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Envy and Interpersonal Corruption: Social Comparison Processes and Unethical Behavior in Organizations

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Abstract

Previous research on unethical behavior in organizations suggests that employees who engage in such behavior are motivated by the desire to advance their own self-interest, often acting selfishly at the expense of their own organizations. However, such behaviors also may be motivated by potential benefits or costs to other employees within the same organization. In this article, we provide a framework that shows how emotions resulting from upward social comparisons between one employee and others, namely envy, may motivate unethical behavior that is costly to coworkers. We discuss the consequences of such interpersonal unethical behavior in organizational settings. We also examine the interaction of these emotional reactions to social comparisons with characteristics of an organization's structure, related to pay, goals, and monitoring. Finally, we discuss the implications for future theory development.

Keywords:

Institutional corruption, unethical behavior, cheating, envy, social comparison, interpersonal corruption

Introduction

In an influential 1986 article, Treviño proposed an interactionist model that combined individual and situational variables to predict unethical behavior in the workplace (Trevino, 1986). As Treviño (1986) noted, despite receiving widespread attention, the issue of ethical decision making in organizations had been the subject of little empirical investigation. Since then, the situation has improved. In fact, as reported in a recent meta-analysis of the sources of unethical behavior in organizations, "behavioral ethics has become a legitimate and necessary field of social scientific inquiry" (Kish-Gephart, Harrison, & Trevino, 2010). Over the last three decades, not only have many scholars investigated both theoretically and empirically the conditions under which employees are likely to cross ethical boundaries (Ford & Richardson, 1994; O'Fallon & Butterfield, 2005; Tenbrunsel & Crowe, 2008; Tenbrunsel, Diekmann, Wade-Benzoni, & Bazerman, 2010), but dramatic instances of unethical behavior in organizations have increasingly populated the news, thus highlighting the practical importance of the study of behavioral ethics. For instance, as noted by Gino and Pierce (2010a), according to one estimate, corporate corruption within Enron, Worldcom, Parmalat, and other organizations in 2001 accounted for an estimated \$37–\$42 billion loss to the U.S. gross domestic product (Graham, Litan, & Sukhtankar, 2002).

A review of the literature on unethical behavior indicates that researchers generally maintain that two main sets of factors influence employees' decision to act unethically: 1) situational forces (related to the context the person is operating in) and 2) dispositional forces (related to the person's personality). Research on unethical behavior has mainly examined antecedents consistent with these theoretical bases. Examples of such antecedents include demographic variables (O'Fallon & Butterfield, 2005), an individual's concern for self-presentation (Covey, Saladin, & Killen, 1989), his or her stage of moral development (Treviño & Youngblood, 1990), ethics training (Delaney & Sockell, 1992), ethical climate and culture (Trevino, 1986; Victor & Cullen, 1988), codes of conduct (Brief, Dukerich, P. R. Brown, & Brett, 1996; Helin & Sandström, 2007; McCabe, Trevino, & Butterfield, 1996), reward systems and incentives (Flannery & May, 2000; Hegarty & Sims, 1979; Tenbrunsel, 1998; Treviño & Youngblood, 1990), the nature of the goals driving one's actions (Schweitzer, Ordóñez, & Douma, 2004), and environmental wealth (Gino & Pierce, 2009a). The common denominator across these studies is the notion that unethical behavior stems from an individual's desire to advance his or her personal self-interest because of disposition or situational forces, even when self-interest conflicts with organizational goals.

Scholars interested in behavioral ethics argue that employee unethical behavior is detrimental to the health and functioning of organizations (Gino, Ayal, & Ariely, 2009; Jensen, 2001; Trevino & Nelson, 2004), an assertion based largely on the economic and social costs of unethical behavior. However, in contrast to the numerous studies exploring the antecedents of unethical behavior, little empirical research to date has examined the outcomes of such behaviors in organizations. At a macro level, scholars have examined the link between the social and financial performance of organizations. Researchers have used the instrumental stakeholder theory (T. M. Jones, 1995) to propose that companies with superior social performance tend to perform better financially by attracting socially responsible consumers (Bagnoli & Watts, 2003), alleviating the threat of regulation (Lev, Petrovits, & Radhakrishnan, 2009), improving their reputation with consumers (Orlitzky, Schmidt, & Rynes, 2003), or addressing the concerns of activists and non-governmental organizations (Baron, 2001).

At a more micro level, research on the consequences of unethical behavior for employees, groups, and organizations has been lacking. In particular, researchers have yet to look at the benefits and costs that are likely to accrue to others when an employee engages in unethical behavior, and whether these potential benefits and costs to others may serve as a motivation to behave unethically. Several researchers recently have noted that engaging in unethical behaviors might be the results of social comparison processes; that is, people who engage in unethical behavior may be motivated not only by pure self-interest, but also by producing costs to others (coworkers, for example) in their organizations (such as those who seem superior or advantaged). For example, recent research identified that interpersonal (that is, involving a potential harm or benefit to others) motivation to *hurt* others may also be in play when individuals engage in unethical behavior. For example, Gino and Pierce (2010b) demonstrated that the emotional reactions such as envy and guilt, which are evoked by social comparison, can lead to unethical helping or hurting behavior. Furthermore, this effect was persistent even at the expense of costs to self-interest, which involves forgoing either material rewards or financial benefits to self. Thus, this recent stream of work highlights a different motivation for unethical behavior in organizations, one focused on the relationship between one employee and either another employee or the organization.

