

An Experimental Examination of the Effects of Individual and Situational Factors on Unethical Behavioral Intentions in the Workplace

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ABSTRACT. Using a $2 \times 2 \times 2$ experimental design, the effects of situational and individual variables on individuals' intentions to act unethically were investigated. Specifically examined were three situational variables: (1) quality of the work experience (good versus poor), (2) peer influences (unethical versus ethical), and (3) managerial influences (unethical versus ethical), and three individual variables: (4) locus of control, (5) Machiavellianism, and (6) gender, on individuals' behavioral intentions in an ethically ambiguous dilemma in a work setting. Experiment 1 revealed main effects for quality of work experience, Machiavellianism, locus of control, and an interaction effect for peer influences and managerial influences. Experiment 2 showed main effects for all three situational variables and Machiavellianism. Neither experiment supported gender differences. Limitations, future research, and implications for management are discussed.

Unethical behavior in the workplace has become a serious and costly problem in society and in organizations. On almost a daily basis the popular press is replete with accounts of unethical behavior on the part of corporate managers and employees. In recent years there have been numerous accounts of insider trading, defense contract fraud, marketing of dangerous products, health risk coverups, discrimination against minorities, and embezzlement of funds in our savings and loan industry. Security analysts contend that economic crimes such as employee theft are on the rise, and that the cost of these crimes will increase from \$114 billion in 1990 to \$200 billion by the end of the decade (Knight-Ridder, 1993). Not surprisingly, business educators, organizational researchers, legislators, and members of the general public have become increasingly concerned with reducing the incidence of unethical behavior in the workplace. In spite of the increased interest in business ethics, surprisingly little research in the related fields of organizational psychology have focused on understanding the factors that influence individuals to engage in unethical behavior. By understanding what leads to incidences of unethical behavior on the part of employees in the work environment, we can better foresee and perhaps inhibit its pervasiveness in organizations.

Several causal models of unethical behavior (i.e., Ferrell and Gresham, 1985; Hunt and Vitell, 1986; Hegarty and Sims, 1978, 1979; Trevino, 1986; Trevino and Youngblood, 1990), depict the dependent variable of unethical behavior as influenced by a person-situation interaction. Specifically, individuals are influenced to engage

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in unethical behaviors by characteristics of the situation as well as by characteristics of the individual.

The purpose of this study was to examine the relative effects of a set of situational characteristics variables and a set of individual characteristics variables on an individual's decision to engage in an unethical behavior in the work place. Based on an extensive review of various bodies of literature, including psychology, sociology, and criminal justice, three situational variables were chosen: quality of work experience, peer influences and behavior, and managerial influences and behavior; and three individual variables were chosen: locus of control, Machiavellianism, and gender.

Situational Variables

Quality of work experience

After a review of the literature, Merriam (1977) concluded that employee dissatisfaction with their work experience was a major, yet little understood determinant of employee theft. In an interview study reported by Altheide *et al.* (1977), they explained that ". . . many employees steal for revenge or dignity. They see their wages-in-kind as not only something they are entitled to, but also as a way of 'getting back' at a boss or supervisor who made an unkind remark or, probably more common, insisted that a worker show up for overtime." (p. 102) Kemper termed this "reciprocal deviance," which he asserts occurs in reaction to when the organization, or someone who represents the organization, such as a supervisor, defaults on its obligations to employees. In other words, individuals may seek redress in the form of unethical acts, such as property or time theft, in order to restore felt negative inequities in the psychological contract between the employer and themselves. Hollinger and Clark (1982; 1983) provided empirical support by exhibiting a significant relationship between job dissatisfaction and counterproductive or deviant work behaviors. Also, Greenberg (1990) found that when manufacturing plant workers' pay was temporarily reduced by 15%

(without adequate explanation from management), employee theft rose to a significantly higher rate. Greenberg explained the phenomenon in terms of equity theory (Adams, 1965), specifically that pilfering from their employer was an attempt to restore feelings of inequity by increasing their outputs. He also suggests that the theft could have been motivated by feelings of resentment and frustration (as reported by the workers) toward the organization, that resulted from the pay reduction (Greenberg, 1989).

