

# The Influence of Distributive Justice on Lying for and Stealing from a Supervisor

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**ABSTRACT.** In a controlled laboratory experiment, we found evidence for our predictions that participants who received fair distributive treatment were more likely to lie to give a supervisor a good performance evaluation than those treated unfairly, and those who received unfair distributive treatment were more likely to steal money from a supervisor than those treated fairly. We further proposed that the presence of an ethical code of conduct would moderate these relationships such that when the code was present these relationships would be weaker than when the code was absent, but we failed to find support for these moderating effects. Our findings suggest that the relationship between distributive justice and unethical behavior is likely more complex than previously considered. Both researchers and managers may benefit from a broader understanding of the factors that motivate and inhibit unethical behaviors intended to benefit and harm supervisors and/or organizations.

**KEY WORDS:** codes of conduct, distributive justice, ethics, fairness, unethical behavior

Incessant news reports draw attention to unethical acts committed by everyday people including government officials, professional athletes, religious leaders, educators, parents, and children. Similarly, corporate America has faced its own ethics crisis in the last decade, with integrity sometimes left on the sidelines of organizational decision making (Schlessinger and Vogel, 1998). Ethical misconduct has led to the demise of certain organizations (e.g., Enron, Tyco, WorldCom, and Adelphia), and countless individuals live with the costs of unethical behavior within organizations. Dishonesty alone has been estimated to cost \$50 billion annually to the United States (Bradford, 2002).

Employees may conduct unethical behaviors such as lying to potentially help their boss and/or organization. For instance, a survey of over 2,000 executive assistants and secretaries in Canada and the U.S. found that 32.6% of those questioned disclosed that they had falsified time sheets, 17% reported notarizing documents without witnessing the signature, 10% destroyed or removed damaging information, 6.5% wrote documents with misleading or false information, and 5.1% falsified vouchers or expense accounts, and all of this unethical activity was performed in the service of their bosses and/or organizations (Kleiman, 1996).

In contrast, however, employees also conduct myriad forms of unethical and/or illegal behaviors to potentially harm their organizations. For example, according to the latest National Retail Security Survey conducted by the University of Florida (Flandez, 2008), losses from “shrinkage,” which include theft, fraud, and error, reached approximately \$40.5 billion in 2006. About half of that – \$19 billion – came from employee theft. Furthermore, researchers believe this crime against firms is responsible for 30–50% of business failures (Bullard and Resnik, 1993). The alarming phenomenon of unethical activity is not conducted by merely a few “bad apples in the barrel.” A study conducted by the U.S. Chamber of Commerce suggests that about 75% of employees had stolen from their employers at least once, and half of them stole at least twice (McGurn, 1988).

In this study, we draw from a social exchange perspective (e.g., Blau, 1964) and propose that treating employees in a fair manner may actually invite as well as discourage unethical behavior. We examine the effects of distributive justice, or the

fairness of outcomes (Adams, 1965), and the presence of an ethical code of conduct on two different unethical acts: lying *for* (i.e., to benefit) a supervisor and stealing *from* a supervisor. Building on previous research that demonstrates a negative relationship between distributive justice and stealing (e.g., Greenberg, 1990, 1993, 2002), we suggest that distributive justice is positively related to lying for one's supervisor and negatively related to stealing from one's supervisor. This is the first empirical work, to our knowledge, to propose that distributive justice may be positively related to unethical behavior. In addition, we examine the interaction between the priming effect of a code of conduct and distributive justice. We propose that the effects of distributive justice on lying for and stealing from a supervisor will be diminished when a code of conduct is present versus when absent.

The remainder of this manuscript will unfold as follows. First, we review distributive justice and social exchange theory and articulate how distributive justice may influence the expression of lying for and stealing from one's supervisor. Further, we detail literature on codes of conduct and describe how the presence of a code of conduct may interact with distributive justice to predict these two unethical acts. Finally, we provide a description of our experimental research design and study results, and conclude with a discussion of our study's implications.