Our purpose in this paper is to explore the role of upward social comparisons and the emotional reactions they trigger in the context of unethical behavior. Under what conditions do the potential benefits and costs of an action to others (motivated at least in part by social comparisons and the emotions that these social comparisons can produce) cause an employee to cross ethical boundaries? An understanding of the motives underlying unethical behavior is essential in order for research on unethical behavior in organizations to progress; moreover, these motives may influence how such behaviors affect individuals' reputation at work, as well as organizational and work-group effectiveness. In exploring this issue, we seek to further the understanding of social comparison processes and unethical behavior in organizations in three main ways.

First, we review the relevant literature on unethical behavior and social comparison processes in organizations, highlighting the conceptual links and potential overlaps between the two. We then present a model of unethical behavior in organizations that provides an overview of how motives that are interpersonal, and their interactions with characteristics of an organization's structure, influence unethical actions and the consequences associated with them in organizational contexts. Thus, in this model we provide a more complex conceptualization of the motivational bases of unethical behavior in organizations and its potential consequences. This approach seeks to improve our understanding of the intentionality of unethical behaviors by examining how interpersonal motives linked to social comparison processes interplay with characteristics of an organization's structure.

Second, based on Festinger's (1954) social comparison model and its extensions, we outline specific antecedents of unethical behaviors that hurt others, driven by upward social comparison processes and the emotional reactions they trigger such as envy. Following the main tenets of social comparison research (Garcia, Tor, & Gonzalez, 2006; Goethals & Darley, 1977), we propose that individuals will be motivated to engage in unethical behavior that hurts others in organizations (what we refer to as *interpersonal unethical behavior*) when (1) they compare themselves to coworkers on a relevant dimension, (2) they believe the comparison is commensurable, (3) they feel (or are) close and similar to the comparison target. We then detail the effects of interpersonal unethical behaviors, in turn, upon organization/work group effectiveness and an individual's reputation as a reliable and trustworthy organizational member (Guimond, 2006; J. E. Suls & L. E. Wheeler, 2000; J. M. E. Suls & R. L. E. Miller, 1977). Thus, we seek not only to explore the role of interpersonal motives related to social comparison processes underlying interpersonal unethical behaviors, but also to examine the outcomes of such behaviors in this context.

Third and finally, we offer recommendations for implementing changes in organizations designed to limit, if not eliminate, the detrimental impact of interpersonal unethical behaviors. We also discuss implications for future theory development and practical implications.

Unethical Behavior and Social Comparison Processes in Organizations

Given our focus on unethical behavior in organizational settings, we follow Kish-Gephart et al.'s (2010) approach and also distinguish unethical behavior from two related concepts: workplace deviance and illegal behavior. First, the definition of unethical behavior is different from the construct of workplace deviance or counterproductive work behavior (Sackett, Berry, & Wiemann, 2006), even if this distinction may seem subtle. Workplace deviance and counterproductive work behavior refer to behaviors that violate *organizational* norms (Bennett & S. L. Robinson, 2003), while unethical behavior refers to behaviors that violate widely accepted *societal* norms. There are certainly areas of overlap in these types of behaviors. For instance, lying to customers and misreporting work expenses are generally considered behaviors that violate both widely accepted societal norms and organizational norms. However, other (often less serious) forms of workplace deviance (such as gossiping, taking exceptionally long lunch breaks, working slowly) violate organizational norms but may not be considered inappropriate within the set of widely accepted societal norms (Dalal, 2005; S. L. Robinson & Bennett, 1995). As these examples suggest, some overlap exists between the set of counterproductive or deviant work behaviors and the set of unethical behaviors, but several forms of counterproductive or deviant work behavior cannot be categorized as unethical. In this paper, we refer only to forms of counterproductive or deviant work behaviors that can be clearly labeled unethical.

There also exists a degree of overlap between unethical and illegal behaviors. Treviño and Nelson (2004) represent the relationship between ethics and the law as a Venn diagram, wherein the overlapping area of two circles represents behaviors that are both illegal and unethical (Kish-Gephart et al., 2010). For example, stealing is both unethical (that is, it violates widely accepted societal norms) and illegal. However, the two circles do not overlap completely, thus leaving room for behaviors that are unethical but not illegal and behaviors that are illegal but not unethical. For instance, conflicts of interest, such as giving or receiving large gifts to influence business relationships, are commonly prohibited in corporate codes of conduct and thus are considered unethical even if they are often not illegal (Kish-Gephart et al., 2010).

Following this definition, unethical behaviors are not necessarily selfish acts. Still, by and large, researchers have focused on motives that emphasize a self-serving or self-oriented motivation for unethical behavior. For example, Gneezy (2005) noted that people tell lies whenever it is beneficial for them, regardless of the lies' effect on the other party. This statement is consistent with prior work conceptualizing the decision to behave unethically as a pure product of economic incentives, in which individuals mainly consider the financial benefits of unethical behavior against the costs—such as the financial penalty that could arise from getting caught (Allingham & Sandmo, 1972). Similarly, Tenbrunsel (1998) showed that monetary incentives increase individuals' willingness to misrepresent information to another party in a social exchange, consistent with Lewicki's (1983) argument that individuals lie to the extent that lying benefits them. Individuals driven by egoistic motives have been shown to ignore others' interests and are reluctant to sacrifice their personal outcomes to benefit a counterpart (Van Lange, 1999). Yet employees often act dishonestly in order to hurt coworkers, even when they receive no personal financial benefits from doing. For instance, an employee may lie to a supervisor to cover up a mistake a coworker in his team has made. Or an employee may try to sabotage a coworker in order to appear the best performing member in the eyes of their supervisor. Thus, the motivation to act unethically in such cases is not purely self-oriented; rather, it is *interpersonal* to the extent that it involves one's social comparison to *others.* This interpersonal motivation may drive a decision to behave unethically, due to one's attempt to reduce an aversive state of experiencing envy. We refer to unethical behavior motivated by potential costs or benefits to others as "*interpersonal* unethical behavior." This focus on others often occurs when employees engage in social comparisons with their coworkers (Gino & Pierce, 2010b).

