employees within the financial sector. I asked employees about unethical behavior of their colleagues as well as their own unethical behavior. The individual differences moral disengagement and moral identity were also measured. Following, I conducted an experimental study in the lab among 67 economy and business students. The individual differences moral disengagement and moral identity were measured,

whereas the presence of an unethical confederate was manipulated. Both studies show that the two individual differences moral disengagement and moral identity interact to impact unethical behavioral contagion. People with a high score on moral disengagement are more susceptible to copy observed unethical behavior than people with a low score on moral disengagement, but this is less so the case when they have a high moral identity.

With these results, I identified a category of people who are most likely to be influenced by unethical exemplar behavior, namely those with a high propensity to morally disengage combined with a low moral identity. As such, the results show that moral identity and moral disengagement may be important ingredients of ‘moral character’ as, in concordance, they determine whether people are able to resist moral challenges that tempt them to behave unethically (such as being encountered with someone else who behaves unethically).

### **High Status Inhibits Unethical Behavioral Contagion**

Chapter 3 shows the importance of the interpersonal relation between the behavioral exemplar and the observer with regard to copying unethical behavior. More specific, I argued that the status of the behavioral exemplar is of influence such that people’s susceptibility to copy unethical behavior will be suppressed when the behavioral exemplar has a high status as opposed to a low status. The system justification theory states that people are motivated to justify a certain status quo of a social system, even when it may be disadvantageous for them (e.g. Jost, 2011; Bunderson, 2003; Jost & Banaji, 1994; Jost, Banaji, & Nosek, 2004). Consequently, people are inclined to perceive the unethical behavior of high status persons as legitimate, but can feel inhibited to arrive at the self-interested conclusion that engaging in similar unethical behaviors is allowed and permitted for themselves as well. After all, they do not have such a high status as the unethical exemplar. To further emphasize the unique effect for *unethical* behavioral contagion (in which legitimization plays a role), I made a contrast with *ethical* behavioral contagion (in which it does not).

I conducted a field study with a multiple measurement design among 109 employees within the financial sector. I asked employees at two points of measurement about their own unethical and ethical behavior. Also, employees indicated three colleagues with whom they had

the most interaction and scored the status of these colleagues. The self-reported (un)ethical behavior of these same three colleagues served as the conceptualization of (un)ethical exemplar behavior. Subsequently, I conducted an experimental study in the lab among 277 economy and business students. The presence of a behavioral exemplar was manipulated, as well as the (un)ethical behavior of this exemplar, and the exemplar's status. The results show that people are susceptible to copy unethical behavior but that this is less so the case when the exemplar has a high status as opposed to a low status. However, people's susceptibility to copy ethical behavior seems more pronounced when the behavioral exemplar has a high status as opposed to a low status.

By studying the influence of status of the behavioral exemplar I have defined the people from whom we are most likely to copy (un)ethical behavior. More specifically, I showed that although high status persons generally have an immense influence beyond low status persons, their impact is rather limited when it concerns unethical behavior. Moreover, I underscored the uniqueness of unethical contagion by making a comparison with ethical contagion.

### **Organization Identification Increases Unethical Behavioral Contagion**

Chapter 4 underscores the relevance of including the relation one has with the organization as a moderator for unethical behavioral contagion. I expected employees that score low on organization identification to be inclined to copy unethical behavior. After all, when employees feel no connection with the organization they are less likely to be bothered with the harmful consequences of their unethical actions. At the same time, research shows that also *high* organization identifiers are willing to cross ethical boundaries and engage in unethical behavior, as long as the behavior is seemingly beneficial and in the best interest of the organization (e.g. Umphress, Mitchell, & Bingham, 2010; Umphress & Bingham, 2011; Dukerich, Kramer, & Parks, 1998). As such, I expected that, when the behavioral exemplar resorts to unethical behavior that is seemingly beneficial to the organization, high organization identifiers will be more inclined to copy the unethical behavior.

I conducted a field study within the healthcare sector among 96 medical specialists as well as a multiple measurement field study within the financial sector among 109 employees. In both

studies, I asked employees about unethical behavior that is seemingly beneficial as well as unethical behavior that is harmful to the organization. I questioned them about unethical behavior of their colleagues as well as their own unethical behavior. The degree to which they identified with the organization was also measured. Subsequently, I conducted an experimental study in the lab among 170 economy and business students. I manipulated the presence of an unethical exemplar as well as the type of unethical behavior (the same unethical behavior was either manipulated to be beneficial or harmful to the organization). Last, one's identification with the organization was manipulated. The results show that, when unethical behavior is harmful for the organization, people become more susceptible to copy an unethical exemplar, but only when they score low on organization identification. In contrast, when unethical behavior seems to be beneficial for the organization, people will copy such unethical conduct, but only when they highly identify with the organization.

