

(Un)Ethical Behavior in Organizations

Linda Klebe Treviño,¹ Niki A. den Nieuwenboer,^{2,*}
and Jennifer J. Kish-Gephart^{3,*}

¹Smeal College of Business, The Pennsylvania State University, University Park, Pennsylvania 16802; email: ltrevino@psu.edu

²Levey School of Business, Santa Clara University, Santa Clara, California 95053; email: ndennieuwenboer@scu.edu

³Sam M. Walton College of Business, University of Arkansas-Fayetteville, Arkansas 72701; email: jgephart@uark.edu

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*Authors contributed equally.

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Abstract

This review spotlights research related to ethical and unethical behavior in organizations. It builds on previous reviews and meta-analyses of the literature on (un)ethical behavior in organizations and discusses recent advances in the field. The review emphasizes how this research speaks to the influence of the organizational context on (un)ethical behavior, proceeding from a more macro to a more micro view on (un)ethical behavior and covering ethical infrastructures, interpersonal influences, individual differences, and cognitive and affective processes. The conclusion highlights opportunities for future research.

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INTRODUCTION

Starting in the 1980s, the systematic study of (un)ethical behavior in organizations—often referred to as behavioral ethics in organizations or as organizational ethics (Treviño et al. 2006)—began to take shape. Over the years, a series of ethical debacles has only increased the salience of this area of study for practitioners and researchers alike. Indeed, as a testament to the growing interest among researchers, a number of literature reviews have appeared in recent years—including several qualitative reviews (O’Fallon & Butterfield 2005, Tenbrunsel & Smith-Crowe 2008, Treviño et al. 2006), a meta-analysis of research on the sources of unethical choice in organizations (Kish-Gephart et al. 2010), a meta-analysis of the ethical climate literature (Martin & Cullen 2006), and a meta-analysis of the whistleblowing literature (Mesmer-Magnus & Viswesvaran 2005). The meta-analytic reviews, in particular, represent a major advance, showing that enough research has been conducted for investigators to undertake such statistical reviews.

In this review, the term “ethical behavior” is used broadly to include both ethical and unethical behavior. Ethical behavior in organizations refers to the study of ethical and unethical decisions and behavior in an organizational context, especially in a work context. Drawing on an earlier review by Treviño and colleagues (2006), behavioral ethics researchers have, for the most part, studied three types of related outcomes: unethical behavior that is contrary to accepted moral

norms in society (e.g., lying, cheating, stealing); routine ethical behavior that meets the minimum moral standards of society (e.g., honesty, treating people with respect); and extraordinary ethical behavior that goes beyond society's moral minima (e.g., charitable giving, whistleblowing). Here, we focus primarily on the former two outcomes. In addition, following Tenbrunsel & Smith-Crowe (2008), our review assumes that actions need not be intentional in order to qualify as ethical or unethical. Finally, it is important to note that, although research on ethical behavior in organizations rests upon a social scientific base, the study of ethical behavior in organizations is far from value free. Most research in the field begins with the premise that ethical behavior in organizations is good and unethical behavior is bad, and that understanding the predictors of each can help organizations produce more of the former and less of the latter.

Some overlap exists in the above definitions of outcome variables with organizational behavior research on extrarole behavior (e.g., helping, voice) and deviance (e.g., theft). Although more work is needed to bring these overlapping literatures together (Treviño et al. 2006), the major distinction between these topic areas is that research on (un)ethical behavior focuses on behavior that is consistent or inconsistent with societal norms whereas the research on extrarole behavior and deviance focuses on behavior that is consistent or inconsistent with organizational norms. For example, behavior may be considered deviant (contrary to organizational norms) while being consistent with societal norms (e.g., external whistleblowing), or a behavior may be consistent with an organizational norm while being inconsistent with societal norms (e.g., deceiving customers).

Because readers can find in-depth and historical reviews in the papers cited above and other reviews to be cited below, our emphasis here is on work published within the past five to seven years. This review also is not exhaustive. Instead, we emphasize major areas of development and discuss significant and exemplary work within those areas. To develop a list of the most influential recent work, we supplemented our own search of the literature with recommendations of literature that we solicited from more than 20 experts in the field.

THEORETICAL HISTORY AND STAGE SETTING

Before moving to the detailed review, we highlight some of the major theories that have guided organizational ethics research in the past. This brief overview will not only help readers to understand why studying (un)ethical behavior "in organizations" is important, but it will also help set the stage for understanding the recent discussion about how ethical decisions are made, which is currently guiding many of the types of questions that are being asked and the methodologies that are being used.

Why is studying (un)ethical behavior "in organizations" significant? The assumption is that something very important changes when we examine (un)ethical behavior in an organizational context. People who are acting and making decisions in organizations are doing so within power and authority structures and under organizational, leader, and peer influences and constraints. According to Treviño's (1986) person-situation interactionist model of ethical decision making in organizations, for instance, organizations are influential in large part because people rely on others when they are determining how to think about an ethical dilemma. This model emphasized the importance of cognitive moral development theory (Kohlberg 1969) for understanding organizational ethics. On the basis of Lawrence Kohlberg's work on moral reasoning, we understand that most adults are at what he termed the conventional level of cognitive moral development, meaning that they are looking outside themselves for guidance when making ethical decisions. When applied to organizations, this theory explains the powerful influence of peers, leaders, significant others, rules, laws, and codes, all of which can guide employees' ethical decision making and behavior.

An important ongoing and overarching conversation in the field is related to the process of ethical decision making. Important in this respect has been Rest's (1986) rational and deliberative four-stage model of individual ethical decision making. According to the model, individuals facing an ethical dilemma first experience moral awareness: They recognize that the issue being faced is an ethical issue. Next, they engage in moral judgment, or the process of deciding what is right and wrong. They then form a moral motivation or intention, and finally, they take action. Since the introduction of the model, many organizational ethics studies have examined the effects of select individual-, situational-, and organizational-level factors on one or more of the four stages (O'Fallon & Butterfield 2005). Accordingly, much of the earlier work in this field has (implicitly or explicitly) assumed that individual ethical decision making operates in this highly deliberative, step-by-step fashion (Treviño et al. 2006).

In recent years, following a trend in moral psychology, behavioral ethics research has advanced the idea that ethical decision making is not always rational and deliberative but can also be affective, intuitive, and impulsive. The moral psychologist Jonathan Haidt (2001) is generally credited with offering the most significant challenge to the traditional deliberative approach, arguing that people react emotionally and automatically to ethically charged situations (e.g., with disgust or other emotions) and form instant judgments of right and wrong that are later rationalized.

This work has inspired the development of several models within the behavioral ethics literature that take a more intuitive approach. Reynolds (2006), for instance, proposed a neurocognitive model of ethical decision making, arguing that ethical decision making involves both a conscious deliberative process and a more automatic pattern-matching approach based on cognitive prototypes. He argued that people either first behave and then rationalize, or first make an active moral judgment and then behave. Around the same time, Sonenshein (2007) proposed a sense-making intuition model, which argues that issues are not inherently ethical or unethical, but rather that, in response to the equivocal and uncertain environments that constitute work organizations, organizational members socially construct ethical issues through a process of sensemaking. Individuals then make quick intuitive judgments about these ethical issues, and finally, they justify these judgments to others. We point interested readers to a review of the literature on intuitive ethical decision making by Weaver and colleagues (2013).

