

Shining Light on the Darkness: Organizational Ethical Context as Trait (De)Activator and Employees' Dark Personality and Ethical Decision Making

Sean R. Valentine, D.B.A.
Chester Fritz Distinguished Professor
Eugene Dahl Innovation & Character Endowed Chair
Professor of Management and Chair
Middleton School of Entrepreneurship & Management
Nistler College of Business & Public Administration
University of North Dakota
Gamble Hall, Room 330
293 Centennial Drive, Stop 8377
Grand Forks, ND 58202-8377
Phone: (701) 777-3632
Email: sean.valentine@und.edu

Robert A. Giacalone, Ph.D.
Fields Chair in Ethics and Corporate Responsibility
Professor of Management
Department of Management
McCoy College of Business Administration
Texas State University
McCoy Hall
601 University Drive
San Marcos, TX 78666
Phone: (215) 767-9850
Email: rgiacalone@txstate.edu

Gary Fleischman, Ph.D.
Ernst and Young Professor of Accounting
School of Accounting
Rawls College of Business
Texas Tech University
Box 42101, 703 Flint Avenue
Lubbock, TX 79409
Phone: (806) 834-7869
Email: gary.fleischman@ttu.edu

Note: Manuscript prepared for the *Human Relations* 75th Anniversary Conference, London, UK, April 19-21 April 2023; we wish to thank John Carroll University for the funding provided for data collection.

Preferred theme: Work/non-work relationships and corporate social responsibility

Shining Light on the Darkness: Organizational Ethical Context as Trait (De)Activator and Employees' Dark Personality and Ethical Decision Making

Extended Abstract (750 words excluding references and figures/tables in appendix)

“The light shines in the darkness, and the darkness has not overcome it.” – John 1:5

“Don't fight darkness – bring the light, and darkness will disappear.” – Maharishi Mahesh Yogi

Employee ethical decision making (EDM) is an important consideration in the management of organizations (Rest, 1986; Jones, 1991; Treviño, 1986; Treviño & Weaver, 2006). EDM models generally emphasize that both organizational ethical context (OEC) and individual characteristics influence reasoning and behavior (Ferrell & Gresham, 1985; Ferrell et al., 2007; Hunt & Vitell, 2006; Jones, 1991; Treviño, 1986; Treviño et al., 2006; Treviño & Youngblood, 1990). These frameworks also incorporate parts of Rest's (1986) four-step process, including ethical issue recognition, ethical judgment, ethical intention, and ethical behavior.

However, little is known about EDM in situations involving workplace incivility directed at coworkers. EDM is perhaps influenced by negative individual characteristics associated with social malevolence, including dark personality traits. The Dark Tetrad represents a constellation of these dark personality traits and includes narcissism (exhibit “grandiosity, entitlement, dominance, and superiority”), Machiavellianism (“use manipulative tactics to get their way, lie frequently, and take revenge against others”), psychopathy (“lack social regulatory mechanisms, tend to be impulsive, and lack guilt or remorse”), and sadism (“seek out opportunities to watch others' pain or hurt others in some way”) (Thibault & Kelloway, 2020, pp. 406-407). These traits are related to covariates of ethical reasoning, as well as steps of EDM (Bass et al., 1999; Cohen et al., 2014; Stevens et al., 2012; Valentine & Fleishman, 2018; Valentine et al., 2018).

Drawing primarily from trait activation theory (TAT), this study investigates the degree to which OEC (ethical leadership, ethical climate, corporate ethical values, corporate social

responsibility), a dark personality (narcissism, Machiavellianism, psychopathy, sadism), and EDM (perceived importance of an ethical issue, recognition of an ethical issue, ethical judgment, ethical intention) associated with work incivility are interrelated (see Figure 1). TAT suggests that an ethical context deactivates dark personality traits and activates EDM by providing important situational cues about appropriate workplace behavior (Tett & Burnett, 2003; Tett et al., 2021). We contend that an OEC discourages a dark personality, which harms EDM associated with the mistreatment of others at work. Past research also indicates that OEC, comprised of ethical values and responsible practices, has the capacity to mitigate the tendency of employees to exhibit attitudes/behaviors consistent with dark personality traits and encourage them to reason and behave more ethically in situations involving workplace incivility (Harvey et al., 2009; Martinko et al., 2002; Samnani & Singh, 2016).