### **Distributive justice theory and social exchange theory**

Increasingly, organizational justice researchers examine three dimensions of fairness (Folger and Cropanzano, 1998): the fairness of outcomes, or distributive justice (Adams, 1965); the fairness of the procedures by which those outcomes are determined, or procedural justice (Folger and Greenberg, 1985; Thibaut and Walker, 1975); and the fairness of interpersonal treatment by supervisors, or interactional justice (Bies and Moag, 1986). Here, we focus on distributive justice or the fairness of outcomes received from exchange relationships such as the outcomes (e.g., allocation of pay, workload, or benefits) received from a supervisor (e.g., Adams, 1965).

A review of the justice literature generally advocates a view that fair treatment leads to positive, and unfair treatment leads to negative, attitudes and outcomes for the organization and its members (for a review see Colquitt et al., 2001). In this study, however, we suggest that the effects of distributive justice can be much more complex. Using social exchange theory as a theoretical lens, we offer a view of distributive justice in which fair treatment may actually lead to wrongdoing perpetrated by employees.

Social exchange theory focuses on the relationship cultivated by the exchange of resources between two parties (Blau, 1964; Emerson, 1976). According to this theory, individuals feel obliged to repay the benefits they receive from others (e.g., Blau, 1964; Emerson, 1976; Gouldner, 1960). Put succinctly, if one party provides a benefit, the other party is motivated to reciprocate by providing a benefit in return (Gouldner, 1960). While parties can refuse to reciprocate benefits received from others (i.e., reciprocating benefits is voluntary), those who fail to reciprocate could receive negative consequences such as distrust, decreased reputation, denial of future benefits, as well as other sanctions (Gouldner, 1960). In contrast, those who choose to reciprocate can engage in a self-perpetuating system of exchange in which benefits, mutual trust, approval, and respect reside (Blau, 1964).

Particularly relevant to the present work, some theorists have linked the concept of social exchange to organizational justice (e.g., Organ, 1988, 1990). From a justice point of view, fair treatment from a manager or the organization creates an open-ended and closer social exchange relationship in which the employee has the obligation to "repay" the manager or the organization (Cropanzano et al., 2001). Thus, justice researchers (e.g., Organ, 1988, 1990) predict, based on social exchange theory, that employees respond to fair treatment with organizational citizenship behaviors (OCB) (e.g., Organ, 1988, 1990) and increased performance (Cropanzano et al., 2001).

With respect to distributive justice, employees who perceive that they receive fair outcomes from their organization tend to increase their performance (e.g., Colquitt et al., 2001; Greenberg, 1988; Pfeffer and Langton, 1993) and their expression of OCB (e.g., Colquitt et al., 2001). For example, Greenberg (1988) conducted a field experiment in which employees were assigned to the offices of higher, equal, or lower status co-workers while their own offices were being

refurbished. Greenberg (1988) found that, when compared to those employees assigned to equal status offices, employees who were assigned to higher status offices exhibited higher job performance, whereas employees who were assigned to lower status offices exhibited lower job performance.

In contrast to previous literature linking social exchange and distributive justice, we recognize that there may be a potential downside to fair distributive treatment from one's supervisor. We predict that employees also may reciprocate high levels of distributive justice by lying to benefit their supervisors. Similar to carrying out helpful behaviors such as OCBs, lying for one's supervisor seemingly benefits one's supervisor by increasing the image or reputation of the supervisor. Thus, a social exchange perspective suggests that lying for one's supervisor can "repay" fair treatment from a supervisor.

Moreover, and consistent with previous research (e.g., Greenberg, 2002), we propose that distributive justice will be negatively related to stealing from the supervisor such that individuals steal as a form of retaliation in response to low levels of distributive justice. This prediction corresponds with previous research demonstrating that employees are more likely to steal when they receive unfavorable versus favorable outcomes (Greenberg, 1990, 1993, 2002). In sum, we predict that distributive justice may result in two different reactions, and the nature of our predictions depends upon whether the unethical act has the potential to help or harm the supervisor. Distributive justice may be positively related to lying to help the supervisor and negatively related to stealing from the supervisor:

*Hypothesis 1:* Individuals will be *more* likely to lie for their supervisor when they receive high versus low levels of distributive justice.