In the following sections, we begin by discussing the organizational-level factors—representing organizations' ethical infrastructures—that researchers have examined as influencers in ethical decision making and behavior. We then move to the interpersonal level, where we discuss peer and leader influences. We continue with the individual level, focusing first on relatively stable individual differences and next on the cognitive and affective processes that can be triggered within individuals. We conclude with future directions for the field.

ETHICAL INFRASTRUCTURE: CODES, PROGRAMS, CLIMATE, AND CULTURE

Because of the “in organizations” emphasis of this review, we begin with the ethical context in organizations. Tenbrunsel & Smith-Crowe (2008) referred to the organizational context as the organization's ethical infrastructure. The aspects of the infrastructure that are most commonly studied include ethics codes, ethics programs, ethical climate, and ethical culture.

Ethics Codes and Programs

Ethics codes typically identify the organization's conduct standards, the types of ethical and legal issues employees are likely to face in their organization, and the organization's core values. Although

more and more organizations adopt such codes, research on the impact of code existence has produced mixed results, and a recent meta-analytic review found no significant independent effect of code existence on unethical choice (Kish-Gephart et al. 2010). It did find a negative effect of code enforcement (i.e., employees' perception that the existing code is enforced) on unethical behavior. The meta-analysis also found that when perceived code enforcement and other organizational variables (e.g., ethical culture and ethical climate) are taken into account simultaneously, code existence has a small positive effect on unethical behavior. This suggests that in the presence of these other factors, employees can view the mere existence of a code as a negative sign that the code represents window dressing only, thus producing a cynical response that leads to more unethical behavior. Organizations may therefore need to rethink their approach to codes and insure that, if they have codes, code adherence is closely tied to the performance management structure of the organization and to other organizational routines and is not viewed by employees as mere window dressing.

Although little recent academic research exists on codes, we point to one study that is tangentially related to ethics codes in organizations and adds an interesting twist to thinking about code signing. Many organizations require employees to sign the code of conduct annually. By signing the code, employees are purportedly attesting to the fact that they have read the code and that they agree to abide by it. In a recent study, Shu and colleagues (2012) altered the placement of a "pledge" to be honest—the pledge was placed either before the activity (at the top of a form) or after the activity (at the bottom of a form). In the laboratory as well as in a naturalistic setting (i.e., an insurance company where customers had to report their odometer mileage), the authors found that a pledge to be honest is more effective (cheating is lower) when it is placed at the beginning of an activity rather than at the end, as is often done. By making ethics salient before the activity, attention is directed to the self; thoughts of morality are activated and accessible at the right time. In contrast, placing the pledge after the activity allows for self-interested motivations and mental justifications to take over. This simple but powerful finding may apply to other pledges as well, including honor code pledges on exams or a pledge to adhere to a code of conduct at work. For example, it is unclear whether employees have read and understood the code when they are asked to attest that they have done so. The research by Shu and colleagues (2012) suggests that managers may find it worthwhile to ask employees to sign a form before important events, such as at the beginning of the annual compliance process, stating that employees will read the code and will answer compliance questions truthfully. If they are required to do that, they may be less likely to dishonestly sign an attestation at the end saying that they did read it and agree to abide by it when they did not read the code.

In sum, researchers need to know much more about the effect of ethics codes on attitudes and behavior. Although gaining access to organizational contexts presents many challenges, this is a necessary step to further understand when and why codes of conduct are effective. Indeed, organizations do not usually develop just a code and nothing more, suggesting the importance of studying codes not just on their own but as a part of a broader organizational context with other elements of formal ethics and compliance programs.

In addition to the code of conduct, a formal ethics and compliance program often includes training programs, telephone lines for those seeking guidance or avenues to (anonymously) report issues, investigation processes, and performance management systems that incorporate legal compliance standards and that discipline wrongdoers. Although the role of formal ethics and compliance programs, especially in large organizations, has grown considerably in the past 20 years, academic study in this field has remained scant. Though more practitioner focused, the Ethics Resource Center's National Business Ethics Survey (Ethics Resour. Cent. 2012) regularly surveys employees from a wide variety of regions who work in different types of US organizations. According to recent results, comprehensive ethics programs (that include multiple elements) are

associated with important outcomes such as reductions in felt pressure to compromise standards, observed misconduct, and perceived retaliation for reporting as well as increases in the reporting of misconduct. Future work should consider these ethics program components separately to determine whether some of them are more important and effective than others, or when and why combining some of them may produce the best results. For example, organizations spend millions of dollars on annual ethics training for their employees with little information about whether the training improves ethical decision making and/or behavior. Research that investigates new approaches to training (such as the giving-voice-to-values program that emphasizes the development of employees' voice efficacy; Gentile 2010) is needed to direct organizations' attention to training and its effects. Further, research attention to how ethics and compliance programs are managed, by whom, and with what effects, would also be helpful.

Ethical Climate

Victor & Cullen (1988, p. 101) defined ethical climate as “the prevailing perceptions of typical organizational practices and procedures that have ethical content” and “those aspects of work climate that determine what constitutes ethical behavior at work.” Since the introduction of the ethical climate construct (Victor & Cullen 1988), studies have measured ethical climate almost exclusively as an individual perception rather than as an aggregated group-level construct. The related literature has been reviewed in both a meta-analysis (Martin & Cullen 2006) and a qualitative review (Simha & Cullen 2012). Most of the reviewed research supports the existence of five of the nine originally proposed climates that describe what people in the organization consider when they are faced with an ethical dilemma. In the instrumental or self-interested climate, people consider the self-interest of the organization or the individual. In a caring climate, people think about care and concern for others. In the independence climate, the individual makes decisions based on his or her own principles. In a rules climate and in a laws and codes climate, individuals consider either the organization's rules or society's laws and standards, respectively, when making decisions.

In Martin & Cullen's (2006) meta-analytic review of the ethical climate research, the authors found support for positive relationships between a caring climate and employee attitudes such as commitment and satisfaction, and a negative relationship between a caring climate and dysfunctional employee behavior. This research found the opposite relationships with self-interested climate. Similarly, Kish-Gephart and colleagues' (2010) meta-analysis studied the influences of three types of ethical climate (egoistic, benevolent, and principled) on unethical choice (intentions and behaviors) in organizations and found that egoistic climates were positively associated with unethical choice, whereas benevolent and principled climates were negatively associated with unethical choice.

Although less research exists on the antecedents of ethical climate, one study (Schminke et al. 2005) found that the leader's level of cognitive moral development positively influences employee perceptions of ethical climate and other employee attitudes. This work suggests that leader selection and development may be important for creating and sustaining an ethical climate and points to the potential importance of studying other antecedents of ethical climate.