Data were collected using Qualtrics and two data collection rounds, which were separated by two weeks. In Time 1 (T1) of our data collection, a random sample of 1,747 panelists were invited to participate via phone text which directed them to a Qualtrics online survey. In order to reach a wide range of working adult respondents, screening criteria only required respondents to be 18 or older and working full-time. A total of 316 panelists were removed because they did not meet screening criteria, resulting in an effective pool of 1,431 panelists. The data collection provided serviceable responses from 400 panelists (28%) meeting our participation criteria who then completed the T1 survey. Those panelists completing T1 surveys were invited via phone text to complete a second survey in Time 2 (T2) two weeks later, which resulted in a 53% response (or 210 observations out of 400) for those who were eligible at both T1 and T2. Sample members are varied in age, gender, education, work experience, and are mostly employed full-time in organizations of varying sizes that operate in different industries. Various OEC and dark

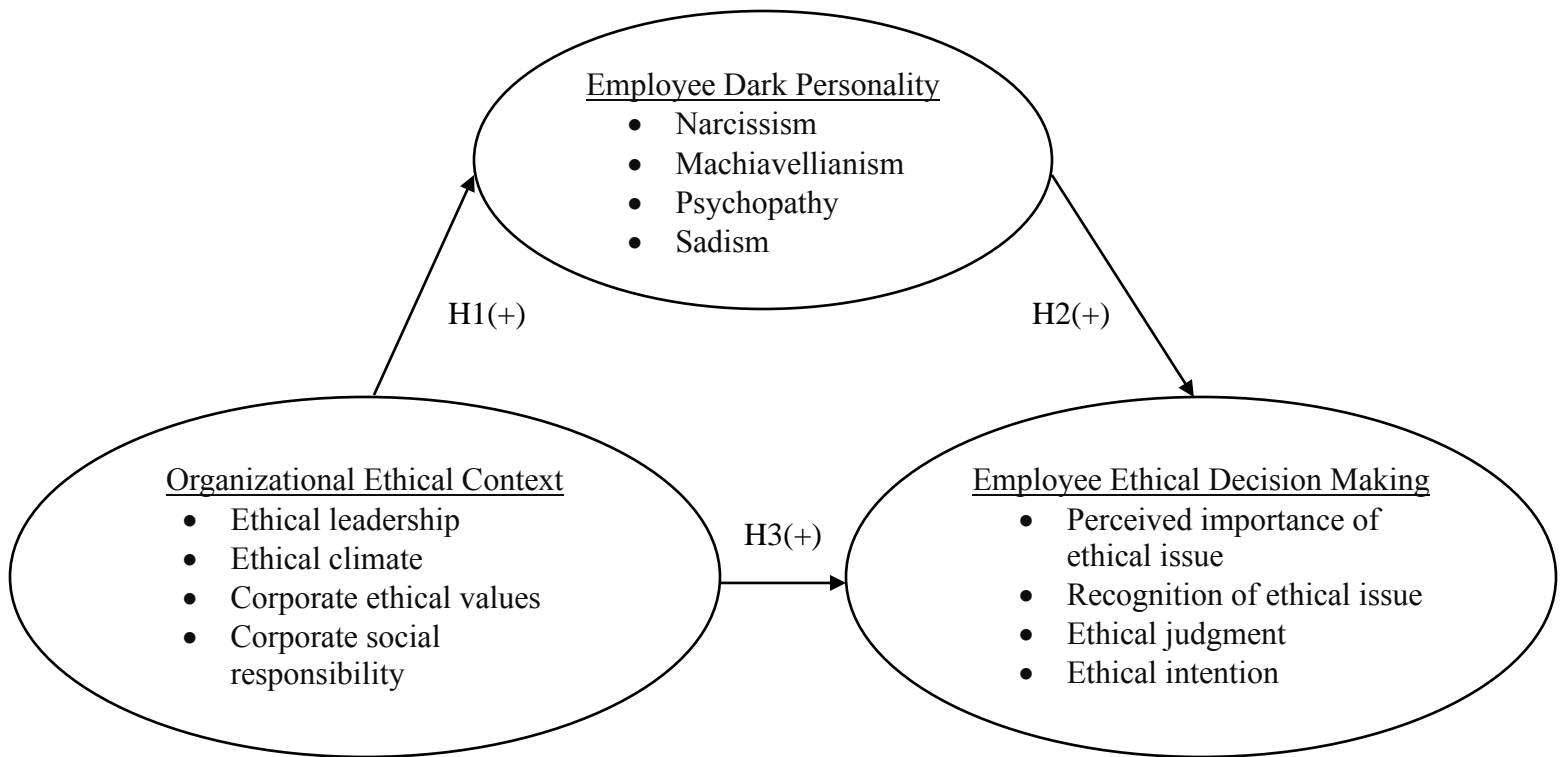
personality measures were included on the T1 questionnaire (Hunt et al, 1989; Valentine & Fleishman, 2008; Valentine et al., 2014). A slightly modified version of a scenario highlighting workplace incivility/bullying (Valentine & Fleishman, 2018; Valentine et al., 2018) and various measures of EDM (Bass et al., 1999; Barnett & Valentine, 2004; Reidenbach & Robin, 1990; Robin et al., 1996) were included on the T2 questionnaire.