*Hypothesis 2:* Individuals will be *less* likely to steal from their supervisor when they receive high versus low levels of distributive justice.

### Codes of conduct and distributive justice

Codes of conduct are used to convey standards and expectations for ethical behavior, and to communicate core values to those within the organization (Weaver et al., 1999). These expectations provide

individuals with guidelines for ethical behavior by explicitly communicating rules and procedures for performance (McDonald, 2000). Codes of conduct are frequently used by organizations, and are increasingly present in organizational policies. For instance, 98% of the 254 companies that responded to a survey of the Fortune 1000 reported that their organizations formally addressed conduct issues or business ethics within company documents (Weaver et al., 1999). Organizations choose to develop codes of conduct because they allow employers the opportunity to disseminate the organization's values, regulate behavior, increase morale, promote a positive image, and attract employees (Weaver, 1993). Although ostensibly an effective way to increase the likelihood of ethical behavior in organizations, research findings in regard to the usefulness of codes of conduct are mixed.

Numerous studies note the salutary effects of codes of conduct on ethical attitudes and behavior. For example, codes of conduct have been shown to decrease unethical behavior of employees (McCabe et al., 1996). Other empirical research highlights the role of corporate codes and policy for improving ethical perceptions and standards in organizations (e.g., Ferrell and Skinner, 1988; Hegarty and Sims, 1979; Laczniak and Inderrieden, 1987; McCabe et al., 1996; Singhapakdi and Vitell, 1990; Somers, 2001; Valentine and Johnson, 2005; Weeks and Nantel, 1992; Weller, 1988). Hegarty and Sims (1979) for instance, argued that formal policies regarding ethical behavior thwarts unethical behavior independent of any contingent consequences. Further, McCabe et al. (1996) proposed that individuals derive meaning and identity from their social contexts and accept standards of virtues embedded within codes of conduct that are consistent with individuals' role expectations within the organization.

Although the benefits of codes of conduct are often readily observable, some researchers have found no discernible difference in behavior resulting from the adoption of such codes (Akaah and Riordan, 1989; Badaracco and Webb, 1995; Callan, 1992; Cleek and Leonard 1998; Mathews, 1987). Cleek and Leonard (1998) found little support for the idea that ethical codes of conduct affect ethical decision-making behavior. Further, Callan (1992) found that individuals' knowledge and use of an ethical code of conduct had little influence on

employees' ethical perceptions; codes of conduct were not significantly related to any dimensions of employees' ethical values. This led some to believe that codes of conduct, despite becoming more widespread among organizations, can sometimes be viewed "as distractions to be skimmed (at best), 'filed,' and forgotten" (Weaver et al., 1999, p. 541). That is, codes of conduct may become ignored within organizations, such that they serve as "window dressing" or have little to no impact on the actual ethical performance of employees within organizations (Trevino, 1990).

We acknowledge that there may be situations where codes of conduct may be "filed and forgotten." One reason codes of conduct are sometimes forgotten is because they are not emphasized within ethically problematic situations. When codes of conduct are present during a potential ethically problematic situation, however, these codes can be used to cue an ethical response in individuals. That is, the presence of codes of conduct within a situation can serve to heighten awareness of the ethical implications of a situation and may subsequently mitigate the expression of unethical behavior (Cleek and Leonard, 1998; Ferrell and Skinner, 1988; Trevino, 1986; Weller, 1988).

In the present research we examined if the presence of a code of conduct influences unethical behavior expressed in response to distributive justice. We argue that codes of conduct will likely suppress lying for one's supervisor in response to high levels of distributive justice. That is, the positive relationship between distributive justice and lying for one's supervisor will be diminished when codes of conduct are present versus absent. Similarly, we propose that the negative relationship between distributive justice and stealing from one's supervisor will be diminished when codes of conduct are present versus absent. Stated formally, we predict the following:

*Hypothesis 3:* Codes of conduct will moderate the relationship between distributive justice and lying for the supervisor such that the relationship is weaker when codes of conduct are present versus absent.