More recently, Arnaud & Schminke (2012) demonstrated that the effects of ethical climate on reducing unethical behavior can be significantly enhanced if one takes into account moral emotion and moral efficacy. In particular, the relationship between employees' ethical climate perceptions (at the unit level) and work unit unethical behavior was enhanced by collective emotion (a shared sense of empathic concern in a department) and collective ethical efficacy (a shared belief that those in the department are capable of executing ethical action). Thus, this study explores the effects of ethical climate in a more complex way by demonstrating the conditions under which a

climate is likely to be more effective at influencing behavior. These authors relied upon Schminke's 16-item measure of ethical climate that conceptualizes ethical climate along two dimensions, self-focused and other-focused. In contrast to most ethical climate studies that have focused on the organizational level, this study demonstrated that subunit ethical climate also plays a significant role. More research will be needed to clarify the dimensionality of ethical climate (e.g., whether researchers should be using two, three, or five dimensions going forward). Research is also needed to better understand whether and when ethical climate is best studied at the organization or unit level (or both).

Ethical Culture

Treviño's (1986) ethical decision-making model, reviewed previously, emphasized the importance of the organizational context by introducing the notion of ethical culture as a moderator of the relationship between cognitive moral development and (un)ethical behavior. She later elaborated on the meaning of the ethical culture construct (Treviño 1990), suggesting that ethical culture is a subset of organizational culture and represents the interplay among the ethics-related formal (e.g., rules and policies, performance management systems) and informal (e.g., norms, language, rituals) organizational systems that influence employee ethical and unethical behavior. Similar to ethical climate research, survey research on ethical culture and its effects has treated ethical culture as an individual's perception of the organizational context rather than an aggregated group-level construct (e.g., Schaubroeck et al. 2012).

Although a meta-analysis found support for a negative relationship between ethical culture and unethical choices when studied independently, this relationship disappeared when other organization environment characteristics (three ethical climate dimensions and code existence and enforcement) were studied simultaneously (Kish-Gephart et al. 2010). This effect likely occurred because ethical culture was highly correlated with code enforcement as well as all three ethical climate dimensions. These findings indicate a need to determine whether and when ethical culture has a role to play in future research and what that role will be. For example, perhaps ethical culture precedes perceptions of ethical climate such that having a strong ethical culture influences employees' ethical climate perceptions.

Few recent studies have been conducted on ethical culture. A notable exception is Schaubroeck and colleagues' (2012) study of the effects of unit-level ethical culture on observed unethical behavior. Drawing on a sample of US Army soldiers in a study conducted across three levels of US Army units in Iraq, the researchers found that unit-level ethical culture mediated the relationship between ethical leadership and (un)ethical behavior, including transgressions against noncombatants and intentions to report misconduct. Similar to work on ethical climate, researchers need to better understand when organizational-level ethical culture may be important compared to unit-level ethical culture because, until recently, almost all ethical context work has measured individuals' perceptions of their organization's overall culture. Yet within the same organization, subunits may vary in terms of the ethical culture and climate environments they create.

Important components of ethical culture at the organization level are formal systems, including decision-making processes, organizational structure, and performance management systems. Because people in organizations pay such close attention to what is rewarded and what is disciplined, the performance management system—including setting goals and tying rewards to those goals—is particularly important. The role of goal setting in producing unethical behavior is being debated. Ordóñez and colleagues (2009a) claimed that goal setting may cause systematic harm when implemented without care, including increasing unethical behavior. They relied on their own work (e.g., Schweitzer et al. 2004) and on the research of others to propose a number of

mechanisms by which this might occur, including focusing attention too narrowly on bottom-line goals to the exclusion of other ethical considerations, increasing risk taking, and increasing unethical behavior by motivating people to misrepresent performance in order to meet the goal. Locke & Latham (2009) criticized this work, citing an article of their own (Latham & Locke 2006) in which they outlined goal setting's potential pitfalls and possible antidotes. This article was followed by a rebuttal by the original authors (Ordóñez et al. 2009b). Although entering this debate is beyond the scope of our review, we note that more research is needed to understand when and how goal setting, as part of a broader performance management system, may contribute to unethical behavior. More research on other aspects of the performance management system is also needed. For example, how important is disciplining rule violators, and what are the effects of keeping that information private versus making it public in some way?

Taking a step back from the research on infrastructure, we note that researchers have rarely addressed how such organizational influences may fit into a conversation about ethical decision making as more automatic versus more deliberative. As an exception, Reynolds (2006) made some suggestions about how his neurocognitive model may be applied to understanding failures of organizational culture. For example, shared cognitive prototypes may be mislabeled, or the culture may emphasize a moral rule that is inappropriate. We would also expect that, over time, an organization's culture or climate is likely to become ingrained and internalized by organizational members, making it likely that certain behaviors may become automatic, simply becoming part of "the way we do things around here." In a strong ethical culture, for example, a salesperson should be less likely to lie to a customer because not lying "is" the way things are done, and the salesperson doesn't need to deliberate about that decision. Unfortunately, the opposite may also be true in organizations where lying to customers is the norm.

Our review of the recent research on organizational infrastructures finds that much more needs to be done to understand the relationships between and among its parts such as ethics programs (including codes), ethical climates, and ethical culture. We can say with certainty that the ethical infrastructure matters. But, what parts of it matter most—separately and together? And, how can we best characterize and measure ethical infrastructure? Answers to these questions are likely to provide valuable practical implications for organizations.

INTERPERSONAL INFLUENCES

In this section, we review research on another type of key contextual influence on (un)ethical behavior in organizations: the interpersonal influences of others in the work context, including peers as well as leaders. We also discuss the role of fair treatment by managers.

Peer Influence

For the traditional employee, coworkers are an important part of the everyday work experience. As such, peers represent a potentially powerful influence on (un)ethical behavior (Bandura 1986, Kohlberg 1969, Robinson & O'Leary-Kelly 1998). As Moore & Gino (2013) argue, peers "help to establish a standard for ethical behavior through their actions or inaction." Research on in-group member effects finds that when an in-group member cheats, other in-group members are also more likely to cheat (e.g., Gino et al. 2009a). According to a study by Gino & Galinsky (2012), this might be related to psychological closeness and feeling connected to someone who behaves unethically, as this "can create distance from one's own moral compass" (p. 15) and increase one's propensity to copy that unethical behavior as well as to engage in moral disengagement (discussed below).

One particularly interesting field study asked whether people adapt their level of unethical behavior based on local organizational norms. In a study of the behavior of vehicle emission testing inspectors, Pierce & Snyder (2008) found that when working across different facilities (i.e., switching job locations), inspectors adjusted their level of unethical behavior not gradually but almost immediately to conform to the local organizational norm of unethical behavior—which in this case meant allowing vehicles to pass the inspection despite failing the inspection criteria. However, as Pitesa & Thau (2013) found, not everyone is equally susceptible to such social influences. Because of a tendency to focus more on oneself than on others, people who are higher in power ignore (un)ethical social influences more easily and are less likely to copy others' (un)ethical behavior.

The influence of out-group members on unethical behavior is more complex. Out-group members who cheat influence people's unethical behavior, but less so than do in-group members (Gino et al. 2009a). In addition, in situations where another in-group member exhibits unethical behavior, the presence of an out-group member (observer) may trigger compensatory (overly ethical) behavior. Gino and colleagues (2009b) found that being observed by an out-group member induced guilt in in-group members, leading in-group members to compensate for their peer's unethical behavior.