H₁: Individuals will report higher unethical behavioral intentions when the quality of work experience is perceived to be poor than when the quality of work experience is perceived to be good.

Peer Influence

An individual's peers have been found to influence unethical behavior. These referent peers may be others within the organization, or lateral others in the field but employed by other organizations. A survey of managers by Zey-Ferrell *et al.* (1979) and Zey-Ferrell and Ferrell (1982) found that the manager's perceptions of what their peers do was a better predictor of unethical behavior than their own values and beliefs, or those of top management.

There are two ways in which peers may influence unethical behavior: through norms and through differential association. In a weak organizational culture, peers provide the normative structure, or guides to decision making (Schein, 1984). Peers set the standards and serve as referents for behavior. Also, Sutherland's (e.g., 1949, 1983) differential association theory of criminal behavior assumes that unethical behavior is learned through the association with a peer group. This learning includes the techniques of committing the unethical act, as well as the motives and rationalizations which serve to legitimize the unethical behavior.

Hollinger and Clark (1983) asserted, and empirically supported, the notion that the attitudes and sanctions of one's primary work group about employee deviant behaviors against the

organization, including property and time theft, were significant predictors of the frequency of these acts. They argue that these norms guide the individual in determining the certainty of getting caught. Through interviews with manufacturing plant workers, Horning (1970) found that employee deviant behavior is often group supported, but the actual act is done alone or in secret. Through the same methodology, Altheide, *et al.* (1978) found that coworkers set the standards for which types of deviant acts are acceptable as well as the limitations on these acts, so as to not call attention to management.

H₂: Individuals will report higher unethical behavioral intentions when their peer group is perceived to regularly engage in the unethical behavior than when the peer group is perceived to not regularly engage in unethical behavior.

Managerial Influences

Several surveys of executives (Baumhart, 1961; Brenner and Molander, 1977; Bowman, 1976; Lincoln *et al.*, 1982; Carroll, 1978; Newstrom and Ruch, 1975) have shown that these individuals felt pressure from management to engage in behavior that compromises their own ethical principles. They felt it was necessary to comply with these requests to succeed in their organizations. Thus, pressures from superiors within an organization seem to exert a major impact on unethical behavior.

Also, unethical behavior on the part of managers can influence the unethical behavior of subordinates, through what Kemper (1966) called "parallel deviance." Deviance at upper levels legitimates the imitation of these deviant acts at lower levels. For example, in the case of ". . . the violation of work rules in open conspiracy with foremen so that production goals can be met. (or) When a boss gives his secretary an obviously padded expense account, the secretary may conclude that a bit of theft on her own part is therefore legitimate." (p. 296). Unethical behavior on the part of individuals who represent the organization to the employee sends a

message to that employee that "the worker's deviance is legitimated and the standards of compliance to organizational principle are shown to be simply myth and of no account." (p. 296).

H₃: Individuals will report higher unethical behavioral intentions when their supervisors are perceived as engaging in unethical behavior than when supervisors are perceived as not engaging in unethical behavior.

Individual Variables

Locus of control

An individual antecedent that has received empirical support in the ethical decision making literature is the locus of control (LOC) construct. According to Rotter (1966), an individual with an internal LOC perceives outcomes to be a direct result of his or her efforts whereas an individual with an external LOC perceives outcomes to be from external forces beyond his or her control, such as others or fate. Externals feel less responsible for outcomes than do internals. Individuals with a high internal LOC are more likely to recognize a direct relationship between their behavior and outcomes. As a result, internals are more likely to attribute responsibility for outcomes to themselves and hence tend to choose to engage in ethical behaviors and not to engage in unethical behaviors. Conversely, externals are more likely to attribute responsibility to others or situational factors and thus engage in unethical behavior (Lefcourt and Wine, 1969; Seeman, 1963; Trevino and Youngblood, 1990). This relationship has been empirically supported in the investigations of such ethical and unethical behaviors as prosocial acts (Spector, 1982, Lefcourt, 1982), whistleblowing (Dozier and Miceli, 1985), cheating and resistance to pressure (Lefcourt, 1982), and taking kickbacks (Hegarty and Sims, 1979). The literature supports the following hypothesis regarding the relationship between LOC and unethical behavior.