Social comparison refers to the "process of thinking about information about one or more other people in relation to the self" (Wood, 1996). Social psychologists have studied social comparison processes for more than 50 years, but despite early calls to explore social comparison processes in the workplace (Goodman, 1977), the topic has only recently received the attention of organizational scholars outside of the organizational justice and fairness literature (Ambrose, Harland, & Kulik, 1991). Employees often compare themselves to coworkers or peers on various dimensions, including ability, salary, and level of allocated resources (D. J. Brown, Ferris, Heller, & Keeping, 2007). A basic aspect of human experience, social comparisons have been studied by psychologists in many areas of human functioning (Crosby, 1976). In fact, social comparisons are widely considered an "almost inevitable element of social interaction" (Brickman & Bulman, 1977), helping individuals reduce uncertainty and create meaning (J. E. Suls & L. E. Wheeler, 2000).

Notably, organizational contexts are both uncertain and competitive (Kay, S. C. Wheeler, Bargh, & Ross, 2004). Individuals engage in social comparisons with the primary goal of acquiring information about themselves. According to recent theoretical discussions of the social comparison process, there are three specific motives underlying social comparisons (Wood, 1989), which are not mutually exclusive: self-evaluation (the desire to have an accurate view of one's abilities), self-improvement (the desire to improve), and self-enhancement (the desire to protect and/or enhance one's attitude towards the self). Aside from the motives behind social comparisons, another important distinction in the social comparison literature is the direction of comparison. People may compare downward to an individual who is perceived to be worse off on some characteristic or dimension (examples include, resources allocated, salary, ability, reputation, or relationship with a supervisor), or upward to an individual who is perceived to be better off on some characteristic or dimension.

Upward Social Comparisons, Envy, and Unethical Behavior

Traditionally, models used to explain unethical behavior have focused on rational effortful processing related to a person's cognition. For example, Rest (1986) proposed a four-step model of ethical decision making that includes moral awareness, judgment, motivation, and ultimately behavior. However, recent theorizing in behavioral ethics and moral psychology suggests that many reactions to ethical dilemmas are automatic and affective in nature (Haidt, 2001; Sonenshein, 2007). Here, we build on this recent research and suggest that interpersonal unethical behavior can result from the emotional reactions employees experience after comparing themselves to coworkers.

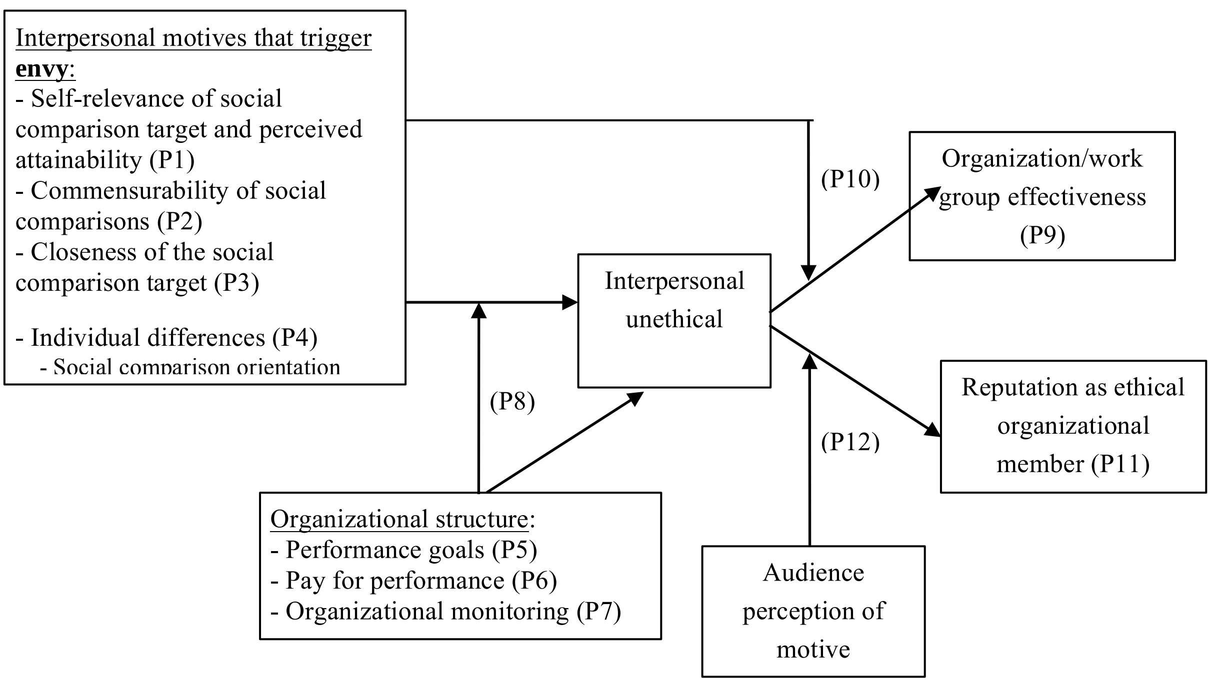
In his seminal work, Festinger (1954) proposed that individuals possess a fundamental drive to evaluate their own opinions and abilities and that in the absence of objective physical standards they will evaluate themselves against similar others. Festinger largely focused on the self-assessment and uncertainty reduction of social comparisons, but subsequent research has also examined the competitive behaviors and emotional consequences of social comparisons—largely resulting from the implications for the self. Upward comparisons may lead employees to feel envious of coworkers' fortunes and abilities. For instance, an employee's upward social comparisons can lead to competitive behavior and arousal (Festinger, 1942; 1954; Hoffman, Festinger, & Lawrence, 1954), or even envy (Gino & Pierce, 2009b).[1]