Research also suggests that unethical behavior may be attenuated when peers make ethics salient by simply talking about it. Work by Gino and colleagues (2009a), for example, suggests that when a peer asks whether unethical behavior is acceptable or not, people cheat less. Other research similarly supports the salutary effects of discussing ethics with coworkers. Gunia and colleagues (2012) found that, compared to making quick choices, giving individuals the opportunity to have an ethics-directed conversation with a colleague influenced them to make more ethical decisions. However, having a conversation focused on self-interest produced more unethical decisions. Thus, employees should be encouraged to converse about ethical issues with peers. Such conversations must focus on ethics and not on self-interest.

What seems clear from this research is that peers do influence (un)ethical behavior, a finding with significant implications for organizations. Future research should aim to understand how groups of individuals collectively develop norms that support (un)ethical behavior.

Leader Influence

In addition to examining the role of peers, recent organizational ethics research has focused a great deal on systematically studying the role of leadership on (un)ethical behavior. In the context of organizational ethics, leadership is an especially important topic because leaders play a key role as authority figures and role models, and they influence subordinates' attitudes and behaviors.

Drawing on social learning theory (Bandura 1986), Brown and colleagues (2005) introduced the ethical leadership construct and developed a reliable survey measure. They defined ethical leadership as “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision making” (p. 120). According to the authors, employees attend to the behavior and messages of ethical leaders because of their attractiveness, credibility, and legitimacy as models as well as their status in the organization and power to affect employee outcomes. Their study found that ethical leadership is positively associated with followers' job satisfaction and voice. For other reviews on ethical leadership, we refer readers to Brown & Treviño (2006) and Brown & Mitchell (2010).

Research related to the antecedents of ethical leadership has just begun. Prior work on personality as an antecedent has demonstrated support for a relationship with conscientiousness but has produced mixed results related to agreeableness and neuroticism (Kalshoven et al. 2011).

Mayer and colleagues (2012) found support for a relationship between the leader's moral identity and employee perceptions of ethical leadership. Jordan and colleagues (2011) found that higher levels of leader cognitive moral development are related to employee perceptions of ethical leadership. Given the importance of ethical leadership for organizational outcomes (as discussed next), more work is needed to study both individual differences and contextual antecedents of ethical leadership (Brown & Treviño 2006).

Most ethical leadership research has examined the outcomes of this type of leadership, finding that ethical leadership improves employee attitudes, such as job satisfaction, affective commitment, and work engagement, and reduces turnover intentions (Brown et al. 2005, Kim & Brymer 2011, Neubert et al. 2009, Ruiz et al. 2011, Tanner et al. 2010). Research has also focused on positive behavioral outcomes, including citizenship behavior (Avey et al. 2011, Kacmar et al. 2011, Piccolo et al. 2010), voice (Brown & Treviño 2006, Walumbwa & Schaubroeck 2009), and job performance (Piccolo et al. 2010, Walumbwa et al. 2011). The study by Walumbwa and colleagues was conducted in Mainland China and suggests that the ethical leadership construct may also be valid in non-Western cultures.

Ethical leadership has also been found to reduce deviance and unethical behavior (e.g., Mayer et al. 2009). Mayer and colleagues (2012) found significant relationships between ethical leadership and reduced work group conflict and unethical behavior. However, Detert and colleagues (2007) found that ethical leadership in restaurant managers was not related to counterproductive work behavior, measured as actual food loss in their restaurants. The authors speculated that ethical leadership may be less influential in contexts that employ low-level, low-paid workers for whom fair treatment and close supervision (which were significantly related to counterproductive work behavior) may be more important than ethical leadership.

The multilevel nature of ethical leadership has also been considered. Mayer and colleagues (2009) studied the effects of different levels of ethical leadership (executive and supervisory) and showed that top managers' ethical leadership influenced supervisory-level ethical leadership and that the effect on citizenship and deviance flowed through the supervisory-level leader. Both levels of ethical leadership had direct influences on those outcomes. Their mediation hypothesis was supported, suggesting a trickle-down effect of executive ethical leadership.

In a series of studies, Mayer and colleagues (2013) further hypothesized and found that leader influence does not operate in a vacuum but rather interacts with peer influence to affect the reporting of misconduct. Employees are more likely to feel safe reporting misconduct if they believe they have the support of both peers and leaders. These findings suggest that future research should examine how ethical leadership fits within a broader context of peers, leaders, and other potential social influences.

Ethical leaders are not the only leaders who may influence (un)ethical behavior. Transformational leadership (Bass & Avolio 1990) has an ethical component, as do authentic leadership (Avolio & Gardner 2005) and leader behavioral integrity (Bauman 2013, Simons 2002). Negative leadership styles such as abusive supervision (Tepper 2000) are also relevant. Abusive supervision is defined as "subordinates' perception of the extent to which their supervisors engage in the sustained display of hostile verbal and nonverbal behaviors, excluding physical contact" (Tepper 2000, p. 178), and it has long been associated with employee deviance (see Tepper et al. 2007). Recent work has shown that its effects can trickle down from managers to supervisors as well (Mawritz et al. 2012). Hannah and colleagues (2013) connected abusive supervision to increased unethical behavior in a study of military personnel. This study demonstrated that abuse by supervisors increases the likelihood that followers will engage in unethical actions and reduces the likelihood that they will report misconduct. Other types of unethical leadership may also be an

issue (Brown & Mitchell 2010), but reducing abusive supervision seems particularly important for organizations that wish to decrease follower unethical behavior.

Just and Unjust Treatment by Managers

Just and unjust treatment by managers has been associated with a wide variety of outcomes relevant to behavioral ethics, including prosocial and antisocial or deviant behaviors such as employee theft and other unethical behaviors (e.g., Greenberg 1990, Weaver & Treviño 1999). Although organizational justice is one of the most studied topics in organizational behavior, until fairly recently justice researchers did not explicitly make the connection to behavioral ethics (Cropanzano & Stein 2009). Organizational justice researchers have traditionally treated employee reactions as instrumental and based upon self- or group interest only (Tyler & Blader 2000). Noting that normative foundations of justice (e.g., Rawls 1971) had been largely forgotten in the organizational justice literature, Folger and colleagues (2005) proposed the concept of deontic justice, arguing that people are morally motivated to care about fairness for its own sake and not just for instrumental reasons. The authors noted, for example, that people react retributively to the unfair treatment of others simply because they see it as unfair and not because it harms them or their group. They are even willing to harm their own self-interest in reacting retributively. Accordingly, Rupp & Bell (2010) found that subjects who expressed retributive cognitions against a transgressor who had not behaved fairly in the past were more likely to sacrifice their own resources to punish that transgressor.

Skarlicki & Rupp (2010) brought a dual-processing (Chaiken & Trope 1999) perspective to understanding these reactions. They proposed that reactions might differ depending on the decision-processing frame and that these frames could be primed (decision frames are discussed in more detail below). Experiential processing is less conscious and more automatic, quick, and emotional, whereas rational processing is more conscious and deliberative. The researchers found that subjects primed to use experiential processing (to be open to their feelings and intuitions) were more retributive toward individuals who treated others unfairly than were subjects primed to use rational processing. Further, those high in moral identity (also discussed below) tended to be more retributive regardless of the primes because morality is so important to their identity and self-concept. This research is important for organizations that wish to support ethical conduct via fair treatment. Employees care not just about the fair treatment of themselves and their group, but as observers, when they learn that unrelated others are treated unfairly, they are likely to take retributive action as well.