As such, this study indicates that organizational identity, besides many positive outcomes, may have a potential dark side. Moreover, I showed how organization identification influences one's inclination to copy unethical behavior as well as how its exact impact depends on the type of unethical behavior. In doing so, I contributed to the relevance of distinguishing different types of unethical behavior.

### **Theoretical Implications**

The results of the three empirical chapters have a number of theoretical implications with regard to unethical behavioral contagion. First of all, this dissertation responds to a call for research on peer influences with regard to unethical behavior (O'Fallon & Butterfield, 2005). In studying the influence of social interactions and how it may cause the multiply of unethical behavior, this dissertation contributed by taking an "interpersonal approach". In this approach I studied the effect one individual exerts over another individual. At last, this was explicitly the case for the experimental studies that were conducted in the lab. This is in contrast to earlier research that merely shows the effect of unethical behavior of a *group* on one's inclination to copy unethical behavior. In doing so, I show how the unethical behavior of just one individual may already instigate unethical behavior within another individual. This is important as the



interaction between individuals is the starting point of what could potentially lead to the spread of unethical behavior throughout the organization. Hence, what at first instance may start out as an incidental occurrence can develop into a chain of incidental occurrences and as such cause the escalation of unethical behavior in an organization.

Even more, I exposed and tested conditions that affect the probability of such an escalation to actually occur. These conditions are one's proneness to morally disengage combined with one's moral identity, the status of the behavioral exemplar, one's identification with the organization, and the type of unethical behavior at stake. In testing these moderators, this dissertation responded to a call for research on interaction effects with regard to unethical behavior (O'Fallon and Butterfield, 2005; Kish-Gephart, Harrison, & Trevino, 2010). Although research on unethical behavioral contagion is existing, research on its moderators is, with a few exceptions (e.g. Robinson & O'Leary-Kelly, 1998; Gino, Ayal, & Ariely, 2009), scarce. Identifying and including these moderators is of importance as it shows the conditions under which unethical behavior can strengthen or conquer its spread throughout the organization.

Furthermore, this dissertation suggests that unethical behavioral contagion is a phenomenon that is separate from behavioral contagion in general. Within literature, currently the most common explanations for one's tendency to copy behavior are role modeling and normative influence. However, when studying *unethical* behavioral contagion, an additional process may occur. People may use the unethical behavior of others to *legitimize* their own unethical behavior (Ashforth & Anand, 2003), by arguing that "another person is doing it, so I can do it too". As the unethical behavior serves their self-interest, motivated reasoning (Kunda, 1990) suddenly comes into play, which makes it even more likely to come to the conclusion that the behavior is normative. As such, the unethical behavior of others may very well legitimize unleashing one's inhibitions with regard to unethical behavior. The uniqueness of unethical behavioral contagion is supported by the results of chapter 3, in which unethical behavioral contagion is explicitly contrasted with *ethical* behavioral contagion. There I show that status of a behavioral exemplar impacts one's inclination to engage in unethical behavior differently from one's inclination to copy ethical behavior, such that a high status unethical exemplar does *not* instigate unethical behavior. As people may have more trouble convincing themselves that they

are legitimized to engage in similar behavior if the exemplar has a high status, this suggests that self-legitimization plays an explanatory role in the copying of unethical behavior. Support for legitimization as an additional process to explain unethical behavioral contagion is also found in chapter 2, where moral disengagement serves as an important individual difference. Moral disengagement affects the degree to which people are capable of justifying their own unethical behavior, such that people with a high proneness to morally disengage are more at ease with using legitimization as an argument to justify and subsequently copy unethical behavior. As such, this dissertation suggests that the existing mechanisms of social learning and role modeling that drive behavioral contagion alone are possibly not sufficient to explain why people copy *unethical* behavior, but that legitimization may be an additional different process.