*Hypothesis 4:* Codes of conduct will moderate the relationship between distributive justice and stealing from the supervisor such that the relationship is weaker when codes of conduct are present versus absent.

## Method

### Sample

We recruited 126 senior-level undergraduate students from a management course at a large southern university in the U.S. to participate in our study. Sixty-three percent of the participants were male, 96% were between 18 and 25 years of age, and 82% were Caucasian. Approximately half (52.4%) were employed at the time of this study. Participants were told that they would receive extra credit in their management course for their participation. They were also told that their participation was voluntary and their responses would be kept confidential.

### Procedure and manipulations

This study was conducted in two phases. In the first phase, participants completed a questionnaire containing some individual difference variables unrelated to the current study and demographic variables. Approximately 2 weeks later, the same individuals from phase 1 participated in phase 2 laboratory sessions in which they received our manipulations and completed the catalog task described below.

A 2 (distributive justice: high or low)  $\times$  2 (code of conduct: present or absent) factorial design was conducted to test our hypotheses. In the second phase of the investigation, participants were randomly assigned to one of the four different conditions. Upon entering the behavioral laboratory, students were welcomed by the experimenter, who was a graduate student, and given a catalog task. They were told,

In front of you is a list of 30 items that are present in this [department store] catalog. Please find the prices for as many items as possible in the list from the catalog, and write down those prices in the blank spaces on the paper. You have 15 minutes to complete this task.

In addition, participants were told that the amount of extra credit they could receive in their management class depended on their performance on the catalog task, and the experimenter was the person who was going to grade their performance. They were told that they would receive a maximum

of 40 extra credit points, but they could receive fewer points (i.e., 10, 20, or 30), depending on their performance on the catalog task. Participants were also informed that besides the extra credit points, they would be paid money for their participation in the research study.

After participants worked on the task for 15 minutes, the experimenter stopped them, collected their task materials, and told participants to remain in the room while the experimenter graded their performance in another room. The experimenter then left the room.

The experimenter came back in a few minutes with an envelope for each participant. Each envelope contained an index card and 8 one-dollar bills.

Then, participants were told,

Inside this envelope, there is a score card where you'll find the amount of extra credit points you will receive and the amount of money you have earned for your participation. The money is in the envelope, but we are understaffed today. I was in a hurry to prepare them, so hopefully the amount is correct. Please keep your score card, take the money, and leave the envelope in the box in the front of the room.

At this time participants read their score cards, which contained the distributive justice manipulation. Participants in the high distributive justice condition ( $n = 58$ ) received score cards indicating that they received 40 extra credit points. Participants in the low distributive justice condition ( $n = 68$ ) received the score cards indicating that they received 20 extra credit points.

The score card also included the amount of money that the participant was to receive. All participants were told that they will receive \$5 for their participation.

After distributing the score card, the experimenter requested participants to write down the number of extra credit points they received in this study, and participants were told that this information would be given to their management professor. Participants in the code of conduct present condition ( $n = 49$ ) received a scantron to record their number of extra credit points. This scantron contained the code of conduct for the university printed near the bottom, above where participants wrote their names. In the code of conduct absent condition ( $n = 77$ ), partici-

pants were given a blank index card to record their extra credit points.

As stated previously, in all conditions participants received score cards indicating that they earned \$5 for their participation. Yet, in each envelope there were 8 one-dollar bills. Thus participants had a chance to take \$5, \$6, \$7, or \$8. To convince the participants that the experimenter would not know how much money participants took, the experimenter left the room at this point and waited approximately 3 min to allow participants to take the money from the envelope and place the envelope in a box at the front of the room. There were no discernable identifying marks on participants' envelopes, and all of the envelopes looked the same. Therefore, to participants it appeared that the experimenter would have no way to discern how much money was taken by each participant.