So, what do we know about interpersonal influences on (un)ethical behavior in organizations? We know that peers and leaders matter a great deal, alone and in combination. Employees are more likely to be unethical in the presence of unethical colleagues, abusive leaders, or unfair treatment, but they are more likely to be ethical when they are led by ethical leaders at multiple levels, feel supported by ethical colleagues, and are fairly treated.

INDIVIDUAL DIFFERENCES

Although individual differences are not strictly organizational, we cannot ignore the role of these variables as influencers on (un)ethical behavior in organizations. In this section, we focus on individual differences that have been recently introduced to the literature, with an eye toward highlighting the extent to which they may be important to organizational ethics. Readers interested in other individual differences historically studied in behavioral ethics research (e.g., locus of

control, cognitive moral development) are referred to Kish-Gephart and colleagues' (2010) meta-analytic review.

Moral Attentiveness

Drawing on social cognitive theory (Bandura 1986), Reynolds (2008) proposed the moral attentiveness construct, or “the extent to which one chronically perceives and considers morality and moral elements in his or her experiences” (p. 1028). Reynolds distinguishes moral attentiveness from moral sensitivity and moral awareness in that the latter two require the existence of a particular moral issue whereas moral attentiveness does not. One’s degree of moral attentiveness is believed to color how one perceives and interprets incoming morality-related information. In addition to developing a scale to measure moral attentiveness, Reynolds proposed and found that perceptual moral attentiveness (how information is colored as it is received) was positively related to both the recall and reporting of ethics-related behaviors and to moral awareness. Reynolds also argued that organizations might be able to influence moral attentiveness. For example, he proposed that moral attentiveness may increase with certain types of experiences and, thus, organizations may want to shape ethics initiatives with moral attentiveness in mind.

Moral Conation

Researchers have traditionally focused much of their attention on moral judgment, leaving open questions about moral motivation. Therefore, some researchers are delving more deeply into the motivational aspect of ethical decision making. In this context, Hannah and colleagues (2011a) developed the moral conation construct, or “the capacity to generate responsibility and motivation to take moral action in the face of adversity and persevere through challenges” (p. 664). Moral conation is theorized to encompass three components—moral courage, moral efficacy, and moral ownership—which are associated with the last two stages of Rest’s (1986) model (i.e., moral motivation and moral action).

Research has furthermore argued and shown that the three components of moral conation are related to (un)ethical behavior. Hannah et al. (2011b), for instance, found that moral courage—a malleable character strength that enables one to act on moral principles in the face of danger—is positively related to prosocial and ethical behavior outcomes and that it can be influenced by authentic leadership. When it comes to moral ownership, Hannah and colleagues (2011a) argued that those higher in moral ownership will take more responsibility for their own and others’ actions because they are unable to “turn a blind eye” (p. 675) to unethical actions. The ascription of responsibility to the self has long been considered important to ethical decision making (e.g., Schwartz 1968), and recent research reviewed by Dana and colleagues (2012) suggests that increasing one’s personal accountability for ethical behavior by decreasing moral “wiggle room” (p. 218) is extraordinarily important. Finally, moral efficacy, or one’s belief in one’s ability to do what is necessary to take moral action, contributes to self-regulatory processes that support the person doing the right thing even when it is difficult to do so.

Although Hannah and colleagues (2011a) conceptualize moral conation as an individual difference, the authors also argue that moral conation can be developed through social learning, training, ethical role models, and other means. These propositions await future research. In addition, future testing will be required to determine whether moral conation is best treated as three separate constructs or as one overarching one. Finally, it remains unclear to what extent moral conation involves conscious deliberation. Moral ownership invokes responsibility, which would seem to be accompanied by deliberation. But those who are high on moral efficacy may act more

intuitively because they feel they have the expertise to do so. Moral courage may be associated with behavior that looks intuitive and impulsive but may come from deliberation and practice, leading to behavior that is automatized over time.

Moral Identity

Moral identity is rooted in social identity theory (Ashforth & Mael 1989) as well as in the self-regulatory assumptions of social cognitive theory (Bandura 1986). According to Aquino & Reed (2002), moral identity can be defined as “a self-conception organized around a set of moral traits” (p. 1424). They noted that moral identity represents a component of one’s social self-schema and complements moral development theory. That is, while cognitive moral development (Kohlberg 1969) relies on sophistication of moral reasoning to explain moral action, moral identity motivates moral action because individuals see certain moral traits as being integral to their self-concept or identity.

Shao and colleagues (2008) reviewed the research on moral identity and reported significant positive relationships with prosocial behaviors such as volunteering and charitable donations and significant negative relationships with unethical behavior such as cheating. The authors also noted that moral identity interacts with contextual variables such that individuals with stronger moral identities are more sensitive to a number of contextual cues such as certain types of leadership behaviors and the organization’s culture.

Moral identity, when combined with the individual difference, moral judgment, has also been found to influence people’s ethical behavior. In two studies, Reynolds & Ceranic (2007) combined specific types of moral judgment (consequentialism and formalism) with moral identity and found that ethical behavior (charitable giving) and unethical behavior (cheating) are influenced by both, as well as by their interaction.

DeCelles and colleagues (2012) found that a strong moral identity can protect against self-interested behavior in those who have the psychological experience of feeling powerful (via either trait power or manipulated power). The implication is that organizations should consider the moral identity of people they promote to powerful positions because those who have weak moral identities can be expected to engage in more self-serving behavior. For those already in positions of power and who are also high in trait power, organizations should consider interventions that might help them develop their moral identities.

In a conceptual piece, O’Reilly & Aquino (2011) elucidated the role of moral identity in a person’s intuitive reactions to injustice. According to their model, the centrality of one’s moral identity increases the likelihood that a person will see mistreatment as a moral violation and increases the likelihood that she/he will experience anger and justice cognitions as a result. Furthermore, Aquino and colleagues (2011) found that those who score higher in moral identity experience a state of moral elevation (a warm or pleasant emotional experience) after exposure to others’ acts of “uncommon goodness.” This feeling of moral elevation mediated the relationship between moral identity and prosocial behaviors. Although conducted in the laboratory, the latter studies have organizational implications. For instance, organization members who observe a leader or coworker engage in particularly helpful behavior may experience moral elevation and be motivated to do the same.

Aquino & Freeman (2012) make the connection to the business context particularly salient. They offer a social-cognitive model of moral identity that conceptualizes moral identity as both an individual difference and a mental construct that can be activated by situational influences ranging from subtle primes to a variety of other business-relevant contextual cues. For example, they propose that financial rewards (which trigger a business frame) may weaken the power of

a strong moral identity, instead making salient a material identity. They also discuss how group norms and role models can support or suppress moral identity. They present evidence for the priming of moral identity (Reed et al. 2007) and for the influence of financial incentives (Aquino et al. 2009), among other research supportive of their ideas.