### **Practical Implications**

This dissertation shows that unethical behavior in organizations should not be neglected as unethical behavior – given the ‘right’ conditions – is copied and thereby has the potential to escalate throughout an organization. As such, several practical implications need to be drawn. I advanced on creating awareness among practitioners for the *spread* of unethical behavior within organizations. This is important as social interactions are currently more intensified than ever due to the installation of temporary interdepartmental and inter-organizational teams (Brass, Butterfield, Skaggs, 1998; Molleman, Broekhuis, Stoffels, & Jaspers, 2010), leading employees to be potentially exposed to unethical behavior of a wide range of colleagues (e.g. Keizer, Lindenberg, & Steg, 2008; Robinson & O’Leary-Kelly, 1998). Whilst not disputing the many advantages of team work and social interactions with regard to outcomes, such as increased efficiency and effectiveness (Brandon & Hollingshead, 2004), this dissertation also shows the possible drawback of social interactions. That is, social interactions can cause the unethical act of one employee to spread to another employee. As such, organizations need to be aware of the importance of social interactions when aiming to effectively reduce unethical behavior. In the following, I will discuss some practical implications that organizations can already use during the recruitment of job applicants as well as during ethics programs for their current workforce.

First of all, organizations could decide to select more thoroughly 'at the gate' (e.g. O'Fallon & Butterfield, 2011). The results of chapter 2 show that individual differences influence one's susceptibility to copy unethical behavior. As such, organizations could measure and test those individual differences when conducting job interviews or while taking assessments during the selection procedure of hiring new job applicants. Organizations should give preference to job applicants that have a low proneness to use excuses for unethical behavior. Also, organizations should aim to hire applicants that consider morality to be a very important part of their self-identity by paying attention to creating markers that indicate how important being a moral person is for potential job applicants.

Furthermore, the results of chapter 4 show that low organizational identifiers are susceptible to copy unethical behavior that is harmful to the organization, whereas high identifiers are inclined to copy unethical behavior that is seemingly beneficial to the organization. Clearly, one's relation with the organization is of importance. Generally, it is regarded as better to have a highly committed workforce that identifies with the organization (e.g. Ashforth, Harrison, & Corley, 2008; Mael & Ashforth, 1995; Riketta, 2005). The fact that such a work force is also less likely to copy unethical behavior that is harmful for the organization, makes it interesting for organizations to aim to hire job applicants who likely will identify themselves with the organization (Caldwell, Chatman, & O'Reilly, 1990). To do so, applicants may be given realistic job previews that provide a transparent insight in the work arrangement and work climate. A realistic job preview will motivate the self-selection of those applicants who perceive a fit between themselves and the job, leading to more commitment and a stronger identification with the organization (O'Reilly, Chatman, & Caldwell, 1990).

However, chapter 4 shows that high organizational identifiers are also susceptible to copy unethical behavior, as long as the behavior is beneficial to the organization. Therefore, organizations should underscore that even though particular unethical behavior may *seem* beneficial for the organization in the short run, it actually will become harmful to the organization on the long run. This can be done by emphasizing the importance of knowing the content of the behavioral code that exists within the organization (Trevino, 1990). Discussing the behavioral code can, for example, be part of an ethics training. The code should contain information with

regard to unethical behavior that is seemingly beneficial to the organization (for example, bribing and price fixing) and explicitly explain that, such behaviors are harmful to the organization in the long run and thus unethical. In this way, also people who identify highly with the organization are discouraged to engage in them.

Last, chapter 3 shows that status of the behavioral exemplar impacts one's susceptibility to engage in (un)ethical behavior. The results show that low status employees instigate *unethical* behavior among others. Also, people with a high status are more likely to instigate *ethical* behavior among others. As such, I would advise to develop ethics training that are especially focused on the encouragement of ethical behavior and/or ethics training that focuses on the discouragement of unethical behavior. Then, for example, a training that focuses on encouraging ethical behaviors can be supported by high status employees within an organization.

### **Strength, Limitations, and Suggestions for Future Research**

A main strength of this dissertation is the usage of a two-fold methodological approach in all the empirical chapters. For this dissertation I made use of both experimental studies as well as field studies. The strength of an experimental study lies in the provided evidence of causality and thereby internal validity. The strength of a field study is its external validity due to its real life setting. By showing the same results in both an experimental study as well as a field study, I show evidence for causality while generalizing the results to actual behavior in an organization.

The multiple source design as used in chapter 3 is another strength. The data source is different for the diverse variables that measure (un)ethical behavior. However, this design was not used in the field studies as conducted in chapter 2 and chapter 4; there, we used single source data. The usage of single source data is argued to possibly cause common method variance, a shared variance among the measured variables (Spector & Branninck, 2009). However, research has shown that an interaction effect cannot be a product of common method variance (Evans, 1985; Siemsen, Roth, & Oliveira, 2010). A reason for this is that an estimated interaction effect can only be deflated by common method variance as the reliability of the measures becomes lower, leading to a weaker interaction term (Siemsen et al., 2010). Moreover, in all the empirical chapters, the results that stem from the field study are replicated with an experiment. Not only

does this suggest causal effects, but this also forms an additional indication that the found interactions in the field studies of this dissertation are unlikely to be a product of common method variance.