The findings provided support for the proposed relationships (see Appendix). While controlling for social desirability (Randall & Fernandes, 1991), stronger perceived OEC was associated with a weakened dark personality, while a strengthened dark personality was associated with decreased EDM. A direct relationship between perceived OEC and EDM was not identified, indicating that perceived OEC enhances EDM by reducing the expression of a dark personality. Companies should develop ethical values and practices that provide the conditions necessary to discourage dark personality traits and motivate EDM related to workplace incivility.

References

- Barnett, T., & Valentine, S. (2004). Issue contingencies and marketers' recognition of ethical issues, ethical judgments and behavioral intentions. *Journal of Business Research*, 57, 338-346.
- Bass, K., Barnett, T., & Brown, G. (1999). Individual difference variables, ethical judgments, and ethical behavioral intentions. *Business Ethics Quarterly*, 9(2), 183-205.
- Cohen, Taya R., Panter, A.T., Turan, N., Morse, L., & Kim, Y. (2014). Moral character in the workplace. *Journal of Personality and Social Psychology*, 107(5), 943.
- Ferrell, O.C., & Gresham, L.G. (1985). A contingency framework for understanding ethical decision making in marketing. *Journal of Marketing*, 49(3), 87-96.
- Ferrell, O.C., Johnston, M.W., & Ferrell, L. (2007). A framework for personal selling and sales management ethical decision making. *Journal of Personal Selling & Sales Management*, 27(4), 291-299.
- Harvey, M.G., Treadway, D., Heames, J.T., & Duke, A. (2009). Bullying in the 21st century global organization: An ethical perspective. *Journal of Business Ethics*, 85, 27-40.
- Hunt, S.D., & Vitell, S.J. (2006). A general theory of marketing ethics: A revision and three questions. *Journal of Macromarketing*, 26(2), 143-153.
- Hunt, S.D., Wood, V.R., & Chonko, L.B. (1989). Corporate ethical values and organizational commitment in marketing. *Journal of Marketing*, 53, 79-90.
- Jones, T.M. (1991). Ethical decision-making by individuals in organizations: An issue-contingent model. *Academy of Management Review*, 16(2), 366-395.
- Martinko, M.J., Gundlach, M.J., & Douglas, S.C. (2002). Toward an integrative theory of counterproductive workplace behavior: A causal reasoning perspective. *International Journal of Selection and Assessment*, 10, 36-50.
- Randall, D.M., & Fernandes, M.F. (1991). The social desirability response bias in ethics research. *Journal of Business Ethics*, 10(11), 805-817.
- Reidenbach, R.E., & Robin, D.P. (1990). Toward the development of a multidimensional scale for improving evaluations of business ethics. *Journal of Business Ethics*, 9, 639-653.
- Rest, J.R. (1986). *Moral development: Advances in research and theory*. New York: Praeger.
- Robin, D.P., Reidenbach, R.E., & Forrest, P.J. (1996). The perceived importance of an ethical issue as an influence on the ethical decision-making of ad managers. *Journal of Business Research*, 35, 17-28.