H₄: Individuals with an external locus of control will report higher unethical behavioral intentions than those with an internal locus of control.

Machiavellianism

Machiavellianism is a personality construct based on the writings of Niccolo Machiavelli (1966/1513), who advocated principles for behavior that are opportunistic and influential of others in interpersonal relations. Individuals high on Machiavellianism (high Machs) are characterized by the 'cool syndrome' (Christie and Geis, 1970), meaning an affective detachment (e.g., they tend not to be easily swayed by loyalty or friendships). They typically lack concern for conventional morality, and are effective manipulators of others. Results of three studies by Hegarty and Sims (1978; 1979) found Machiavellianism to be correlated with unethical behavior (engaging in kickbacks). Flynn *et al.* (1987) found that high Machs were not more likely to cheat than individuals who were low Machs, however high Machs cheated significantly more often to avoid punishment than to attain rewards. Consistent with previous research, the following hypothesis was posited.

H₅: Individuals high on the Mach scale will report higher unethical behavioral intentions than individuals low on the Mach scale.

Gender

Several studies have empirically investigated the influence of gender on ethical decision making. Interest in this individual variable stems from the fact that women are increasingly entering management and executive positions (Akaah, 1989). Thus, as a greater portion of these positions are occupied by women, will the result be more or less ethical behavior exhibited in management? The empirical results, however, on the relation between gender and ethical behavior have been inconsistent. In two experimental studies exam-

ining kickback behavior, Hegarty and Sims (1978, 1979) found no gender differences, however Stratton *et al.* (1981) found females to be slightly more adverse to padding expenses than were males. Chonko and Hunt (1985) found that women perceived more ethical problems in marketing management than did males, thus indicating women are more sensitive to ethical problems. In a study of decisions based on ethical vignettes, Fritzsche (1988) found no differences across gender.

Research where individuals have been asked to rate whether certain behaviors are unethical have also yielded mixed results. Kidwell *et al.* (1987) found no differences except in one ethical situation – concealing one's errors – where females reported this to be more unethical than did men. Akaah (1989) found a large significant difference between males and females, with females overall evincing higher ethical standards than their male counterparts.

In a large, nationally representative survey done by Patterson and Kim (1991), it was found that less than half as many women as men reported believing that the only way to get ahead was to cheat. Moreover, it was found that women are less willing to compromise their values in order to get ahead, and women are less likely to engage in deviant behaviors at work, such as employee theft and time theft. Patterson and Kim present the astounding assertion that "If valuable company property is stolen, the thief will be a man six times out of seven" (p. 158).

Thus, the research results have not been consistent, however, the empirical literature tends to support the following hypothesis.

H₆: Males will report higher unethical behavioral intentions than will females.

Dependent Variable

Actual behavior is what is ultimately of interest. However to adequately assess the effects of the above variables it would be very difficult or unethical to measure actual behaviors of this nature. That is, we may be violating individuals' rights to privacy by asking about unethical

behavior or by setting up a situation where we can observe them engaging in unethical behavior. Behavioral intentions are arguably an adequate surrogate measure. In his discussion of white collar crime, Coleman (1991) notes that this type of crime is not driven by passion or compulsion. The behavior is of *rational* choice. Therefore, if unethical behavior in organizations is of rational choice, we could assume that intentions are indicative of actual behavior. Also, Fishbein and Ajzen (1975; Ajzen, 1988) have argued that individuals generally behave in a consistent manner with their espoused beliefs, attitudes, and values. In responses to a situation (such as an ethical dilemma), there is consistency between the way people think and feel and the way they act. Thus one's reported behavioral intentions in response to a situation should be consistent, or at least indicative of their actual behaviors.