A possible limitation of the data is that it may suffer from social desirability bias (Zerbe & Paulhus, 1987). Social desirability is the inclination of people to respond to items more as a result of social acceptability instead of their true feelings with regard to these items (e.g. Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). In case of the measurement of unethical behavior this will result in the underreporting of actual unethical behavior (Aquino & Douglas, 2003; Trevino, 1992). However, research by Bennett and Robinson (2000) shows that individuals are willing to report their engagement in different unethical behaviors. It is also argued that self-report is an accurate method to measure unethical behavior (e.g. Akers, Massey, Clarke, & Laurer, 1993). Moreover, when social desirability would be present, it would even become harder to find significant relations, due to the restricted variance of the reported unethical behavior (Aquino & Douglas, 2003). As I *do* find significant results, this indicates that the results represent existing occurrences which may in reality even be more pronounced.

Throughout the three empirical chapters, I used the field data as retrieved at a financial organization. This necessitates explicit mentioning as for chapter 2 a cross-sectional design was used, whereas in chapter 3 and 4 I used a multi-measurement design. While writing chapter 2, I only had the availability of data with regard to Time 1. As such, the results of the three-way interaction were drawn based on the availability of the – at that moment – cross sectional design. Later on, checking for the results of chapter 2 when taking a multiple measurement design led to an insignificant three-way interaction ( $p = .44$ ). Here, a reduced power can serve as a possible explanation for the insignificant result. The large drop in respondents (191 respondents at T1, 109 respondents at T2) may have caused a level of power that is too low to gain a significant three-way interaction when including T2. The fact that the usage of a multiple measurement design did lead to significant results in the chapter 3 and 4, despite a similar potential of reduced power, can be explained by the fact that  $\beta$  is higher in those chapters so that statistical power becomes less critical (e.g. Cohen, 1988; Cohen, 1992). The higher  $\beta$  in chapter 3 and 4 is likely to be a caused by the fact that I tested for two-way interactions in those chapters. The tested three-

way interaction in chapter 2 may necessitate a larger sample to obtain comparable levels of power.

Furthermore, although I did measure one's inclination to copy unethical behavior on a dyadic level, I did not measure the spread of unethical behavior throughout an entire organization. Knowing whether and how unethical behavior can multiply within an organization in the long run would necessitate a social network approach and a multiple measurement design. Such an approach allows testing for the spread of unethical behavior throughout an organization, as it maps the path of contagion while taking into account a total network of employees. A social network approach was beyond the scope of this dissertation as I was mainly interested in the inter-individual level of unethical behavioral contagion, which is likely the starting point of unethical contagion. Future research could elaborate on the research of unethical behavioral contagion by taking a social network approach and test for the contagion of unethical behavior throughout the whole organization over time.

This dissertation studied several important moderators that may further strengthen or dampen one's inclination to copy unethical behavior. I encourage scholars to elaborate further on potential moderators as it will further enhance our understanding of the spread of unethical behavior in organizations. One may argue, for example, that interpersonal similarity (in terms of, for example, gender, age, nationality, ethnicity, functional background or attitude) is a moderator of interest as it truly focusses on characteristics of the interpersonal relation. Research on similarity is widespread, with the similarity-attraction paradigm (Byrne, 1971) to be most common known. Byrne (1971) shows that similarity between attitudes of two individuals, increases attraction between them. As similarity facilitates liking, similar individuals are more willing to agree with each other and comply with requests, suggestions, and orders (Berscheid & Reis, 1998). Similar individuals are also more eager to adopt similar attitudes and behavior (Brass et al., 1998). Future research could focus on the precise influence of interpersonal similarity.

Another interesting factor that may influence unethical behavioral contagion, albeit in a more direct way, is social network density. Within an organization, employees are embedded in a network of relationships. Brass et al. (1998) define a social network as a set of individuals and ties that represent the presence or absence of some sort of relationship between individuals. An

important aspect of social networks is density. Density is defined as the proportion of network ties compared to the total number of possible ties. In other words, it concerns the extent to which the entire network is interconnected (Brass et al., 1998). In a network with a high density, individuals experience more interaction in the form of frequent and empathic communication, resulting in a high level of information exchange. This is in contrast with a network with a loose density, where the information exchange is low due to the non-interconnection between individuals (Brass et al., 1998). Within a high density network, as opposed to a low dense group, the strong interaction between individuals may cause unethical behavior to spread more strongly as one individual is directly connected to a significant number of other individuals within the network. As such, social network density may add to a better understanding of the promptness with which unethical behavior can spread.