We argue that envy can motivate interpersonal unethical behavior aimed at hurting close others (such as coworkers). Envy has been shown to lead employees to directly sabotage coworkers' efforts, to behave competitively with them in collaborative settings, or simply to lobby those managers who assign their compensation (Cropanzano, Goldman, & Folger, 2003; Pruitt & Kimmel, 1977).

[1] Similarly, an employee's downward social comparisons can lead to cooperative behavior, empathy, and compassion, which in turn could result in the desire to help the comparison target. Although compassion-driven unethical behavior may take place depending on the direction of social comparisons, this chapter focuses on envy induced by upward social comparisons.

Figure 1 illustrates these interpersonal forces behind unethical behavior in organizations. According to this model, one set of forces reflects the interpersonal motive behind unethical behavior: interpersonal unethical behaviors result from an individual's desire to hurt comparison targets as a result of social comparisons and the emotions, like envy, which are associated with them. The second set of forces leading to interpersonal unethical behavior encompasses characteristics of an organization's structure related to pay, goals, and monitoring. The model indicates that interpersonal motives interact with these organizational features in predicting interpersonal unethical behavior. That is, interpersonal motives moderate the relationship between organizational characteristics and interpersonal unethical behaviors, such that the relationship between organizational characteristics and interpersonal unethical behaviors is weaker in the presence of interpersonal motives.

Figure 1. An Interpersonal Model of Envy and Unethical Behavior



Building on previous work, we also propose that interpersonal unethical behaviors negatively impact organization and work group performance. Furthermore, the model specifies that interpersonal motives moderate the relationship between interpersonal unethical behaviors and organization/work group effectiveness, such that the relationship between unethical behaviors and effectiveness is stronger when interpersonal unethical behaviors are motivated by interpersonal concerns. Lastly, the model suggests that although an employee who engages in unethical behaviors likely will build a reputation as an untrustworthy and unreliable organizational member, this outcome is moderated by the audience's perception of the employee's motive.

Antecedents of Interpersonal Unethical Behavior from Social Comparison

Scholars doing work on social comparison processes have identified several factors that influence the behaviors and emotions resulting from social comparisons. As antecedents of interpersonal unethical behavior, we propose that social comparisons are more likely to lead to emotional and behavioral consequences in the presence of (1) the *relevance* of the performance dimension with the comparison target, (2) *commensurability* of the comparison target, and (3) *closeness* of the comparison target.

Self-Relevance and Control

The first of these factors is relevance of the performance dimension with the comparison target. According to the Self-Evaluation Maintenance Model (Tesser, 2000), comparison can increase cooperative or competitive behavior only when the dimension is *relevant* to the self. This model posits that the comparison process leads to adjustments to avoid the threat to one's self-evaluation that might result from comparison with the outstanding accomplishments of a close other (J. E. Suls & Wills, 1991). Examples of negative comparison are quite common, as in the case of an employee who feels threatened because he perceives another coworker within the same team to be smarter, more able, or more hardworking, or because the coworker earns more money for the same type of job. The higher the relevance of the performance dimension involved for the person making the comparison, the more likely this upward social comparison process is to occur, especially if the target's success is perceived to be within one's control (Lockwood & Kunda, 1997). Such a process could increase the likelihood of experiencing strong emotions of envy, and motivate individuals to reduce the threat to their self-evaluation of competence (Beach & Tesser, 2000).[2] Thus, individuals who engage in upward social comparisons on a relevant performance dimension may be more likely to experience envy, and such processes can lead to more unethical behavior in an attempt to outperforming a target.

> *Proposition 1*: Individuals will be more likely to engage in unethical behavior based on upward social comparison when the performance dimension for the social comparison is relevant to them and the target's level of performance is perceived as attainable.

Commensurability

The second factor that influences the behaviors and emotions resulting from social comparisons is commensurability of the comparison target. According to the related attributes hypothesis (Goethals & Darley, 1977), individuals have a tendency to choose a comparison target who is "close to one's own performance or opinion, given his standing on characteristics related to and predictive of performance or opinion" (Goethals & Darley, 1977). This comparison target is a person with similar characteristics who motivates one to perform just as well, if not better, than this commensurate other. Thus, competitive behaviors and the emotions of envy resulting from social comparisons are more likely to occur when a comparison target is commensurate.