- Samnani, A.-K., & Singh, P. (2016). Workplace bullying: Considering the interaction between individual and work environment. *Journal of Business Ethics, 139*, 537-549.
- Stevens, G.W., Deuling, J.K., & Armenakis, A.A. (2012). Successful psychopaths: Are they unethical decision-makers and why? *Journal of Business Ethics, 105*, 139-149.
- Tett, R.P., & Burnett, D.D. (2003). A personality-based interactionist model of job performance. *Journal of Applied Psychology, 88*, 500-517.
- Tett, R.P., Toich, M.J., & Ozkum, S.B. (2021). Trait activation theory: A review of the literature and applications to five lines of personality dynamics research. *Annual Review of Psychology and Organizational Behavior, 8*: 199-233.
- Thibault, T., & Kelloway, E.K. (2020). The dark tetrad at work. *Human Performance, 33*(5), 406-424.
- Treviño, L.K. (1986). Ethical decision making in organizations: A person-situation interaction model. *Academy of Management Review, 11*(3), 601-617.
- Treviño, L.K., & Weaver, G.R. (2003). *Managing ethics in business organizations: Social scientific perspective*. Stanford University Press.
- Treviño, L.K., Weaver, G.R., & Reynolds, S.J. (2006). Behavioral ethics in organizations: A review. *Journal of Management, 32*(6), 951-990.
- Treviño, L.K., & Youngblood, S.A. (1990). Bad apples in bad barrels: A causal analysis of ethical decision making behavior. *Journal of Applied Psychology, 75*(4), 378-385.
- Valentine, S., & Fleischman, G. (2008). Ethics programs, perceived corporate social responsibility and job satisfaction. *Journal of Business Ethics, 77*, 159-172.
- Valentine, S., & Fleischman, G. (2018). From schoolyard to workplace: The impact of bullying on sales and business employees' Machiavellianism, job satisfaction, and perceived importance of an ethical issue. *Human Resource Management, 1*, 293-305.
- Valentine, S., Fleischman, G., & Godkin, L. (2018). Villains, victims, and verisimilitudes: An exploratory study of unethical corporate values, bullying experiences, psychopathy, and selling professionals' ethical reasoning. *Journal of Business Ethics, 148*, 135-154.
- Valentine, S., Nam, S., Hollingworth, D., & Hall, C. (2014). Ethical context and ethical decision making: Examination of an alternative statistical approach for identifying variable relationships. *Journal of Business Ethics, 124*, 509-526.

Appendix**Fig. 1** Conceptual framework (H=hypothesis).