### **Concluding Remarks**

The rich history of past events and the presence of facts and figures; they show that unethical behavior exists. The attractiveness of many unethical behaviors causes various antecedents to be suitable instigators of unethical conduct among individuals. This dissertation has shown under what circumstances social interactions cause unethical behavior to be copied by one employee from another, which is important considering that one incidental occurrence of unethical behavior has the potential leeway to eventually spread throughout the entire organization. I thus defined conditions that can cause such unpreventable unethical lapses to remain at the stage of an incidental occurrence instead of being copied. All in all, I hope to have formed a starting point for understanding how unethical behavior may (not) spread throughout an organization. I strongly encourage scholars to focus their research attention on contributing to the understanding of the phenomenon of unethical behavioral contagion in organizations, as only then effective methods to reduce such behavior can be developed. In the end, the quest for a successful reduction of unethical behavior will remain a clear challenge for all of us.

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# **Nederlandse Samenvatting**

## **(Dutch Summary)**



## Inleiding

Onethisch gedrag is helaas een veel voorkomend verschijnsel. Denk bijvoorbeeld aan de bekende schandalen als gevolg van onethisch gedrag bij organisaties als Ahold, Enron, en Fannie Mae. Ook de wetenschap is niet gespaard gebleven, zoals de welbekende zaak van de frauduleuze Diederik Stapel ons heeft doen inzien. Onderzoek laat zien dat organisaties naar schatting elk jaar 5% van hun inkomsten verliezen aan fraude (Association of Certified Fraud Examiners, 2012). Binnen deze dissertatie wordt onethisch gedrag gedefinieerd als gedrag dat “illegaal is of in ieder geval binnen de bredere gemeenschap gekenmerkt wordt als moreel onacceptabel” (Jones, 1991, p.367). Daarbij heeft onethisch gedrag negatieve implicaties voor de organisatie en/of zijn individuen (Bennett & Robinson, 2000; Vardi & Weitz, 2004; Robinson & Bennett, 1995; Robinson & O’Leary-Kelly, 1998).

Deze dissertatie draagt bij aan onderzoek naar onethisch gedrag in organisaties en kijkt daarbij naar de invloed van sociale interacties. Meer specifiek kijk ik naar de mate waarin mensen onethisch gedrag van elkaar kopiëren. Dat mensen gedrag van elkaar overnemen is aannemelijk. De sociale leertheorie (Bandura, 1977) stelt dat mensen leren hoe ze zich moeten gedragen door gedrag van anderen te observeren. Daarnaast veronderstel ik dat wanneer mensen *onethisch* gedrag observeren het hen kan legitimeren om hetzelfde gedrag te vertonen (Ashfort & Anand, 2003). Immers, “Iemand anders doet het, dus dan mag ik het ook”. Ik onderzoek dat mensen niet altijd in elke situatie onethisch gedrag van elkaar overnemen. Daarom bestudeer ik factoren die de mate waarin mensen onethisch gedrag van elkaar kopiëren kunnen versterken dan wel kunnen afzwakken. Ik kijk daarbij naar factoren op het niveau van individuele verschillen, interpersoonlijke karakteristieken als ook de relatie tussen persoon en organisatie.

Deze dissertatie draagt bij aan onderzoek naar de verspreiding van onethisch gedrag. Dit is belangrijk omdat onethisch gedrag op het eerste gezicht incidenteel kan lijken en daarmee niet zo ernstig. Wanneer bijvoorbeeld één werknemer een stapel printpapier mee naar huis neemt zal dat niet desastreus zijn voor de organisatie. Echter, wanneer dergelijk gedrag gekopieerd wordt kan dit uiteindelijk leiden tot verspreiding en escalatie van onethisch gedrag binnen de organisatie. Daarnaast belicht deze dissertatie verschillende omstandigheden die mede bepalen of onethisch gedrag wel of niet wordt gekopieerd door anderen. Dit is belangrijk omdat er eerst



een goed begrip moet zijn van de omstandigheden waarin onethisch gedrag zich kan verspreiden alvorens er effectieve methoden kunnen worden ontwikkeld om deze verspreiding tegen te gaan.

In deze dissertatie beschrijf ik zeven studies, verdeeld over drie empirische hoofdstukken. Voor de studies heb ik gebruik gemaakt van veldstudies en laboratorium experimenten. Ik zal per hoofdstuk de belangrijkste bevindingen beschrijven. Vervolgens zal ik ingaan op de wetenschappelijke en maatschappelijke relevantie van de uitkomsten van dit onderzoek.