COGNITION AND COGNITIVE PROCESSES

The above discussion involves individual differences that are mostly cognitive in nature. In this section, we move to literature that emphasizes cognitive processes more explicitly. We begin with moral disengagement—a concept that has been treated primarily as an individual difference but is consistent with a broader literature that includes related cognitive processes. We then discuss research that explores the influence of decision frames on cognition and unethical behavior.

Moral Disengagement

According to Bandura's (1986) social cognitive theory, people internalize behavioral standards via socialization, and these standards guide behavior. If the opportunity to engage in unethical behavior arises, the theory proposes that moral standards are activated, and self-regulatory mechanisms (e.g., guilt and self-censure) subsequently prevent the individual from engaging in that behavior. However, this self-regulatory process is not always successful. In an extension of his social cognitive theory, Bandura's (1999) moral disengagement theory suggests that self-regulatory processes can be deactivated by the use of moral disengagement techniques, such as diffusing responsibility, displacing responsibility, blaming the victim, or claiming that the action is warranted because it serves a higher purpose (for a recent review, see Moore et al. 2012). These techniques help to disengage self-regulatory processes, thus preventing self-censure or guilt and rendering the unethical behavior unproblematic for one's conscience. In presenting eight types of cognitive distortion mechanisms, Bandura's theory helps to theoretically unify the rationalization techniques (also referred to as moral justifications or neutralizations) identified by other researchers (e.g., Ashforth & Anand 2003, Kelman & Hamilton 1989, Sykes & Matza 1957, Tenbrunsel & Messick 1999).

Behavioral ethics researchers have drawn upon this work to help explain (un)ethical behavior in the workplace. Studies taking the individual differences approach have shown that an individual's general propensity to morally disengage is related to increased unethical behavior, even after accounting for alternative individual differences (Aquino et al. 2007, Bandura et al. 2001, Detert et al. 2008). Moore and colleagues (2012) developed a reliable eight-item measure of the propensity to morally disengage and found that it is positively associated with unethical behaviors including self-reported unethical behavior, fraud decisions, self-serving decisions, and the reporting of others' unethical behavior. Research has also found relationships between an individual's propensity to morally disengage and other individual traits such as cynicism, locus of control, moral identity, and moral personality (Detert et al. 2008, Duffy et al. 2005).

In addition to conceptualizing moral disengagement as an individual difference, recent research suggests that certain situations may influence the use of justifications and thus the incidence of unethical behavior (Bersoff 1999, Mazar et al. 2008, Shalvi et al. 2012). Much of this research draws on the idea that people desire not only to benefit themselves but also to appear as good and moral people (Kunda 1990, Tsang 2002). As such, unethical behavior is argued to occur more often in situations that provide opportunities to "legitimately" justify unethical behavior (via rationalizations) while maintaining the appearance of being moral. Wiltermuth (2011) referred to this phenomenon as "moral camouflage." Across four laboratory studies, he found that people were more likely to cheat in situations that allowed participants to justify their cheating as helping others

and not just themselves. Although these studies did not directly measure rationalization techniques, participants likely rationalized their behavior by suggesting that their actions also served others, and thus the good helps to offset the bad (i.e., “the metaphor of the ledger,” Ashforth & Anand 2003, p. 21). Umphress and colleagues (2010, 2011) similarly argued and found that employees use neutralization techniques to justify unethical behavior that they believe benefits the organization. Lastly, recent work suggests that when primed by a situation to think creatively or to experience positive affect, employees may be more innovative in finding ways to justify self-serving behavior (Gino & Ariely 2012, Vincent et al. 2013).

The empirical research examining the situational use of justifications has been primarily conducted in the laboratory. Nevertheless, some theoretical work suggests a connection between this research and the workplace (e.g., Liu et al. 2012). Beu & Buckley (2004), for instance, argued that savvy leaders are able to induce employee unethical behavior by framing situations to help employees morally disengage. Although empirical research is needed to test Beu & Buckley’s arguments, future research should also consider preventive measures for moral disengagement more generally—that is, how can educators or managers influence moral disengagement such that people recognize its occurrence and engage in it less? For example, can individuals be taught to see red flags when they hear certain phrases, such as “It’s not our responsibility” or “Everyone else is doing it”?

Decision Frames

Research is also beginning to demonstrate the powerful influence of decision frames on how individuals think about situations and respond with (un)ethical behavior. A number of studies have explored framing issues similar to those in Kahneman & Tversky’s (1979) prospect theory. For example, Kern & Chugh (2009) conducted a direct test of the effects of a loss versus a gain frame on unethical behavior. Their study confirmed that when situations are framed as a potential loss (e.g., not being able to make a sale and lose out on commission), participants are more likely to engage in unethical behavior compared to when that same situation is framed as a gain. Interestingly, though, this effect disappeared if participants were explicitly instructed to take their time. These results suggest again that taking time to make a decision reduces unethical behavior, perhaps because it lessens risk-seeking biases related to loss aversion.

Greenbaum and colleagues (2012) introduced what might be considered another kind of decision frame, referred to as bottom-line mentality (BLM) or “one-dimensional thinking that revolves around securing bottom-line outcomes to the neglect of competing priorities” (p. 344). In some organizations, situations are framed mostly in terms of how decisions and behaviors affect the financial bottom line. Such BLM thinking can be passed on from the supervisor to the subordinate through social learning processes (Bandura 1977) and can cause people to focus solely on the bottom line at the expense of other considerations (such as ethics or quality). In a field study, the authors found that BLM had a positive relationship with social undermining behavior because more BLM thinking invites a win-lose approach and fosters adversarial behavior among employees. What may actually be at the root of the problem are the mental models that are invoked by the idea of money, as Kouchaki and colleagues (2013) showed. In a series of lab studies, Kouchaki and colleagues found that the mere exposure to money triggered a business decision frame, which in turn led to a greater likelihood of unethical behavior and intentions (cf. Gino & Pierce 2009a, described in detail below). Similarly, Molinsky and colleagues (2012) found that triggering economic-oriented decision schema also reduced people’s compassion.

The economic frame—argued by many to be *the* frame adopted by most business organizations (Ghoshal 2005)—also influences how people talk about social issues at work. Sonenshein (2006)

advanced the idea of issue crafting, which he described as a tactic that people can use to increase the legitimacy of social issues, thereby influencing the audience to take the issue more seriously. Sonenshein found that individuals use more economic and less normative language when talking about social issues, even when they privately would do the opposite. Other work by Sonenshein (2009) suggests that individuals frame issues in different ways, with potential consequences for behavior. He found that some employees craft strategic business issues as having an ethical component, whereas other employees do not. Those who do craft issues in this way tend to adopt what he calls an employee welfare frame, where they reinterpret the strategic issue as having a deontological (e.g., infringing on a person's rights) or utilitarian (e.g., having negative outcomes) impact. In this way, people's own issue framing can lead them to perceive certain issues as ethical while others do not.