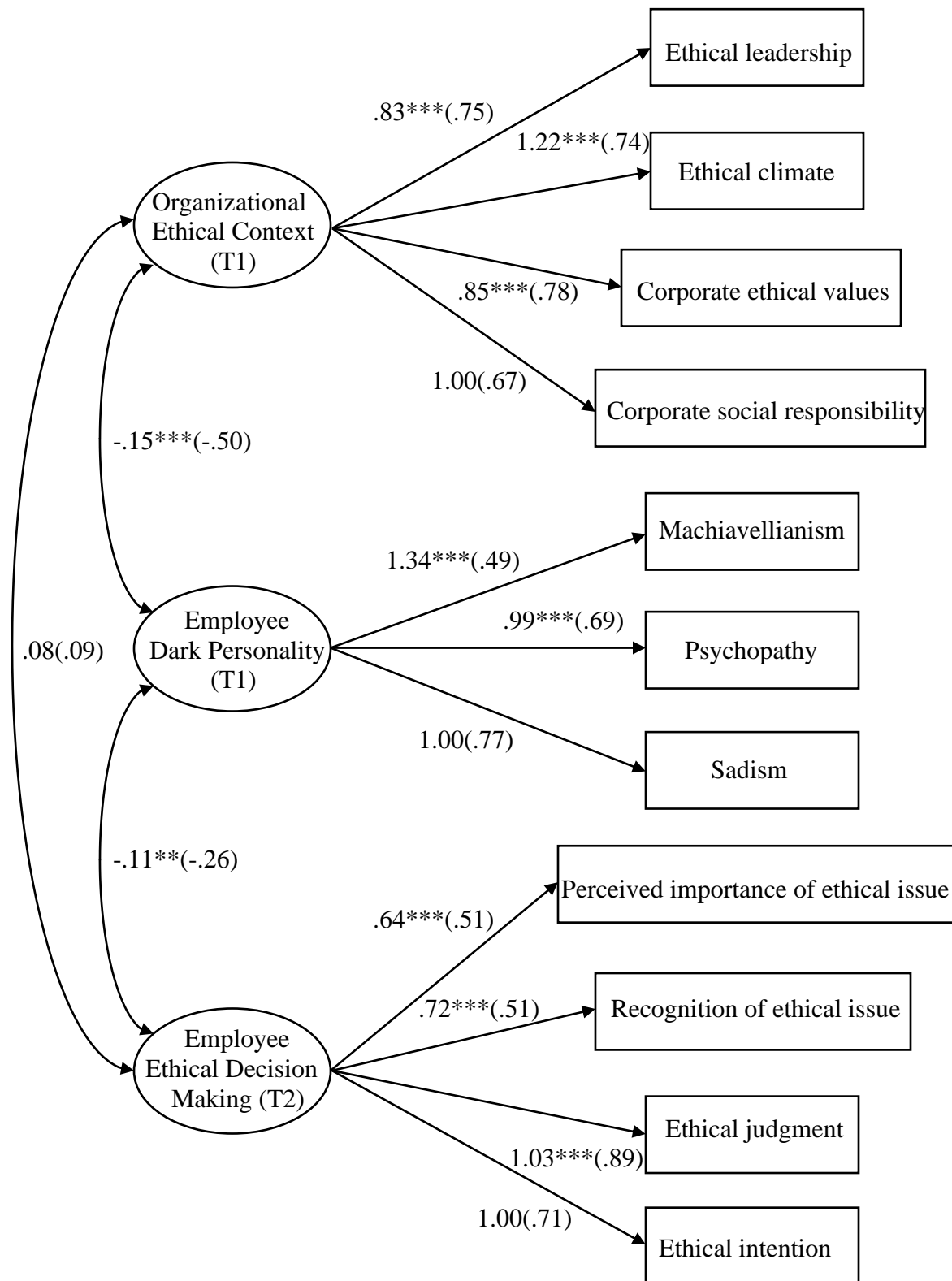


Fig. 2 Revised confirmatory factor analysis; *** $p < .001$, ** $p < .01$; $N = 210$; T1=Time Period 1, T2=Time Period 2; standardized parameter estimates and correlations presented in parentheses; parameter estimates associated with the error variances were positive and significant ($p < .01$).

Table 1 Model fit statistics

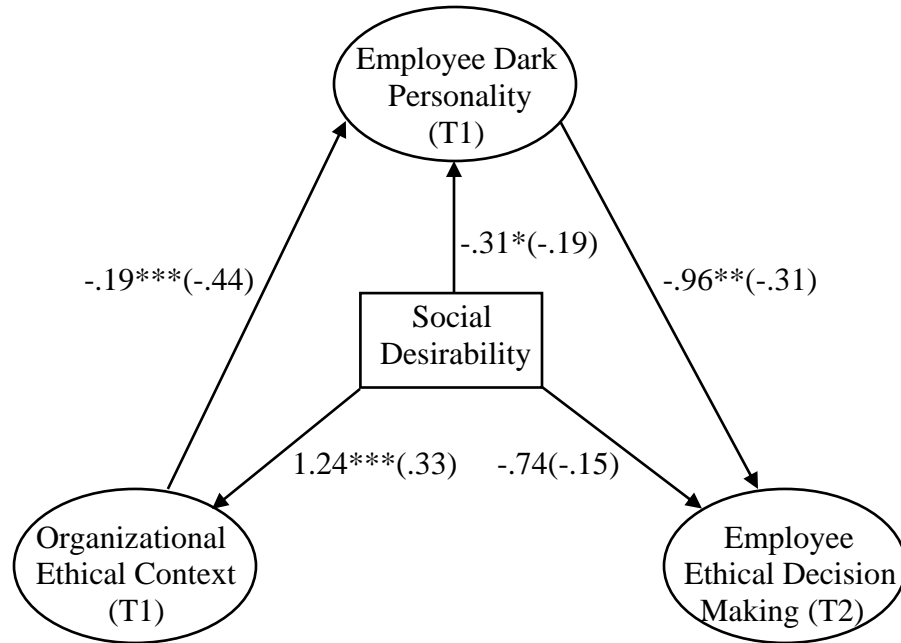
Model	χ^2	<i>df</i>	<i>p</i>	χ^2/df	GFI	NFI	IFI	CFI	RMSEA
Confirmatory factor analysis	141.68	51	.000	2.78	.91	.82	.88	.88	.09
Revised confirmatory factor analysis	105.14	41	.000	2.56	.92	.86	.91	.91	.09
Single-factor model	369.69	44	.000	8.40	.74	.51	.54	.53	.19
Full mediation structural model	107.32	50	.000	2.15	.92	.86	.92	.92	.07
Partial mediation structural model	107.24	49	.000	2.19	.92	.86	.92	.92	.08

N=210; default models reported; χ^2/df =relative chi-square, GFI=goodness of fit index, NFI=normed fit index, IFI=incremental fit index, CFI=comparative fit index, RMSEA=root mean square error of approximation.