### **Belangrijkste Bevindingen**

#### **Een 'Moreel Karakter' Beïnvloedt het Kopiëren van Onethisch Gedrag**

In hoofdstuk 2 onderzoek ik individuele verschillen welke van invloed zijn op het overnemen van onethisch gedrag. Ik beschouw morele rationalisatie als een belangrijke persoonlijkheidskenmerk. Mensen met een hoge morele rationalisatie zijn geneigd gebruik te maken van cognitieve mechanismen waardoor ze zichzelf ervan kunnen overtuigen dat onethisch gedrag hun morele standaard niet beschadigd (Bandura, 1990; Bandura, Barbaranelli, Caprara, & Pastorelli, 1996; Moore, 2008). Wanneer er een mogelijkheid is om onethisch gedrag 'goed te praten' (bv. blootstelling aan onethisch gedrag van een ander), zullen mensen met een hoge morele rationalisatie snel geneigd zijn deze mogelijkheid in hun voordeel te gebruiken. Daarnaast is morele identiteit een belangrijke persoonlijkheidskenmerk. Voor mensen met een hoge morele identiteit is moreel gedrag belangrijk, omdat moraliteit als wijze van leven een groot gedeelte van hun zelfidentiteit omvat (Aquino & Reed, 2002). Als gevolg daarvan kunnen mensen met een hoge morele identiteit sneller onethisch gedrag herkennen en zullen ze minder snel geneigd zijn onethisch gedrag te kopiëren, ook al scoren ze hoog op morele rationalisatie.

Om het effect van morele rationalisatie en morele identiteit op het overnemen van onethisch gedrag te testen heb ik onderzoek gedaan onder 193 werknemers van een financiële organisatie. Ik vroeg deze werknemers naar het onethische gedrag van hun collega's als ook hun eigen onethische gedrag. Daarnaast heb ik de persoonlijkheidskenmerken morele rationalisatie en morele identiteit gemeten. Vervolgens heb ik een experiment uitgevoerd in het lab, onder 67 economie en bedrijfskunde studenten. Tijdens dit experiment heb ik de morele rationalisatie en morele identiteit van de proefpersonen gemeten, terwijl de ik de aanwezigheid van een

onethisch voorbeeld (een ingehuurde acteur) manipuleerde. De resultaten van het veldonderzoek en het experiment laten zien dat mensen met een hoge morele rationalisatie sterker geneigd zijn onethisch gedrag over te nemen dan mensen met een lage morele rationalisatie, maar alleen wanneer hun morele identiteit laag is. Deze resultaten suggereren dat morele rationalisatie en morele identiteit belangrijke ingrediënten zijn van een ‘moreel karakter’, een karakter dat aangeeft in welke mate mensen in staat zijn morele uitdagingen te weerstaan en niet te vallen voor de verleiding van onethisch gedrag.

### **Hoge Status Voorkomt de Overname van Onethisch Gedrag**

In hoofdstuk 3 beargumenteer ik dat de status van een onethisch voorbeeld van invloed kan zijn op het overnemen van onethisch gedrag. Mensen zullen minder snel geneigd zijn om onethisch gedrag over te nemen van mensen met een hoge status dan van mensen met een lage status. Dit komt doordat mensen gemotiveerd zijn een bepaald sociaal systeem te rechtvaardigen, ook als dit nadelig uit kan pakken voor henzelf (bv. Jost, 2011; Bunderson, 2003; Jost & Banaji, 1994; Jost, Banaji, & Nosek, 2004). Als gevolg hiervan zijn mensen geneigd het onethische gedrag van mensen met een hoge status als legitiem te percipiëren, maar zijn ze terughoudend in het concluderen dat zij zich dezelfde onethische gedragingen mogen permitteren. Zij hebben zelf immers niet zo’n hoge status. Om de uniekheid van de besmetting van *onethisch* gedrag te onderstrepen maak ik een expliciet contrast met het kopiëren van *ethisch* gedrag. De verwachting is dat mensen ethisch gedrag juist *wel* over nemen van mensen met een hoge status. Immers, redenen van legitimiteit spelen waarschijnlijk geen rol in het overnemen van ethisch gedrag.