Experiment 1 – Method

Overview

Using a $2 \times 2 \times 2$ experimental design, two studies were conducted which examined the effects of the three situational variables: (1) quality of the work experience (good versus poor); (2) peer influences (unethical versus ethical); and (3) managerial influences (unethical versus ethical) on individuals' behavioral intentions in an ethically ambiguous dilemma in an work setting. The hypothesized effects of the three individual variables, (1) locus of control (internal versus external), (2) Machiavellianism (high versus low), and (3) gender (male versus female), were also examined.

Procedure

Data were collected in one session. Subjects were randomly assigned to experimental conditions, with proportional numbers of males and females assigned to each condition. Participants were asked to (1) read and sign a consent form, (2) complete a questionnaire measuring locus of control, Machiavellianism, social desirability, (3)

read a scenario depicting an ethically ambiguous situation, (4) complete a questionnaire indicating their reactions to the dilemma, (5) complete a short questionnaire checking the experimental manipulations, and (6) complete a demographics questionnaire. Subjects were debriefed on the purpose and procedures of the study and thanked for their participation.

Subjects

Participants were 138 upper level undergraduate students (70 females and 64 males, 4 subjects with missing data) enrolled in a management course at a large northeastern university. The average age of the sample was 21, and approximately 70% indicated that they had work experience, primarily in the retail or service industries. Thirty-six percent indicated that they were currently employed. Students were remunerated with extra credit points for their participation. Participants were guaranteed anonymity. Individuals who did not want to participate in the research were given the opportunity to earn extra credit by reading a short article put on reserve at the library on unethical behavior in organizations.

Manipulations

Subjects were asked to read a short scenario which asks the subject to assume they are in a situation in which there is an ethical dilemma. The scenario was based on a case presented in Johnson (1974) depicting an employee tempted to pad his or her trip expense report.

All scenarios of the eight conditions began with the following: Irving Brockbank International is a fast-paced, reputable advertising firm in the Northeast. You have been with the firm as an accounts executive for about six months. Among other responsibilities, you consult with smaller advertising agencies promoting local area businesses. This requires that you periodically visit your clients, and you typically travel about once a month.

Quality of work experience

Quality of work experience was depicted in the scenario as being either good or poor. The following operationalizations were used.

Good. Since working for the firm, you have been given a nice office, a competitive salary and good benefits. The company values you as an employee, and your immediate supervisor has been very appreciative of your efforts. In general, you have been very satisfied with the quality of your employment in the firm.

or

Bad. Since working for the firm, you've discovered that your salary is below industry average, the benefits are not very good, and your "office" is a tiny cubicle you share with 2 other people. The company doesn't seem to value you as an employee, and your immediate supervisor has not been very appreciative of your efforts. In general, you have not been very satisfied with the quality of your employment in the firm.

Peer influences

Peers were depicted as either ethical or unethical. Wording of this manipulation was as follows:

After coming back from a trip, you show your expense report to one of your friends in the office who basically does the same job you do. After looking at your expense report, he:

Ethical: raises his eyebrows, and says, "You need to be very careful in reporting you expenses. For instance, I see you spent \$30.00 for the cab fare from the airport. That could look very suspicious to payroll. I know that some people in the company do inflate their trip report expenses, but most people are pretty accurate. If we aren't, payroll will start requiring even more verification of expenses. Plus, company travel funds will get depleted, and it'll be harder to justify a trip."

or

Unethical: laughs and says, "You actually put down what you really spent!" He then says to you, "Let

me tell you, most of us add a few bucks here and there – its sort of a private perk." He then proceeds to show you which expenses you could increase (for example taxi fares, meals, and tips) and why (for example, a receipt is not required). He also tells you by how much you could increase expenses, without it being noticed by payroll as excessive.