> *Proposition 2*: Individuals will be more likely to engage in unethical behavior based on upward social comparison when the social comparison target is commensurable.

Closeness[3]

The third factor identified by prior work is closeness of the comparison target. Previous work on the role of the closeness of the comparison target suggests that the effects of social comparisons would be stronger the closer the comparison

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[2] It is important to note that these comparison processes appear to be automatic and require minimal awareness and attention (Pilkington, Tesser, & Stephens, 1991; Pleban & Tesser, 1981; Tesser & Collins, 1988; Tesser & Paulhus, 1983; Tesser, Millar, & J. Moore, 1988).

[3] It should be noted that closeness could result from features related to job design, relationship, ranking, group membership or friendship. In addition, closeness could be a psychological experience rather than a structural or real link. In fact, research in social psychology has shown that people feel connected and psychologically close to others also when they share subtle similarities, such as a similar name (Pelham, Carvallo, & J. T. Jones, 2005) or the same birthday (D. T. Miller, Downs, & Prentice, 1998).

target. Specifically, upward comparisons are likely only to intensify negative self-evaluations (Vohs & Heatherton, 2001). In an organizational setting, this sense of closeness (self-similarity) to the promoted coworker increased envy among those who were rejected for promotion (Schaubroeck & Lam, 2004). Similarly, feelings of envy toward peers led to social undermining—behavior intended to hinder the ability of others—through moral disengagement, and this effect was more pronounced when there is a high sense of social identification (Duffy, Scott, Shaw, Tepper, & Aquino, 2012). This envy also decreased the likability of the promoted coworker, which suggests a possibility that they may engage in unethical behavior to hurt the target of their envy. Thus, social comparisons against a friend, a peer, or close coworker yield stronger self-evaluation consequences as compared to social comparisons against employees who are not considered close peers.

> *Proposition 3*: Individuals will be more likely to engage in unethical behavior based on upward social comparison when the social comparison target is a person close to them (such as a peer or coworker).

Individual Differences

Whereas the first set of factors addresses individuals' desire to engage in interpersonal unethical behavior due to influences related to the increased likelihood that they will engage in upward social comparisons with others in the workplace and experience envy (for example, due to the self-relevance and attainability, commensurability, and closeness), the second set of factors related to interpersonal motivation is the value individuals place on self-evaluation and self-enhancement. That is, individuals are more likely to engage in unethical behavior that hurts others as a result of social comparisons as the value they place on seeing themselves in a positive light increases. We suggest here that two dispositional factors are likely to influence such value: social comparison orientation and self-monitoring.

Several scholars have suggested that some individuals are more predisposed than others to engage in social comparison (Gilbert, Giesler, & Morris, 1995; Hemphill & Lehman, 1991; Steil & Hay, 1997). Gibbons and Buunk (1999) describe social comparison orientation (SCO) as the tendency to be strongly oriented to social comparison, to be particularly sensitive to one's own standing relative to others, and to be interested in learning about others' thoughts and behavior in similar situations. According to Gibbons and Buunk (1999), individuals high in SCO are characterized by a heightened uncertainty about themselves and a relatively strong dependency upon other people for their self-evaluation. Thus, relative to those low in SCO, individuals high in SCO are more likely to be sensitive to comparisons with others (E. Michinov & N. Michinov, 2001), which may amplify one's experience of envy thus increasing the likelihood of engaging in interpersonal unethical behavior.

Self-monitors are individuals who are sensitive to the social appropriateness of their self-presentations. These "social chameleons" change their attitudes, perspectives, and behaviors to suit the social setting to which they belong at any given moment (Snyder, 1974). More specifically, as compared to low self-monitors, high self-monitors are (a) more concerned about behaving in a socially appropriate manner, (b) more sensitive to the expression and self-presentation of others in social situations, and (c) more skillful in using these and other situational cues as guidelines for monitoring and managing their own self-presentation and expressive behavior (Snyder, 1974). Ickes and Barnes (1977) have argued that high self-monitors, relative to low self-monitors, are more likely to seek out and use relevant social comparison information in a self-presentation situation and to express and communicate an arbitrarily chosen emotional state more accurately. These scholars propose that high self-monitors make better organizational members than low self-monitors because they are more likely to be sensitive to others' need for help and to be able to adjust their behavior. However, being sensitive to others' needs may in turn translate to a higher likelihood to feel envy toward others, and therefore take actions that can hurt others, even when such actions are unethical. Thus, we suggest that high self-monitors may be more likely to engage in interpersonal unethical behavior because they tend to be more sensitive to social cues and interpersonal contexts that may fuel their upward social comparisons.

> *Proposition 4*: Social comparison orientation and self-monitoring will be positively associated with unethical behavior, due to one's heightened sensitivity toward upward social comparisons.

Organizational Characteristics and Interpersonal Unethical Behavior

The final set of factors that we suggest directly affect employees' likeliness to engage in interpersonal unethical behavior is related to the characteristics of an organization. We suggest here that three main features may be particularly relevant: (1) an organization's performance goals, (2) pay for performance, and (3) organizational monitoring.