In a recent review of the ethical decision-making literature, Tenbrunsel & Smith-Crowe (2008) offered a model and typology that emphasized the role of cognitive decision frames and their influence on intentionality (or lack thereof). In their model, if decision makers are aware that they are facing an ethical decision (i.e., moral awareness), they make an ethical or unethical decision intentionally. However, if they are unaware, their decision falls into the amoral domain, and their ethical or unethical decision is classified as unintended. The authors use the terms "bounded ethicality" and "ethical fading" to refer to the psychological processes that contribute to the absence of ethical awareness and interfere with people doing what is right in a conscious manner (Tenbrunsel et al. 2010, p. 154). One factor that influences how a decision is framed, and thus one's moral awareness, is time. Tenbrunsel and colleagues (2010) argued that in the short term, the "want" self (hotheaded and focused on immediate outcomes) often prevails over the "should" self. However, when looking back on the unethical action later, the "should" self reemerges and motivates a more positive (ethical) framing of the past behavior. A comprehensive review of this "ethical fading" perspective is available in Bazerman & Tenbrunsel's (2011) book, *Blind Spots*.

Organizations may be manipulating decision frames unintentionally. Yet, research suggests that decision frames can have a powerful impact on behavior. Training managers to be more aware of the decision frames they utilize and impose on others (intentionally or unintentionally) should help to avoid the use of decision frames that lead to unethical behavior and perhaps support framing issues in ways that support ethical behavior.

EMOTIONS AND AFFECTIVE PROCESSES

Behavioral ethics researchers have also begun to consider the effects of affective processes on unethical behavior. Early work by Damasio (1994) helped jump-start this area of interest through studies of brain regions that regulate emotions in moral decision making and behavior. Gaudine & Thorne (2001) later argued against the prevailing assumption in organizational studies that emotions have no place in a "rational" ethical decision-making process and advanced a theoretical framework that linked emotional arousal and negative or positive feeling states to Rest's (1986) four-stage model (reviewed above). More recently, behavioral ethics researchers have begun to consider discrete emotions, with a particular interest in the social emotion of envy.

Envy is an interpersonal emotion triggered by "social comparisons with advantaged others in domains of personal relevance" (Hill et al. 2011, p. 653). Neuroscience research using functional magnetic resonance imaging technology suggests that envy activates parts of the brain related to social pain, similar to the distress that accompanies social exclusion (Takahashi et al. 2009). This social pain, in turn, motivates people to engage in behavior aimed at alleviating the envious feelings (Tai et al. 2012). One option, for example, is to look for ways to undermine or otherwise humble

the envied other. As Polman & Ruttan (2012) point out, envy motivates a person “to better oneself or to worsen the situation of another” (p. 135).

Empirical research supports the idea that envy motivates unethical behavior, including deception (Moran & Schweitzer 2008) and dishonesty (Gino & Pierce 2009a,b, 2010). Gino & Pierce (2009a), for instance, have conducted multiple studies examining the effects of inequity on triggering episodic envy and subsequent unethical behavior and even demonstrated that the presence of material items (e.g., stacks of money in a room) may influence people’s experience of envy and induce cheating behavior as a response.

Focusing on the organization more directly, Duffy and colleagues (2012) examined when and why envy influences social undermining behavior at work. The authors found support for the effect of situational envy, or “a general envy of others in an environment” (Duffy et al. 2012, p. 645), on social undermining via the mediating influence of moral disengagement. However, two variables—identification with the victims (high social identification) and being part of a team that does not tend to engage in undermining (low undermining of group norms)—weakened the relationship between envy and moral disengagement. The authors argued that high identification with teammates likely made it more difficult to dehumanize or displace responsibility onto teammates, and low team norms for undermining made it more difficult to argue that the behavior was for the greater good of the team (moral justification). The results suggest that managers can take steps to minimize the negative implications of envy by fostering an environment with clear ethical norms and close connections with coworkers. Given that workplaces tend to foster social comparisons and are thus potential breeding grounds for envy, future research should examine additional organizational factors that may attenuate the negative effects or harness the positive effects of that emotion.

Although envy has recently received much attention in the literature, comparatively less behavioral ethics research has focused on the effects of other discrete emotions such as shame, anger, or fear (for exceptions, see Gino et al. 2009b, Kish-Gephart et al. 2009, Polman & Ruttan 2012, Umphress & Bingham 2011). We expect the study of the role of affect in ethical decision making to increase, especially for those emotions that might be triggered by common interpersonal situations in the workplace and that have strong implications for organizational ethics. For example, empathy has long been associated with prosocial behavior (see Eisenberg & Miller 1987). If the organization can increase decision makers’ empathy for stakeholders who risk being harmed by an action under consideration, the decision may be altered to reduce that risk. Organizations may also wish to support feelings of anger or moral outrage that can move an employee to overcome fear and stop unethical behavior from taking place (Kish-Gephart et al. 2009).

An additional consideration for researchers is how emotions influence moral reasoning or the approach a person uses to solve an ethical dilemma. For example, Greene’s (2009) dual-process theory of moral judgment argues that more automatic negative emotional responses are related to deontological-type judgments (e.g., disapproval of a decision to kill one human being to save multiple others), whereas more controlled processes are related to utilitarian-type judgments (approval of the same decision because saving multiple people serves the greater good).

Although the influence of affective processes on unethical behavior may at times appear straightforward, emotions are complex, and their effects are likely to be contingent on the situational context. Guilt, for example, is believed to reduce the incidence of unethical behavior (Agnihotri et al. 2012, Cohen 2010). Yet, individuals who experience guilt can also become so focused on rectifying the guilt that other individuals are unintentionally hurt in the process (De Hooge et al. 2011). Similarly, although empathy may motivate prosocial behavior, research suggests that people may be more willing to help others in a dishonest manner when they experience empathy rather than envy (Gino & Pierce 2009b, 2010). Such findings suggest that much remains to be

learned about the complex effects of emotions and even more about what these effects mean for (un)ethical behavior in organizations.

EGO DEPLETION AND SELF-REGULATION PROCESSES

In the preceding sections, we described research that demonstrates how certain cognitive and affective processes influence (un)ethical behavior. A related topic involves understanding how cognitive self-regulation processes—the cognitive processes that prevent people from engaging in unethical behavior when the opportunity arises—break down when people experience a deficit in self-control. Self-control can be defined as “the capacity to alter or override dominant response tendencies, and to regulate behavior, thoughts, and emotions” (De Ridder et al. 2012, p. 77). Individuals use self-control to resist unwanted behaviors, such as stealing office supplies or using unprofessional language to respond to an abusive supervisor. But ego depletion theory (Baumeister & Heatherton 1996) suggests that self-control is a finite resource that can be depleted in the short term, like a muscle can be fatigued. Linking this theory to unethical behavior, Gino and colleagues (2011) found that when a person’s self-control was depleted by a prior act that required self-control, the likelihood of unethical behavior increased. However, in support of an interactionist view of unethical behavior, this was less true for those with a stronger moral identity. Relying on similar theoretical arguments, Barnes and colleagues (2011) found that lack of sleep was associated with unethical behavior in three studies. Moreover, Christian & Ellis (2011) found that sleep deprivation was associated with theft and interpersonal deviance.

Understanding that those whose self-regulatory resources are depleted are more likely to engage in unethical behavior has significant organizational implications. Christian & Ellis (2011) recommend potential organizational responses. For example, managers should call attention to ethical issues, remove temptations (if possible), develop less stressful work climates, provide opportunities for naps, help employees to develop their self-control resources, reduce demands that would interfere with sleep (e.g., extended shifts), and monitor those who may be depleted. Hopefully, by understanding that the depletion of self-control resources leads to unethical behavior, concerned managers can take action to reduce it.