After waiting 3 min, the experimenter returned and asked participants to fill out an evaluation form of his/her performance. Participants were told that this evaluation sheet was from the Director of Graduate Studies of the University and this evaluation would be used to assess the experimenter and determine of his/her graduate scholarship (for similar approach see Jones and Skarlicki, 2005). A volunteer was chosen from the participants and was asked to put all evaluation sheets in a large envelope and take it to their professor's office directly after the study. Again, participants were made to believe that the experimenter would not be able to find out how they evaluated him/her. The experimenter left the room to allow the participants to fill out the evaluation sheet. When the experimenter returned, participants were asked to complete a short survey that contained our manipulation check items. Finally, they were debriefed and thanked for their participation. During the debriefing session, all participants were informed that they would receive 40 extra credit points for their participation.

### *Dependent variables*

#### *Lying for the supervisor*

On the experimenter evaluation sheet described above, participants were asked to evaluate the experimenter's performance by responding to 15 items using a 7-point Likert scale (1-strongly disagree;

7-strongly agree). There were 7 items corresponding to behaviors that the experimenter did not perform in any of the experimental sessions (see the Appendix). For example, a sample item was “The experimenter stayed in the room during the entire study”; as indicated above, the experimenter left the room three times during each experimental session. These 7 items, which reflected behaviors that were never performed by the experimenter, were averaged and served as our measure of lying for the supervisor ( $\alpha = 0.85$ ; Cronbach, 1951).

#### *Stealing from the supervisor*

We measured stealing from the supervisor by counting the amount of money participants took from the envelope, beyond the \$5 they were told that they should receive. As described in the procedure, there were 8 one-dollar bills in the envelope, so participants could have taken an additional \$1, \$2, or \$3. Although participants were led to believe that the experimenter could not track how much money of the \$8 was taken, within each envelope there was a very small number, undetectable to participants, which corresponded to their seat position in Phase 2. Therefore, after the study was completed the experimenter was able to track how much money each participant took beyond \$5 and this variable ranged from \$0 to \$3.

#### *Manipulation checks*

We included two sets of items to serve as manipulation checks for the distributive justice manipulation. First, we included two items as a check that participants understood the distributive manipulation. These items were “I received 40 extra credit points for participating in this study” and “I received 20 extra credit points for participating in this study.” In addition, we used Colquitt’s (2001) 4-item distributive justice measure to ascertain if our manipulation influenced participants’ distributive justice perceptions. An example item was “Do your extra credit points reflect the effort you have put into your work?” These 4 distributive justice items demonstrated acceptable reliability ( $\alpha = 0.94$ ). Participants responded to all manipulation check items by using a Likert scale (1-strongly disagree; 7-strongly agree).

The effectiveness of the code of conduct manipulation was assessed using a separate sample of 58 undergraduate students recruited from a management course in a large southern university in the U.S. The sample had an average age of 21.26 years old, 58% of the participants were female, and 86% were White. The code of conduct was manipulated in the same way as described in the current study. One item was used as the manipulation check, which asked participants to what extent they agreed with the statement that “The [University’s] Honor Code was on the bottom of the gray scantron.” Participants answered on a 7-point Likert scale (1-strongly disagree; 7-strongly agree). Participants in the code of conduct present condition agreed more with this statement ( $M = 3.54$ ,  $SD = 2.32$ ) than those in the code of conduct absent condition ( $M = 2.22$ ,  $SD = 1.78$ );  $t(53) = 2.35$ ,  $p \leq 0.05$ .

## **Results**

We conducted t-tests to determine if our distributive justice manipulation was successful. For our two-item distributive justice manipulation check, participants in the high distributive justice condition agreed more with the statement that they received 40 extra credit points ( $M = 5.31$ ,  $SD = 2.60$ ) than those in the low distributive justice condition ( $M = 1.57$ ,  $SD = 1.50$ ),  $t(124) = 10.05$ ,  $p \leq 0.01$ , and participants in the low distributive justice condition agreed more with the statement that they received 20 extra credit points ( $M = 5.49$ ,  $SD = 2.20$ ) than those in the high distributive justice condition ( $M = 1.66$ ,  $SD = 1.63$ ).  $t(124) = 10.96$ ,  $p \leq 0.01$ . Furthermore, participants in the high distributive justice condition perceived their outcomes (i.e., extra credit points) to be fairer ( $M = 3.93$ ,  $SD = 1.00$ ) than those in the low distributive justice condition ( $M = 1.69$ ,  $SD = 0.89$ );  $t(124) = 13.29$ ,  $p \leq 0.01$ . These results indicate that our distributive justice manipulation was successful.