Researchers have described performance goals as an important tool that organizations and their managers can effectively use to motivate employees' performance. Several studies have demonstrated that specific, challenging goals are more likely to motivate performance than "do your best" exhortations or vague goals lacking specific targets (see Locke & Latham, 1990; 2002; 2006). These benefits in motivation and performance are driven by the fact that specific goals provide a clear and unambiguous means of evaluating employee performance, while at the same time focusing employees' attention. Yet recent research has documented a link between specific, challenging goals and unethical behavior. Specifically, Schweitzer, Ordonez, and Douma (2004) found that people with unmet goals are more likely to engage in unethical behavior than are people attempting to do their best, both in the presence and absence of economic incentives. Furthermore, they found that the relationship between goal setting and unethical behavior was particularly strong when people fell just short of reaching their goals.

Thus, we suggest that specific, challenging goals can lead to interpersonal unethical behavior. In fact, we expect employees to be more likely to sabotage others they envy (such as comparison targets who are closer to the goal than they are) when they are close to reaching their specific performance targets by engaging in unethical behavior. However, caution must be taken when theorizing the relationship between performance goals and interpersonal unethical behavior. Although the comparison target's performance levels may trigger envy, it does not necessarily lead to unethical behavior. Rather, it may depend on one's perceived control over the attainability of the performance goals (see Lockwood & Kunda, 1997; J. E. Suls & Wills, 1991 for the role of perceived control in the social comparison processes). That is, if the performance goals are perceived to be within one's capability, then one may feel envy, but these feelings may qualify for benign envy, which often leads to a stronger motivation to exert more effort to achieve goals. On the other hand, when achieving the performance goals is deemed out of one's control, people may experience malicious envy, and therefore more likely to engage in unethical behaviors to actively harm or sabotage their comparison target.

> *Proposition 5*: Individuals will be more likely to engage in unethical behavior based on upward social comparison due to a reduced sense of perceived control when the organization stipulates specific and challenging performance goals.

Another potentially important factor related to an organization's structure that may influence interpersonal unethical behavior is individual-pay performance. Similar to the effects of specific and challenging goals, individual-pay performance may lead employees to focus too much on their own targets and to engage in competitive behavior, as compared to performance goals that are shared by work teams. As discussed earlier, competition and the emotions it brings about (envy, for example) are likely to highlight for an employee the importance of reaching performance levels associated with given levels of pay. We thus propose that:

> *Proposition 6*: Individuals will be more likely to engage in unethical behavior based on upward social comparison when they are primarily paid based on individual performance.

Prior research has shown that employee monitoring, even when it is done only by peers or coworkers, can be an effective means of improving performance (Bandiera, Barankay, & Rasul, 2010; Mas & Moretti, 2006). Related work suggests that peer monitoring might even facilitate whistle-blowing behavior (Trevino & Victor, 1992; Victor, Trevino, & Shapiro, 1993). Moreover, it has been shown that the mere physical presence of others can highlight the norm of the group (Cialdini, Reno, & Kallgren, 1990; Reno, Cialdini, & Kallgren, 1993) and restrict the freedom of individuals to justify their unethical behavior. In one extreme test of this idea, Bateson, Nettle, and Roberts (Bateson, Nettle, & Roberts, 2006) used an image of a pair of eyes watching over an "honesty box" in a shared coffee room to give individuals the sense of being monitored; this by itself was sufficient to increase honesty (that is, the level of contributions). Thus, even when unethical behavior is motivated by concerns regarding potential costs and benefits to others, we propose peer-monitoring to be an effective mechanism to curb interpersonal unethical behavior in the workplace.

However, it should also be noted that a general use of surveillance and monitoring could signal a lack of trust (Cialdini, 1996). In fact, being instructed to observe a subordinate led to the perception that the monitored subordinate is less trustworthy even when he or she did not engage in unethical behavior (Strickland, Barefoot, & Hockenstein, 1976). Thus, effective organizational monitoring should be followed by establishing an organization-wide norm that is built around trust and fairness.

> *Proposition 7*: Individuals will be more likely to engage in unethical behavior based on upward social comparison when organizational monitoring is lacking.

Interaction of Interpersonal Motives and Organizational Characteristics

According to Figure 1, interpersonal unethical behavior may be a function of other related concerns generated by social comparisons, features of an organization's structure related to the type of goals, pay, and monitoring, or both sets of factors. Whereas Propositions 1-7 relate the additive effects that interpersonal motives have on interpersonal unethical behaviors, Proposition 8 suggests that interpersonal motives also moderate the relationship between an organization's structure and interpersonal unethical behaviors. Specifically, the relationship between an organization's structure regarding the type of goals, pay, and monitoring and interpersonal unethical behaviors will be weaker in the presence of interpersonal motives.

For example, consider the relationship between specific and challenging goals (one of the features of an organization's structure we discussed) and interpersonal unethical behaviors in the context of a close relationship between two employees (an interpersonal motive we considered). Employees who are motivated by specific and challenging goals are generally more likely to engage in unethical behavior as compared to those who are motivated by vague, easy goals (Schweitzer et al., 2004). Therefore, in the absence of interpersonal motives due to social comparisons, employees with specific and challenging goals will likely engage in high levels of unethical behavior, whereas those with vague and easy goals will engage in less unethical behavior. Similarly, as those with specific, challenging goals start engaging in social comparison with close others (peers or coworkers), the potential threat to their self-image as able and successful employees is likely to increase. As a result, these employees likely will exhibit high levels of interpersonal unethical behavior (such as sabotage of coworkers). However, because the comparison target is a close other, and given the hypothesized role of closeness in motivating interpersonal unethical behavior, even employees with vague and easy goals will likely engage in high levels of interpersonal unethical behavior. That is, the impact of specific and challenging goals will be weaker when employees are comparing themselves to close others. Thus, in this example, the presence of a close comparison target moderates the relationship between the nature of goals motivating employees and interpersonal unethical behaviors.