FUTURE RESEARCH

This review documents the thriving research interest in the behavioral ethics domain. In this section, we discuss some additional thoughts about where the field is and should be going in terms of future research, including topics, opportunities for theory development, and the use of different methodologies.

Topics for Future Research

Despite the buzz of research activity, a number of noteworthy topics have received little attention. Here, we note a few that have not yet been mentioned in our review. For example, the role of new work arrangements should be considered because work is increasingly being accomplished across wide distances and through technological interfaces (e.g., email, Web applications, instant messaging, video conferencing). In today’s distributed organizations, teams are often dispersed across different locations, including in homes or in offices in different cities or countries. These work arrangements are likely to present organizations with unique ethics management challenges. Recent research already suggests that people are more willing to lie when communicating through email versus when communicating through pen and paper (Naquin et al. 2010). And the importance of observers and witnesses (even in the form of out-group members) as highlighted in previous parts

of this review, suggests that the absence of physical observers when working through a technological interface or from home may further increase the likelihood of unethical behavior. Because monitoring is more challenging when people are working remotely, these new work arrangements may also increase people's opportunity to engage in unethical behavior. Furthermore, they may change the way employees think about ethical issues. For example, working remotely and virtually may mute potential harm to stakeholders, thus lessening the moral intensity or lessening the opportunity for ethical dialogue.

In a related vein, little research attention has been given to group-level ethical decision making or behavior despite the fact that many decisions in organizations are made in a group context, and most work involves groups. It seems reasonable to expect that unethical behavior will be higher in groups because of moral disengagement (e.g., diffusion of responsibility) or that certain members of groups may have more or less influence on (un)ethical decisions.

The potential effect of structural features of organizations has also been neglected, specifically those features that are either explicitly designed to improve employees' ethical behavior or that may contribute to unethical behavior. For example, aside from conceptual work (Hoffman 2010), we know little about ethics and compliance officers in organizations, such as how they do their work and what makes them and their work effective or ineffective. This seems important given their role in managing ethics programs and ethical climates and cultures, and encouraging ethical and discouraging unethical behavior in organizations.

The role of authority structures and systems also remains underexplored. For example, indirect agency involves perpetrating unethical behavior through someone else, such as when a manager suggests that a subordinate accomplish a task by unethical means. Although indirect agency has been associated with unethical behavior in the past (Milgram 1974, Paharia et al. 2009), future research should extend beyond the idea of authority dynamics to better understand the scope, mechanisms, triggers, and outcomes of indirect agency in organizations.

Continuing Theory Development

In conducting this review, we noted the many references to various aspects of Bandura's (1986) social cognitive theory. This work has guided multiple areas of study, from moral attentiveness, to moral conation, to moral disengagement, to moral identity, to ethical leadership, and to abusive supervision (via social learning). Therefore, it seems important to acknowledge the theory's continuing relevance in many areas of study of (un)ethical behavior in organizations. Social cognitive theory is a broad theory that can accommodate a variety of different approaches to the study of behavioral ethics in organizations. The theory allows for the study of successful self-regulation but also the study of failures to self-regulate (i.e., moral disengagement). More thought should be given to social cognitive theory as a potential umbrella theory that can explain multiple relevant ethical and unethical outcomes. But, because social cognitive theory assumes forethought and takes a distinctly cognitive view, future research should consider how to supplement social cognitive theory with theories that better account for the less conscious intuitive and affective processes that are so important, especially theories that can do so in the context of complex organizational life.

Although much progress has been made in expanding our understanding of the deliberative and intuitive characteristics of ethical decision making, more empirical and theoretical research is necessary to sort out the processes and outcomes. For example, future research is needed to understand when ethical decision making in organizations is more intuitive versus more deliberative and when one may be more desirable over the other. As described above, Gunia and colleagues (2012) found that, compared to making quick choices, giving individuals the opportunity to engage in contemplation or to have a conversation with an ethical colleague influences them to make

decisions that are more ethical. In contrast, Zhong (2011) found that contemplation reduced people's ethical behavior compared to decisions that were based on feeling or intuition. In his study, deliberative decision making increased unethical behaviors and reduced altruistic motives. Future research needs to offer theory that can help to resolve the apparent contradiction in these studies.

Methodological Issues

Researchers are utilizing a variety of methodologies to conduct behavioral ethics research, with survey and, more recently, laboratory research predominating. Laboratory experiments can help us to understand psychological processes and mechanisms because of the high amounts of control afforded to the researcher. Therefore, it makes sense that this methodology is being used to help understand the role of cognition and affect in ethical decision making and behavior. New perspectives have been gained through the use of functional magnetic resonance imaging technology that allows researchers to observe the effects of various influences on the brain during the ethical decision-making process. We refer readers to a review by Salvador & Folger (2009) for more on this approach and its findings. However, given our "in organizations" perspective, we wish to emphasize that the realities of working inside an organization are difficult to capture with the aforementioned methodologies. For example, replicating authority relations, group dynamics, or the role of identification with and commitment to the organization is challenging in experimental settings. Therefore, we encourage researchers to extend the results of laboratory research to field methodologies to insure generalizability of the findings to complex organizational environments.

Given the prominence of research related to intuitive and automatic processes, it is important to note the recent use of subtle priming studies and the Implicit Association Test (IAT). In one example, Reynolds and colleagues (2010) developed an implicit measure of "an individual's assumption that business is inherently moral" (p. 753). The study showed that people's implicit assumptions about the morality of business influenced their unethical decisions (beyond explicit attitudes) and interacted with subtle contextual cues (about competition) to influence behavior. Another recent study using the IAT suggests that occupational identities may have moral implications. Leavitt and colleagues (2012) discuss "situated identities" that are associated with one's occupation (in this case, Army medics). The authors demonstrated that occupational identities can be primed with subtle cues and that these identities subsequently predict ethical judgments. Overall, the IAT seems to be a promising methodology for studying the less conscious side of ethical decision making. Readers interested in such methods more generally should consult a recent review by Uhlmann and colleagues (2012).

A limitation related to both traditional experiments and survey research is that, by design, they test models that have been theorized and conceptualized up front. Qualitative research has the potential to address this limitation (Lee 1999), especially in areas of organizational ethics that are currently poorly understood. For example, recent work by Gehman and colleagues (2013) used grounded theory methods to advance the idea of "values work," a process that underscores the challenge of bringing values practices to life in organizations and sustaining them over time. Potential future research areas include investigating the complexities of managing ethical climates, cultures, and infrastructures in organizations; understanding the ways in which organization members respond to ethics initiatives; and learning how messages about ethics are passed upward, downward, and around the organization.

CONCLUSION

The blossoming research on (un)ethical behavior in organizations is welcome and much needed given contemporary events. We hope the research reviewed here will help inspire future

investigations that expand our understanding of and ability to encourage ethical behavior as well as prevent unethical behavior in the workplace.

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Develops a measure and conducts validity tests on the self-importance of moral identity.

One of the first attempts to explain how corruption can become normal and spread within organizations.

Introduces a widely used measure of ethical leadership and establishes its validity.

Examines the effects of situational envy on moral disengagement and social undermining at work.

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