Table I reports the means for the two dependent variables, stealing and lying, by experimental conditions. To test our hypotheses, we conducted a 2 (distributive justice)  $\times$  2 (code of conduct) MANOVA on our dependent variables (see Table II for results). Consistent with hypotheses 1 and 2, results showed a main effect of distributive justice on both stealing and lying, multivariate  $F(2, 121) = 12.14$ ,

TABLE I  
Means and standard deviations for dependent variables  
by condition

Dependent variable	Distributive justice	Code of conduct	<i>M</i>	<i>SD</i>
Stealing	Low	Present	2.40	1.23
		Absent	0.81	2.09
	High	Present	0.21	1.84
		Absent	0.21	0.77
Lying	Low	Present	1.89	0.93
		Absent	1.50	0.71
	High	Present	2.37	1.65
		Absent	1.89	0.89

$p \leq 0.01$ ; stealing  $F(1, 122) = 19.78$ ,  $p \leq 0.01$ ; lying  $F(1, 122) = 4.86$ ,  $p \leq 0.05$ . Participants were more likely to steal (i.e., take extra money) when distributive justice was low ( $M = 1.28$ ,  $SD = 2.01$ ) than when distributive justice was high ( $M = 0.21$ ,  $SD = 1.40$ ), and participants were more likely to lie for the experimenter when distributive justice was high ( $M = 2.13$ ,  $SD = 1.33$ ) than when it was low ( $M = 1.62$ ,  $SD = 0.79$ ). Therefore, both hypotheses 1 and 2 were supported.

Although we did not predict a main effect of the code of conduct, results demonstrated that the presence of the code of conduct resulted in higher levels of lying ( $M = 2.13$ ,  $SD = 0.16$ ) and stealing ( $M = 1.30$ ,  $SD = 0.25$ ) than when the code of conduct was absent (lying  $M = 1.70$ ,  $SD = 0.13$ ; stealing  $M = 0.51$ ,  $SD = 0.20$ ), multivariate  $F(2, 121) = 5.54$ ,  $p \leq 0.01$ ; stealing  $F(1, 122) = 6.36$ ,  $p \leq 0.05$ ; lying  $F(1, 122) = 4.72$ ,  $p \leq 0.05$ .

Hypotheses 3 and 4 predicted the moderating effects of the code of conduct on the relationship between distributive justice and lying and stealing. Results showed that the code of conduct moderated the relationship between distributive justice and stealing, but did not significantly moderate the relationship between distributive justice and lying, multivariate  $F(2, 121) = 3.18$ ,  $p \leq 0.05$ ; stealing  $F(1, 122) = 6.36$ ,  $p \leq 0.05$ ; lying  $F(1, 122) = 0.06$ ,  $p > 0.10$ . Figure 1 illustrates the interaction between distributive justice and the code of conduct on stealing. As could be seen from the figure and contrary to Hypothesis 4, the negative effect of distributive justice on stealing was stronger when the code of conduct was present rather than absent. Therefore, we did not find support for Hypotheses 3 and 4 in this study.

## Discussion

We examined the influence of distributive justice and codes of conduct on two different types of unethical behavior, lying for and stealing from a supervisor. Based on a social exchange theory perspective, we argued that distributive justice would differentially influence these two types of unethical behaviors. More specifically, we expected that high versus low levels of distributive justice would result in increased lying for the supervisor – the experimenter in this experimental context. Further, in line with existing literature in organizational justice (e.g., Colquitt et al., 2001) we predicted that low versus high levels of distributive justice would result in increased stealing from a supervisor. Our results confirmed these predictions, suggesting that the

TABLE II  
ANOVA results for both dependent variables

	df	Stealing		Lying	
		<i>F</i>	Partial eta squared	<i>F</i>	Partial eta squared
Distributive justice	(1, 122)	19.78**	0.14	4.86*	0.04
Code of conduct	(1, 122)	6.36*	0.05	4.72*	0.04
Code of conduct × Distributive justice	(1, 122)	6.36*	0.05	0.06	0.01

\* $p \leq 0.05$ ; \*\* $p \leq 0.01$ .