Managerial influences

Wording of this manipulation was as follows:

Ethical: Later, you happen to see the expense report of your boss from when he did the same trip about a month ago. You notice that his expenses are reported as much less than you reported. For example, you went ahead and put down estimates of meals of about \$40.00 per day. Your boss reported that he spent about \$15.00 per day. Obviously, the boss is very meticulous and accurate in reporting trip expenses.

or

Unethical: Later, you happen to see the expense report of your boss from when he did the same trip about a month ago. You notice that his expenses are reported as much greater than you know it really cost, from having just taken the same trip. For example, you stayed in the same hotel as he did and it cost you \$7.00 cab fare between the hotel and airport. He reported that it cost \$20.00 each way. You notice other expenses as well that are most likely inflated.

Measures

Locus of control

Rotter's (1966) forced-choice measure of locus of control was adapted to a 5-point Likert-type response format. The scale was reduced to ten items based on a principle components analysis, varimax rotation, of pilot study data; combined with inspection of the item content. Items were coded and added such that a low score indicated an internal locus of control and a high score indicated an external locus of control. Coefficient alpha = 0.76.

Machiavellianism

The scale developed by Christie and Geis (1970) was reduced to ten items in the same manner as the locus of control scale above, i.e., through principle components analysis of pilot study data. Items were endorsed with a 5-point Likert-type scale in lieu of the original true-false format. Coefficient alpha = 0.72.

Biographical information

The biographical information collected from each subject included: sex, age, race, whether currently employed, months of full time work experience, industry in which the subject had the majority of his or her work experience, and academic major.

Behavioral intentions

Individuals' reactions to the scenarios were measured with a questionnaire developed for this study based on refinements of the results from two pilot studies. Four items were rated on a Likert-type five-point scale ranging from strongly disagree to strongly agree. An example item is: "If I were actually in this situation, I would most likely increase the expense report total." Items were coded such that high scores indicated a more unethical response. Coefficient alpha = 0.87.

Social desirability

A social desirability measure was included to determine if subjects were simply trying to "look good," instead of answering frankly about their intentions. Ten items from the Marlowe-Crowne Social Desirability Scale (Crowne and Marlowe, 1964) were selected for this study, and subjects endorsed items with a 5-point Likert-type scale. Coefficient alpha = 0.56.

Results

Manipulation checks

ANOVA results indicated that the manipulations for this study were successful: quality of work experience [$F(7, 129) = 32.38, p < 0.001$], peer influence [$F(7, 129) = 17.68, p < 0.001$], and manager influence [$F(7, 129) = 56.21, p < 0.001$].

Tests of the hypotheses

Table I presents descriptive statistics and correlations among the study variables. Hierarchical regression analyses were used to test the effects of the situational and individual variables on the likelihood of engaging in the unethical behavior. The analysis involved regressing the dependent variable on three dummy coded variables representing the situational variables as well as the four individual variables all on step 1, and variables representing interactions among the situational variables on step 2. Only one interaction term was significant, manager \times peer, thus the model was trimmed, and for the final analysis only this interaction was entered on step 2. The results of the regression analysis are shown in Table II. These results showed that, of the individual variables, there were significant main effects in the hypothesized direction for locus of control ($p < 0.05$) and Machiavellianism ($p < 0.05$), but not for gender. The hypotheses for the situational variables were supported by the results, specifically there was a strong main effect for Quality of Work Experience ($p < 0.001$), and an interaction effect of manager influence and peer influence ($p < 0.001$).