Take the relationship between monitoring (another feature of an organization's structure we discussed) and self-monitoring (an interpersonal motive we considered) as another illustration. Among low self-monitors, the relationship between monitoring and unethical behavior should be fairly strong. However, among high self-monitors, we expect the level of interpersonal unethical behavior to be relatively high, even in instances where monitoring is low. That is, in the presence of an interpersonal motive related to one's own disposition, such as self-monitoring, the influence of monitoring on interpersonal unethical behavior is diminished. Therefore, we propose the following:

> *Proposition 8*: The relationship between an organization's structure regarding type of goals, pay for performance, and monitoring and interpersonal unethical behaviors is moderated by interpersonal motives; the relationship will be weaker when interpersonal motives are present.

Interpersonal Motives and the Consequences of Interpersonal Unethical Behavior

Shu, Gino, and Bazerman (2011) noted that, since its introduction, most research on unethical behavior has examined it as a dependent variable. Although confirming empirical work is lacking, in theory, unethical behaviors are thought to be destructive to organization health, functioning, and performance (Gino & Pierce, 2010b) . Consistent with this perspective, we suggest that interpersonal unethical behaviors are negatively related to organization and work group effectiveness. However, as Cialdini (1996) argued as one part of the Triple Tumor of Dishonesty, unethical behaviors can lead to a bad reputation in the long-term. Drawing upon research on trust and reputation, we propose that unethical actions also have important destructive effects on an employee's reputation as a reliable and trustworthy organization member. In this section, then, we discuss the relationship between interpersonal unethical behaviors and both organization/work group effectiveness and employee reputation.

Interpersonal Unethical Behavior and Organization/Work Group Effectiveness

A primary assumption in previous work on unethical behavior in organizations is that unethical behavior plays an important yet destructive role in organization and work group functioning. Several explanations can be offered for this assumption. First, unethical behavior (independent of the motives behind it) could reduce organizational performance by increasing the need to allocate scarce resources to maintenance functions within firms, thereby reducing the availability of such important resources for more productive purposes that may be vital to an organization's functioning and performance. Second, unethical behavior can erode trust among employees (Cialdini, 1996), thus increasing the likelihood of potential friction and conflict within organizations and resulting in reduced effectiveness. Finally, by reducing the attractiveness of the organization as an ethical place to work, organizations where unethical behavior is prevalent may be less able to attract and retain the best employees, thereby worsening their performance. Similarly, Cialdini (1996) posited that unethical business practices might lead to a higher rate of employee turnover. Although scholars have not examined these specific processes in detail, the extant literature generally appears to support the idea that interpersonal unethical behavior and organization/work group effectiveness are negatively related (1996).

> *Proposition 9*: Interpersonal unethical behavior is negatively related to organizational and work group effectiveness.

It is unclear how the motivation underlying interpersonal unethical behaviors is likely to impact organizational functioning. For example, behavioral ethics scholars appear to imply in their work that unethical behavior is likely to be destructive to an organization's functioning and health, regardless of the motives behind it. Independent of whether unethical behavior is motivated by selfish or interpersonal motives, it is likely to produce dysfunctional outcomes for organizations in the long term. Cases of corporate corruption, bankruptcy, and ethical failure are testament to such possibility.

There are two reasons why interpersonal motives are likely to increase the impact of unethical behaviors on organization/work group effectiveness. First, when individuals undertake actions that are focused on costs that can accrue to others, they are less able to devote their full attention to the task at hand. Consequently, when employees are concerned with social comparisons, this concern frequently impairs their performance. Moreover, social comparisons are commonly accompanied by powerful emotions, such as envy, that may further impair cognitive abilities and thus also task performance. Second, when unethical behaviors are motivated by potential benefits or costs that may accrue to others, individuals may consciously invest more effort or expend more energy in carrying out the behavior. Therefore:

> *Proposition 10*: Interpersonal motives moderate the relationship between interpersonal unethical behavior and organization and work group effectiveness; the relationship will be stronger when interpersonal motives are present.

Interpersonal Unethical Behavior and Reputation

In this chapter, we assume that engaging in interpersonal unethical behaviors can have detrimental effects on one's own reputation as a trustworthy and reliable organization member. That is, employees who engage in such behaviors are more likely to be viewed as problematic organization members by others. Although there is no direct empirical support for this argument, research on performance appraisals has shown that negative information about employee behavior is used to rate subordinates' productivity and effectiveness in the workplace. In addition, related research has examined the questions of how observers judge the behavior of wrongdoers. Prior empirical studies have demonstrated that such judgments are influenced by characteristics of the crime, such as the seriousness of the offense (Carlsmith, Darley, & P. H. Robinson, 2002; Feather, 1996; Walster, 1966) and the severity of the consequences (Shaver, 1970); difficulty of detecting the crime (Carlsmith et al., 2002); and characteristics of the criminal, such as the wrongdoer's history of transgressions (Carroll & Payne, 1977; Ebbesen & Konecni, 1975) or the wrongdoer's reasons for committing the transgression (Savitsky & Babl, 1976). Thus, employees who engage in interpersonal unethical behaviors, even when such behaviors may benefit coworkers, are likely to be viewed as unreliable and untrustworthy.