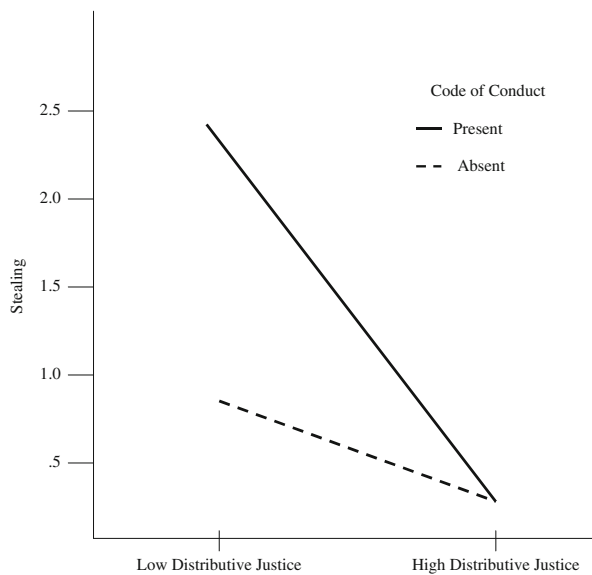


Figure 1. Graphical representation of the interaction between distributive justice and code of conduct on stealing.

relationship between distributive justice and unethical behavior is likely more complex than previously considered in the organizational justice literature.

We are puzzled by our results for the interactive relationship between codes of conduct and distributive justice on lying and stealing. We predicted that the presence versus absence of a code of conduct would decrease the expression of lying and stealing in response to distributive justice. We did not find support for these predictions. Instead, we found that the presence of a code of conduct had no significant influence on the relationship between distributive justice and lying for the supervisor. Although unexpected, this result is similar to previous research demonstrating that codes of conduct sometimes have no discernable impact on unethical behavior within organizations (Badaracco and Webb, 1995; Cleek and Leonard, 1998). However, we also found that the presence of a code of conduct actually increased, rather than decreased, stealing from the supervisor in response to low distributive justice. The direction of this relationship was entirely unexpected and suggests that when individuals are treated unfairly the presence of codes of conduct can facilitate the expression of unethical acts to potentially harm the supervisor and/or help the individual. Instead of prompting ethical behavior in our study, it is possible

that the code of conduct may have raised expectations regarding their treatment from the experimenter. When the code of conduct was present participants may have felt more harmed by low distributive justice and therefore stolen more from the experimenter.

Further, we were surprised by the unexpected main effect of the code of conduct manipulation. The presence versus absence of the code of conduct increased lying for and stealing from the supervisor. These main effects and the interactive effect described above suggest that codes of conduct might encourage unethical behavior. Future research should examine these relationships further to determine why emphasizing ethical concepts (i.e., using a code of conduct as an ethical prime) may serve to enhance unethical behavior.

#### *Theoretical implications*

Our study is the first, to our knowledge, to empirically demonstrate that distributive justice is both positively related to lying for one's supervisor *and* negatively related to stealing from one's supervisor. Previous research has examined how distributive justice is negatively related to unethical acts that have the potential to harm the supervisor or the organization, such as sabotage or stealing (e.g., Greenberg, 2002). This previous research indicates that, among other things, treating employees in a fair manner can aid in inhibiting stealing within organizations. Although this previous work has made important contributions to our understanding of the consequences of fairness, we posited and found that the nature of the relationship between distributive justice and unethical behavior depends upon whether or not the unethical act has the potential to harm or help the supervisor. Similar to previous work, we found that distributive justice is negatively related to unethical behavior intended to harm (e.g., stealing). However, our result for unethical behavior intended to help (e.g., lying) showed that distributive justice can prompt individuals to act unethically in response to fair treatment. These divergent results broaden our understanding of the consequences of organizational justice and suggest distributive justice can both enhance and inhibit unethical acts. Future theoretical and empirical work examining the



relationship between organizational justice and unethical behavior should consider whether or not the unethical act of interest has the potential to harm or benefit the organization and/or supervisor.