Social desirability

The correlational results indicated that individuals who had a low Machiavellian or internal locus of control score tended to have a high social desirability score, and conversely, individuals who exhibited high Machiavellian or external locus of control scores tended to have a low social desir-

TABLE I
Experiment 1 means, standard deviations, minimum and maximum range values,
and intercorrelations for all variables

Variable	M	SD	Mn	Mx	Intercorrelations							
					1	2	3	4	5	6	7	
1. Quality of work exper.	0.51	0.05	0	1	-							
2. Manager influence	0.51	0.50	0	1	0.000	-						
3. Peer influence	0.52	0.50	0	1	0.000	0.000	-					
4. Locus of control	26.26	6.12	11	44	0.107	-0.111	0.026	-				
5. Machiavellianism	29.32	5.23	16	45	-0.101	-0.109	0.015	0.272‡	-			
6. Gender	0.49	0.50	0	1	-0.058	0.015	0.002	-0.036	0.106	-		
7. Social desirability	27.10	4.29	17	40	0.013	0.070	-0.051	-0.184	-0.295‡	-0.121	-	
8. Unethical beh. intentions	7.64	3.23	3	15	0.235†	0.066	0.247†	0.211†	0.216†	0.033	0.124	

* $p < 0.05$; † $p < 0.01$; ‡ $p < 0.001$.

TABLE II
Results of regression analysis for Experiment 1

Independent variable	Behavioral intentions	
	B	t
Quality of work experience	0.236	3.051‡
Manager influence	-1.371	0.172
Peer Influence	-0.007	-0.068
Locus of control	0.152	1.882*
Machiavellianism	0.181	2.226*
Gender	0.049	0.640
Manager/Peer interaction	0.431	3.176‡

$R = 0.506$; $F(7, 128) = 6.307$, $p < 0.0001$.

* $p < 0.05$; † $p < 0.01$; ‡ $p < 0.001$.

ability score. Thus from these results it could be inferred that there was a response bias on the Machiavellian and locus of control, by the desire to "look good."

Discussion

Results revealed that individuals that are externally focused are more likely to behave unethically than individuals with an internal locus of control. This finding supported hypothesis one,

and is consistent with prior research (e.g., Trevino and Youngblood, 1990). The findings also supported hypothesis two, specifically that individuals with a high Machiavellian personality are more likely to behave unethically than individuals low on this construct. Gender was not found to affect whether an individual indicated they would or would not act unethically. Thus, hypothesis three was not supported. Quality of work experience was found to exhibit a strong main effect in support of hypothesis four. Hence, the results indicated that when individuals who are in a work environment that treats them poorly, they are more likely to act unethically than when the work environment treats them well. On step 1 of the regression analysis, managerial influence did not exhibit a significant main effect, whereas peer influence did exhibit a significant strong main effect. When the interaction term between these two variables was entered on step 2 of the regression analysis, the main effect for peer influence was no longer significant, and is represented in the interaction effect between manager influence and peer influence.

To determine whether the results were robust, Experiment 1 was replicated with a different sample. Subjects in Experiment 2 were Masters of Business Administration evening students, and most were employed in profession positions. This

sample was considered to be more representative of professional employees.

Experiment 2 – Method

As noted above, Experiment 2 was designed to replicate Experiment 1 with a more generalizable sample, and to test the robustness of the results across different samples. Experiment 2 used the same experimental design, experimental procedure, and analyses reported in the method section of Experiment 1 above.

Subjects

Participants were 154 students (63 females and 86 males, 5 subjects with missing data) enrolled in MBA evening classes at the same university as subjects in Experiment 1. The average age was 27 years with an average of five years work experience. Sixty-three percent indicated that they were currently employed. The majority of their work experience was represented in four industries: services (30% of subjects), government (16%), finance-related (14%), and manufacturing (12%). All subjects volunteered during regular class sessions to participate, and were assured anonymity.

Procedures

The role play scenarios and manipulations were identical to those used in Experiment 1. The only change was the wording of the manipulation checks (not the manipulations themselves) in an effort to obtain stronger results for the manipulations. This was successful: quality of work experience [$F(7, 135) = 89.16, p < 0.001$], peer influence [$F(7, 135) = p < 0.001$], and manager influence [$F(7, 135) = 51.07, p < 0.001$].