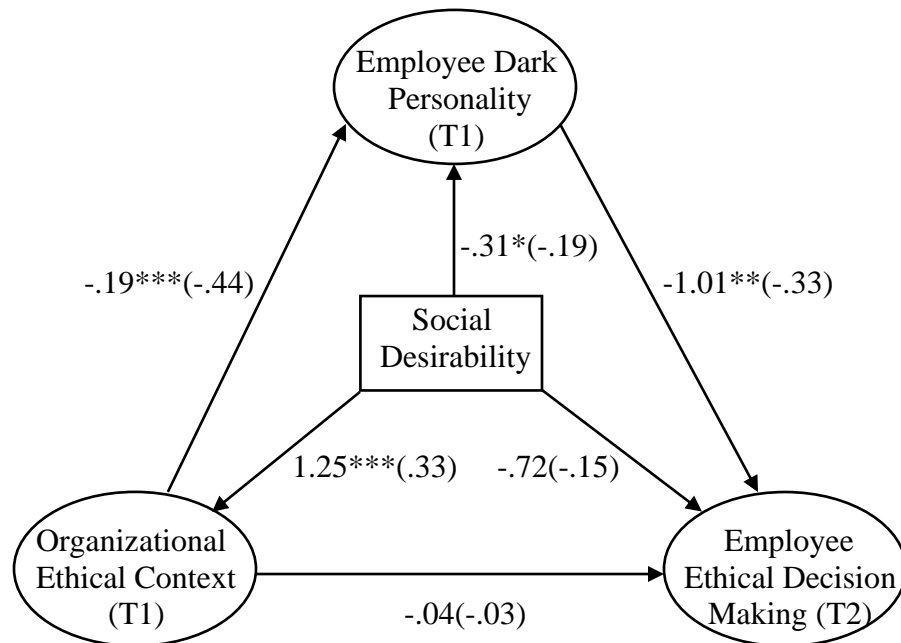
TABLE 2 Variable descriptive statistics and correlations

Variable	<i>M</i>	<i>SD</i>	1	2	3	4	5	6	7	8	9	10	11
1. Ethical leadership (T1)	3.79	.93	--										
2. Ethical climate (T1)	5.34	1.38	.56 ***	--									
3. Corporate ethical values (T1)	3.85	.92	.58 ***	.58 ***	--								
4. Corporate social responsibility (T1)	4.90	1.26	.51 ***	.49 ***	.48 ***	--							
5. Machiavellianism (T1)	2.78	1.00	-.34 ***	-.25 ***	-.44 ***	-.27 ***	--						
6. Psychopathy (T1)	1.48	.52	-.16 *	-.14 *	-.23 ***	-.32 ***	.32 ***	--					
7. Sadism (T1)	1.23	.47	-.21 **	-.22 **	-.33 ***	-.32 ***	.33 ***	.57 ***	--				
8. Perceived importance of ethical issue (T2)	5.40	1.38	.04	.10	.09	.07	-.18 **	-.14 *	-.10	--			
9. Recognition of ethical issues (T2)	5.09	1.55	-.01	.03	.01	-.00	-.03	.04	-.01	.53 ***	--		
10. Ethical judgment (T2)	5.91	1.28	.00	.09	.14 *	-.01	-.18 *	-.13	-.20 **	.43 ***	.44 ***	--	
11. Ethical intention (T2)	5.83	1.56	-.08	.07	.06	.00	-.13	-.10	-.17 *	.30 ***	.31 ***	.65 ***	--
12. Social desirability (T2)	.66	.22	.27 ***	.22 **	.26 ***	.23 ***	-.24 ***	-.24 ***	-.23 ***	-.02	-.09	-.03	-.04

*** $p < .001$, ** $p < .01$, * $p < .05$, $N = 210$; T1=Time Period 1, T2=Time Period 2.



Full mediation structural model



Partial mediation structural model

Fig. 3 Mediation analysis; $***p < .001$, $**p < .01$, $*p < .05$; $N=210$; T1=Time Period 1, T2=Time Period 2; standardized parameter estimates presented in parentheses; parameter estimates associated with observed composite scores were positive and significant ($p < .001$); parameter estimates associated with the error variances were positive and significant ($p < .01$).