De verwachtingen zijn onderzocht onder 109 werknemers werkzaam bij een financiële organisatie. Ik vroeg werknemers op twee meetmomenten naar hun eigen ethische en onethische gedrag. Daarnaast gaven werknemers aan met welke drie collega’s zij het meeste contact hadden en scoorden zij deze werknemers op verschillende vragen waarin status werd gemeten. Het zelf-gerapporteerde (on)ethische gedrag van dezelfde drie collega’s diende als de conceptualisatie van (on)ethisch voorbeeld gedrag. Naast dit veldonderzoek heb ik ook een experiment uitgevoerd in het laboratorium onder 277 economie en bedrijfskunde studenten. In

dit experiment heb ik de aanwezigheid van een gedragsvoorbeeld gemanipuleerd (wel of niet aanwezig), het soort voorbeeldgedrag (voorbeeld vertoont ethisch of onethisch gedrag) als ook de status van dit voorbeeld (hoge of lage status). De resultaten laten zien dat mensen onethisch gedrag van elkaar overnemen maar dat dit minder het geval is wanneer het onethische voorbeeld een hoge status heeft in plaats van een lage status. Daarnaast lijkt de neiging om ethisch gedrag te kopiëren sterker te zijn wanneer het ethische voorbeeld een hoge status heeft in plaats van een lage status. Mensen met een hoge status hebben dus - hoewel zij over het algemeen veel invloed hebben - een gelimiteerde impact op het overnemen van onethisch gedrag.

### **Organisatie Identificatie Leidt tot het Overnemen van Onethisch Gedrag**

In hoofdstuk 4 bestudeer ik de invloed van de relatie die iemand heeft met de organisatie op de neiging om onethisch gedrag over te nemen. De verwachting is dat werknemers welke zich nauwelijks kunnen identificeren met de organisatie eerder geneigd zijn om onethisch gedrag over te nemen. Wanneer werknemers geen connectie met de organisatie ervaren zullen ze ook minder bezorgd zijn om de schadelijke gevolgen voor de organisatie die onethisch gedrag teweegbrengt. Echter, mensen die zich sterk met de organisatie identificeren kunnen ook gevoelig zijn voor de overname van onethisch gedrag. Onderzoek laat namelijk zien dat ook mensen die zich zeer geïdentificeerd voelen aan de organisatie in staat zijn onethisch gedrag te vertonen, zolang dit onethische gedrag maar (ogenschijnlijk) in het belang is van de organisatie (bv. Umphress, Mitchell, & Bingham, 2010; Umphress & Bingham, 2011). Voorbeelden van zulk onethisch gedrag kunnen zijn het aanbieden van steekpenningen of het maken van vaste prijsafspraken. Ik verwacht dan ook dat mensen die zich sterk identificeren met de organisatie geneigd zijn onethisch gedrag over te nemen, zolang dit maar voordelig is voor de organisatie.

Ik heb de verwachtingen getest in een tweetal organisaties: een onderzoek onder 96 medisch specialisten in een organisatie in de gezondheidszorg en een onderzoek met twee meetmomenten onder 109 werknemers in een financiële organisatie. In beide gevallen heb ik werknemers gevraagd naar onethisch gedrag dat duidelijk schadelijk is voor de organisatie als ook naar onethisch gedrag dat voordelig voor de organisatie lijkt te zijn. Ik vroeg werknemers naar het gedrag van hun collega's als ook naar hun eigen gedrag. Daarnaast heb ik hun mate van

organisatie identificatie gemeten. Vervolgens heb ik een experiment uitgevoerd in het laboratorium onder 170 economie en bedrijfskunde studenten. In dit experiment manipuleerde ik de aanwezigheid van een onethisch voorbeeld, het soort onethisch gedrag (voordeling of nadelig voor de organisatie), als ook de mate waarin de proefpersoon zich identificeert met de organisatie. De resultaten laten zien dat, wanneer het onethisch gedrag schadelijk is voor de organisatie, het vooral de mensen met een lage organisatie identificatie zijn die het onethische gedrag overnemen. Wanneer het onethische gedrag voordelig voor de organisatie lijkt te zijn, blijken het vooral de mensen met een hoge organisatie identificatie te zijn die het onethische gedrag overnemen. Ik laat dus zien dat organisatie identificatie invloed heeft op de mate waarin mensen geneigd zijn onethisch gedrag over te nemen, waarbij de exacte invloed afhangt van het type onethische gedrag (voor- of nadelig voor de organisatie).