Results

Table III presents the descriptive statistics and correlations among the independent and dependent variables for Experiment 2. Table IV shows the results of the regression analysis. No interaction terms were significant, thus all variables were entered on one step. The results showed that there was not a significant effect of locus of control on behavioral intentions, and thus hypothesis one was not supported. However, there was a strong main effect for Machiavellianism in the hypothesized direction. Again, gender did not exhibit a significant effect on behavioral intentions. Hypotheses four, five, and six were all supported by the results, specifically,

TABLE III
Experiment 2 means, standard deviations, minimum and maximum range values,
and intercorrelations for all variables

Variable	M	SD	Mn	Mx	Intercorrelations							
					1	2	3	4	5	6	7	
1. Quality of work exper.	0.52	0.50	0	1	–							
2. Manager influence	0.52	0.50	0	1	–0.013	–						
3. Peer influence	0.51	0.50	0	1	–0.024	0.045	–					
4. Locus of control	26.53	6.03	12	42	0.009	0.014	–0.055	–				
5. Machiavellianism	27.71	4.70	14	40	0.017	–0.025	–0.151*	0.369‡	–			
6. Gender	0.60	0.49	0	1	–0.014	–0.014	0.039	0.033	0.099	–		
7. Social desirability	28.31	4.23	19	39	0.066	–0.013	0.079	–0.215	–0.454‡	–0.052	–	
8. Unethical beh. intentions	6.83	2.93	3	15	0.149*	0.242‡	0.120	0.070	0.239†	0.122	0.008	

* $p < 0.05$; † $p < 0.01$; ‡ $p < 0.001$.

TABLE IV
Results of regression analysis for Experiment 2

Independent variable	Behavioral intentions	
	<i>B</i>	<i>t</i>
Quality of work experience	0.153	2.131*
Manager influence	0.246	3.432‡
Peer influence	0.147	2.029*
Locus of control	-0.028	-0.359
Machiavellianism	0.265	3.387‡
Gender	0.097	1.346

$R = 0.416$; $F(6, 161) = 5.631$, $p < 0.0001$.

* $p < 0.05$; † $p < 0.01$; ‡ $p < 0.001$.

there were significant main effects in the hypothesized directions for quality of work experience, peer influence, and managerial influence.

Discussion

Two experimental studies were designed to empirically test hypotheses of individual and situational variables proposed to affect an individual's unethical behavioral intentions. The results indicated that the majority of the hypothesized relationships were supported, and that the effects of the individual and situational variables were relatively robust across the samples.

The quality of work experience was supported as having a significant main effect by the results of both experiments. A content analysis of an open-ended question (i.e., Why would you be more or less likely to engage in padding the expense report?) indicated that individuals may have felt justified in acting unethically toward the organization since they were being underpaid and overworked with no appreciation from the organization. This is consistent with prior research on employee theft (e.g., Hollinger and Clark, 1983; Greenberg, 1989).

Peer influence showed a significant causative effect in both experiments. This effect was masked by the significant interaction between peer and managerial influence in Experiment 1. While both peer influence and managerial influence showed effects in the hypothesized

directions in Experiment 1 and Experiment 2, only peer influence was significantly correlated with behavioral intentions in Experiment 1 and only managerial influence was significantly correlated with behavioral intentions in Experiment 2. Perhaps the younger group with less job-related experience tended to give more weight to group norms (what everyone else was doing) and felt there was "safety in numbers," whereas the older, more work-experienced group felt that one should look to what the boss does to determine whether the behavior was an "accepted business practice."