#### *Practical implications*

As exemplified by Arthur Andersen, WorldCom, Tyco, and other business scandals, unethical behaviors seem ubiquitous in today's business landscape. Eliminating unethical behavior therefore is a challenge faced by supervisors, organizations, and their constituents. An understanding of the types of factors that motivate unethical behaviors intended to benefit and harm supervisors and/or organizations is important in order to reduce unethical behaviors within organizations. Although our findings suggest distributive justice may promote lying for one's supervisor, we do not recommend that employers and managers should hesitate from treating their employees fairly. Indeed, our results suggest that by attempting to reduce the expression of lying by treating employees unfairly, one could increase the expression of unethical behavior intended to harm the organization (i.e., stealing). As mentioned previously, organizations and leaders reap many benefits from treating their employees in a fair manner such as increased performance and extra-role behaviors. As such, we concur with previous justice research that it is important to treat employees fairly. But, managers should be aware that employees may respond to fair distributive justice treatment by "repaying" with unethical acts to benefit the supervisor and/or organization. Future research should examine conditions in which organizational leaders can help decrease the effect of this relationship, such as exploring whether or not these unethical acts decrease when employees are monitored and sanctioned for unethical acts.

#### *Limitations and future research*

Our findings should be viewed in light of the limitations of our study. First, given our use of an artificial laboratory setting to manipulate and measure the variables of interest, one might question whether our findings would generalize outside the lab. We recognize that our study lacks the realities of organizational

politics or pressure, and thus, the generalizability of our findings is limited. However, given our preliminary approach to understanding factors that both promote and inhibit unethical behavior, an experimental design was warranted to provide a more rigorous and controlled examination of this particular facet of individual ethical behavior (Griffin and Kacmar, 1991). Nonetheless, we recognize the limitations when attempting to extend relationships found using university student subjects to non-student populations (Peterson, 2001) and encourage future research to examine our predictions among an employee population within a field setting. Second, our code of conduct manipulation warrants further investigation. We inferred that the presence of the code would make the ethical implications of the situation more salient than when the code was not present. However, we did not measure whether or not this was the case. Future research should investigate how codes of conduct influence ethical decision-making. In particular, we believe that it is important to know the conditions under which these codes of conduct have positive, negative, or no discernable impact on unethical behavior.

#### **Conclusion**

An understanding of how distributive justice influences unethical behaviors that help or harm the organization and supervisors is important to help mitigate and eliminate unethical behaviors within organizations. In our study we found support for the notion that participants who receive fair treatment are more likely to lie to help an experimenter than those treated unfairly, and those treated unfairly were more likely to steal from an experimenter than those treated fairly. Our results suggest that fair distributive treatment can both enhance and inhibit unethical acts, depending upon whether or not the unethical act has the potential to harm or benefit one's supervisor. Our results for the interactive relationships between distributive justice and codes of conduct on lying for and stealing from the supervisor suggest that codes of conduct may enhance or have no influence on the expression of some types of unethical acts in response to distributive justice. We hope our study prompts future research to help organizational leaders and scholars better understand why and how employees conduct unethical behaviors within organizations.

## Appendix

Items in the evaluation sheet that were used to form the dependent variable of lying for the supervisor.

1. \_\_\_ The experimenter stayed in the room during the entire study.
2. \_\_\_ The experimenter gave me at least one example of finding an item in the catalog before I began the task.
3. \_\_\_ The experimenter spoke to me about the alternative task before beginning the study.
4. \_\_\_ The experimenter filled out my name and student ID number on the scantron before I entered the room.
5. \_\_\_ The experimenter gave me two copies of the consent form, one for me to keep and one to return to him/her once signed.
6. \_\_\_ The experimenter asked me questions about my previous shopping experience.
7. \_\_\_ The experimenter prepared the exact amount of money for me.

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