### **Wetenschappelijke en Maatschappelijke Relevantie**

Uit de resultaten van deze dissertatie vloeien vele implicaties, zowel voor de wetenschap als ook voor de praktijk. Allereerst draagt deze dissertatie bij aan het creëren van aandacht voor de verspreiding van onethisch gedrag binnen organisaties. Ik laat zien hoe het onethische gedrag van één individu er voor kan zorgen dat een ander individu het gedrag overneemt. Wat daarbij op het eerste gezicht een incidentele gebeurtenis lijkt kan zichzelf echter als een olievlek verder verspreiden binnen de organisatie. Ik heb daarnaast factoren onderzocht die mede bepalen in hoeverre een dergelijke verspreiding daadwerkelijk plaats zal vinden. Deze factoren zijn morele rationalisatie en morele identiteit van de waarnemer, status van het voorbeeld, de mate waarin de waarnemer zich identificeert met de organisatie en type onethisch gedrag (voor- of nadelig voor de organisatie)

Daarnaast heb ik aan willen tonen dat de overname van onethisch gedrag iets unieks is, en niet te verwarren met de overname van gedrag in het algemeen. Hoewel processen zoals beschreven binnen de sociale leertheorie (Bandura, 1977) en normatieve invloeden (bv. Cialdini, Reno, & Kallgren, 1990) heel goed passen in het verklaren waarom mensen *in het algemeen* gedrag van elkaar overnemen, wijzen de resultaten van mijn onderzoek er op dat er bij het overnemen van *onethisch* gedrag ook (andere) additionele motieven en processen een rol

spelen. Meer specifiek bedoel ik dat mensen geneigd zijn hun onethische gedrag te legitimeren wanneer zij zien dat anderen ook onethisch gedrag vertonen. Het is niet aannemelijk dat mensen op zoek zijn naar legitimiteit wanneer ze bijvoorbeeld *ethisch* willen vertonen.

Maatschappelijk gezien heeft deze dissertatie ook implicaties. Zo raad ik organisaties aan meer te selecteren aan de poort. De resultaten uit hoofdstuk 2 laten zien dat morele rationalisatie en morele identiteit belangrijke indicatoren zijn van iemands 'morele karakter'. Organisaties zouden tijdens sollicitaties en assessments deze karaktereigenschappen kunnen testen. Daarbij kunnen ze voorkeur geven aan sollicitanten voor wie het belangrijk is moreel gedrag te vertonen en aan hen die geen neiging hebben tot het formuleren van excuses voor onethisch gedrag.

Hoofdstuk 4 laat zien dat het belangrijk is aandacht te besteden aan de mate waarin iemand zich zal identificeren met de organisatie. Over het algemeen is het voor de organisatie beter om mensen aan te trekken van wie het aannemelijk is dat zij zich snel zullen committeren aan en identificeren met de organisatie. Dit kan met behulp van een zogenaamd "realistic job preview" (O'Reilly, Chatman, & Caldwell, 1990). Daarnaast is het wel belangrijk deze werknemers ervan te overtuigen dat hoewel sommige onethische gedragingen in eerste instantie de organisatie lijken te helpen, deze gedragingen op de lange termijn vrijwel altijd toch nadelig zijn voor de organisatie en daarom moeten worden ontmoedigd. Deze gedragingen kunnen bijvoorbeeld in een gedragscode worden onderstreept (Treviño, 1990).

Wanneer werknemers al in dienst zijn, kunnen ze middels integriteitstrainingen verder geattendeerd worden op de noodzaak van ethisch gedrag. Voortbordurend op de resultaten van hoofdstuk 3, die laten zien dat status invloed heeft op de mate waarin mensen (on)ethisch gedrag overnemen, zou het effectief zijn om een training of cursus te organiseren met een focus op het bevorderen van ethisch gedrag en/of een focus op het voorkomen van onethisch gedrag.

### **Tot Slot**

Deze dissertatie laat zien onder welke omstandigheden onethisch gedrag wordt gekopieerd. Dit is belangrijk omdat onethisch gedrag dat op het eerst gezicht een incidentele gebeurtenis lijkt, onder de 'juiste' condities kan escaleren en zich als een olievlek door de

organisatie kan verspreiden. Ik moedig verder onderzoek naar de condities waaronder onethisch gedrag zich kan verspreiden dan ook sterk aan, omdat alleen met de daardoor verkregen inzichten onethisch gedrag effectief kan worden aangepakt. Uiteindelijk blijft het tegengaan van onethisch gedrag een uitdaging voor ons allemaal.



# Dankwoord





Het dankwoord is toch wel de beste plek om de afgelopen vier jaar de revue te laten passeren. Hier kan ik mooi even stil staan bij de belangrijke spelers welke een rol hebben gespeeld tijdens het schrijven van mijn proefschrift.

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Sanne Ponsioen

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