Of the individual variables, the hypothesized influence of Machiavellianism exhibited the strongest and most robust relationship with the dependent variable across the samples. A caveat should be noted, specifically that the Machiavellian personality construct measure was significantly correlated with social desirability, indicating a possible response bias, which may have inhibited illustration of the true effect of Machiavellianism on behavioral intentions. A possible surrogate scale that may be a less obvious measure of Machiavellianism is the California Personality Inventory Socialization scale (Gough, 1990). This scale measures a construct suspiciously similar to the Machiavellian construct. High scorers on this scales are described as conscientious, responsible, conforming, and honest. Low scorers are described as guileful and deceitful, opportunistic and manipulative. Recently, Collins and Schmidt (1993) reported a study which sought to discover personality constructs that distinguished white-collar incarcerated offenders from other white-collar employees. Their data showed that the socialization scale exhibited a mean standard deviation difference between the two samples of 1.00 or greater. Exploration of this construct is certainly worth pursuing.

Locus of control exhibited mixed results across the two experiments. For Experiment 1, the correlation between locus of control and behavioral intentions was in the hypothesized direction, specifically, the degree to which the individual was externally focused was positively related to higher unethical behavioral intentions. This result was not supported by data of Experiment 2.

The assertion that men tend to be more likely to endorse unethical behavior than do women was not supported in either experiment. Future research might examine constructs, such as sex-role orientation (e.g., Bem, 1974), which would provide more explanatory mechanisms if differences were found.

Limitations and implications for future research

Several limitations of the present research should be mentioned. First is the issue of generalizing from a laboratory experiment to the actual work setting. Although the subjects were asked to put themselves in the situation, there were no real pressures, benefits, or consequences. For several reasons cited elsewhere (e.g., Cavanagh and Fritzsche, 1985), the scenario technique used was deemed as most appropriate for addressing the research question. Internal validity was enhanced at the expense of external validity. We felt it was important to first establish that there exists a causal relationship. Future research can then determine whether the relationships are found in actual work settings. Effectively conducting field quasi-experimental research in the ethics area will require extreme creativity on the part of researchers, which few to date have achieved without the research itself being equivocally ethical.

Generalizability is somewhat limited by the focus on intentions rather than actual behavior. However, as Trevino and Victor argue (1992), attitudes and intentions are important and worthy of scientific inquiry in and of themselves. As mentioned earlier, attitudes and intentions have been researched in other areas of organizational behavior such as motivation and turnover (Fishbein and Ajzen, 1975; Steel and Ovalle, 1984; Tubbs and Ekeberg, 1991) and have supported the predictive relationship between intentions and subsequent behavior.

Finally, only one type of unethical behavior, expense report padding, was examined. The findings from this study may not be generalizable to other types of unethical behavior, such as engaging in kickback behavior, insider trading, or discrimination against minorities.

Implications for management

The potential practical implications of these results are rather encouraging. If indeed situational characteristics exert significant influence on a person's likelihood of engaging in unethical behavior, as the present study would indicate, organizations can focus on structuring the organizational environment rather than on recruiting and selecting individuals who are more likely to behave ethically. Selecting for integrity has been found to be problematic (e.g., Sackett *et al.*, 1989; Sackett and Harris, 1984), and several states have passed legislation prohibiting the use of integrity tests.

The behavior on the part of managers and that of the peer group can be managed to curb unethical behavior on the part of employees, as is indicated by the positive influence of ethical managers and peers. Through training and other techniques for influencing the norms of the organization, organizations should focus on developing a climate which clearly engenders ethical norms for behavior. Also, since the behavior on the part of managers appears to be quite influential on an individual's decision to engage in unethical behavior, organizations might impose more severe organizational sanctions against managers for engaging in these acts.

The results suggest that an individual's quality of work experience affects his or her likelihood of engaging in unethical behavior. Therefore, maintaining a good quality of work experience for employees may be an important technique for controlling unethical behavior in the workplace. Organizations may want to regularly diagnose employee attitudes through employee attitude surveys and subsequently act upon suggestions generated for improving work conditions.

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