> *Proposition 11*: Individuals who engage in interpersonal unethical behaviors will be less likely to have the reputation of good organization members.

Although Proposition 11 suggests that interpersonal unethical behaviors are likely to foster an image of unreliable organization member, audience attributions are an important moderator of this relationship. Because observers are likely to have difficulty discerning motive, they will most likely simply discount the credit given to those seen as concerned with potential benefits to others and the "penalty" given to those seen as concerned with potential costs to others.

> *Proposition 12*: The relationship between interpersonal unethical behaviors and the reputation of an unreliable and untrustworthy organization member is moderated by observer attributions of motive; the relationship will be weaker when observers view interpersonal unethical behaviors as motivated by interpersonal concerns.

Implications and Directions for Future Research

In this article, we have contended that upward social comparison processes and the emotional reactions (that is, envy) associated with them are an important motivational force underlying interpersonal unethical behaviors. We have offered a framework for understanding (1) how one's concerns about the potential costs and benefits of one's own actions on others may drive individuals' unethical behavior, (2) the reputational effects that result from interpersonal unethical behaviors, and

(3) the moderating effects of interpersonal concerns upon organization and work group effectiveness and functioning.

Understanding the underlying motivation for unethical behavior in organizations is important in advancing research on this topic, for several reasons. First, Kish-Gephart et al.'s (Kish-Gephart et al., 2010) meta-analysis highlights the generally weak and inconsistent predictive power of dispositional antecedents in accounting for unethical behavior in organizations. Likewise, job attitudes explain only small amounts of variance in unethical behavior in organizations (Tenbrunsel & Crowe, 2008). A possible explanation for these disappointing results is the overlap between interpersonal motives resulting from the social comparisons employees commonly engage in and unethical behavior in the workplace. By separating self-oriented from interpersonal motives, researchers may be better able to predict different types of unethical behavior in the workplace. Second, because motivation is likely to adversely affect the impact of interpersonal unethical behaviors on organization/work group effectiveness, gaining a better understanding of these effects is relevant for management scholars and practitioners alike.

This article enhances our understanding of social comparison processes as well. It provides a framework for examining a widely studied and important topic: the role of interpersonal concerns related to social comparisons and envy resulting from them in the context of unethical behavior in organizations. Further, this article suggests that, like behavioral ethics scholars, researchers interested in emotions and social comparison processes need to examine their key constructs to ensure that they are theoretically and empirically sound. Last, work on social comparison processes mainly has been aimed at studying the effects of such processes on individuals. In contrast, this article suggests that social comparison processes and the emotions associated with them ultimately have organizational implications as well. Thus, in future research on social comparison processes, researchers should consider the consequences such processes pose for organization functioning and performance.

In the discussion of our model, we have raised some theoretical questions that must be dealt with in the future. First, what is the nature of the relationship between interpersonal motives for interpersonal unethical behavior and the features of an organization's structure? While we have highlighted the interaction between the two, further exploration of the interplay of social comparisons and an organization's structure would enhance our knowledge of interpersonal unethical behavior, as well as the emotions resulting from comparisons employees engage in at work. For example, uncovering those instances where interpersonal motivation is dominant and features of an organization's structure are subordinate is an endeavor worthy of future research attention.

Second, what is the role of observer attributions regarding acts of interpersonal unethical behavior? Gino, Moore, and Bazerman (2008) note that judging a given behavior as unethical and determining the motives behind it are often subjective processes. More theoretical work is needed to explain how attributions regarding interpersonal unethical behaviors are formed, especially in cases in which the actions produce costs to other organization members. The nature of the behavior itself (sabotaging, for example), in addition to situational factors, individual factors, and other determinants may affect such attributions. For example, a person's status as a peer or supervisor may influence how that person interprets others' motives (Fragale, Rosen, Xu, & Merideth, 2009). Similarly, situational factors such as the ethical, competitive, or corporate climate (Cohn, Fehr, & Maréchal, 2014) may bias one's attributions. Because attributions of the potential benefits and costs that interpersonal unethical behaviors encompass are likely to impact the nature of the reputational effects on the wrongdoer, an improved understanding of these issues is necessary.

The introduction of additional characteristics of interpersonal unethical behaviors is likely to be relevant for research beyond the questions examined here. For instance, understanding the impact of selfish motives and organizational features related to goals, pay, and monitoring on the various dimensions of interpersonal unethical behaviors (such as timing or magnitude) might improve our understanding of these behaviors and their consequences in organizational settings. This is particularly important because it is likely that certain types of interpersonal unethical behaviors, the timing of interpersonal unethical behaviors, or their magnitude may affect their contribution to organizational functioning.

Finally, if the propositions advanced in this paper are true, there seem to be important implications for practicing managers. First, the article illustrates why managers must be careful in assessing the unethical behaviors of their subordinates and why they should carefully consider the motivations behind them. Likewise, if the unethical behaviors motivated by upward social comparisons and the emotions associated with them are less likely to facilitate an organization's functioning, health, and performance, organizations and their managers should be cautious in how they respond to such behaviors. Last, managers should think carefully about their organizational policies since, like other features of an organization's structure, they may directly impact interpersonal unethical behavior as well as employees' interpersonal motives. As noted by Gino and Pierce (2009b), unethical behaviors are particularly worrisome for organizations when they consist of an employee hurting the performance of a coworker.

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