Envy and Interpersonal Corruption

Social Comparison Processes and Unethical Behavior in Organizations

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Abstract and Keywords

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 may also be motivated by envy resulting from upward social comparison processes. In this article, we provide a framework that shows how an experience of envy may motivate unethical behavior that is costly to co-workers in the same organization. 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 performance goals and pay for performance pay and performance goals. Finally, we discuss the implications for future theory development.

Keywords: Interpersonal unethical behavior, envy in the workplace, social comparisons, performance goals, pay for performance, group effectiveness, organizational reputation

Introduction
In an influential 1986 article, Treviño proposed an interactionist model that combined individual and situational variables to predict unethical behavior in the workplace (Treviño, 1986). As Treviño 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, & Treviño, 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.

A review of the literature on unethical behavior indicates that researchers generally maintain that two main sets of factors influence employees’ decisions 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 (Treviño, 1986; Victor & Cullen, 1988), codes of conduct (Brief, Dukerich, Brown, & Brett, 1996; Helin & Sandström, 2007; McCabe, Treviño, & 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, 2009b). The common denominator across these studies is the notion that unethical behavior stems from an individual’s desire to advance his or her self-interest because of dispositional or situational forces, even when self-interest conflicts with organizational goals.
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 (e.g., co-workers) in their organizations (e.g., those who seem superior or advantaged). For example, recent research identified interpersonal motivation to hurt others (i.e., involving a potential harm to others, such as taking more credit for the work than one deserves) as a factor when individuals engage in unethical behavior, and that this motivation may be linked to social comparisons (Gino & Pierce, 2009a, 2010a). In particular, a series of studies involving wealth-based inequity demonstrated that emotional reactions such as envy (linked to a social comparison by definition) and guilt (which is often linked to a social comparison, such as when someone is over-benefitted compared to others) can lead to unethical helping or hurting behavior. Gino and Pierce (Gino & Pierce, 2009a, 2010a) showed that individuals engage in dishonest behavior to relieve the emotional distress of envy from wealth-based inequity. When participants were made worse off than the referent other, they increased their hurtful behavior. Furthermore, this effect was persistent even at the expense of their self-interest, which involves forgoing either material rewards or financial benefits to oneself, as it could relieve emotional distress from feeling envy (Gino & Pierce, 2009a). In the context of vehicle emissions testing, for example, Gino and Pierce (Gino & Pierce, 2010b) found that the emission inspectors were less lenient toward wealthy customers who had been identified as having luxury vehicles. A laboratory study confirmed the psychological mechanisms explaining this wealth-based discriminatory behavior, by demonstrating that individuals were more likely to feel envious of peers who drive luxury cars, compared to those who drive standard cars, and thus were less likely to help the wealthy peers. Thus, this recent stream of work highlights a different motivation for unethical behavior in organizations, one that focuses on either the relationship between two employees, or on the relationship between an employee and the organization.

Our purpose in this chapter 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 invidious 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. In exploring this issue, we seek to further the understanding of envy, social comparison processes, and unethical behavior in organizations in three main ways.
First, we review the relevant literature on envy, social comparison processes, and unethical behavior in organizations, highlighting the conceptual links and potential overlaps among them. 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 conceptualize 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 the characteristics of an organization’s structure.

Second, based on Festinger’s (1954) social comparison theory 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 make an upward comparison to co-workers 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, especially (p.350) when this unethical behavior is linked to invidious motives (Guimond, 2006; Suls & Wheeler, 2000; Suls & 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.

Defining Interpersonal Unethical Behavior in Organizations
Researchers in behavioral ethics 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 weigh 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 to be reluctant to sacrifice their personal outcomes to benefit a counterpart (Van Lange, 1999).

Yet employees often act dishonestly in order to hurt co-workers, even when they receive no personal financial benefits from doing so (see Celse, Chapter 14, this volume, for envy-driven behaviors that are not consistent with standard economic assumptions of self-interest). For instance, an employee may try to sabotage a co-worker in order to appear to be the best-performing member in the eyes of their supervisor. Thus, the motivation to act unethically in such cases is not driven purely by financial self-interest, even though it is possible that crossing ethical boundaries to help or hurt others may benefit the self psychologically and materially (e.g., In a zero-sum situation where a cost to one’s comparison target is a benefit to oneself). Rather, we characterize this motivation as interpersonal to the extent (p.351) 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 to others as “interpersonal unethical behavior.” This focus on others often occurs when employees engage in social comparisons with their co-workers (Gino & Pierce, 2010b).

Given our focus on interpersonal unethical behavior in organizational settings, it is important to make a clear distinction between interpersonal unethical behavior and two closely related constructs (Duffy, Ganster, & Pagon, 2002; Kish-Gephart et al., 2010): workplace deviance and social undermining.
First, the definition of interpersonal 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 & Robinson, 2003), while “interpersonal unethical behavior” refers to behaviors that violate widely accepted *societal* norms, pertaining to the set of behaviors that is considered socially unacceptable (e.g., taking credit for your co-worker’s work). 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 (e.g., 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; 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 interpersonally unethical. In this chapter, we refer only to forms of counterproductive or deviant work behaviors that can be clearly labeled “unethical.”

Second, the definition of social undermining can also be differentiated from interpersonal unethical behavior. “Social undermining” refers to behaviors that are intended to hinder the ability to establish and maintain positive interpersonal relationships, work-related success, and one’s favorable reputation in the workplace (Duffy, Ganster, & Pagon, 2002). Although both social undermining and interpersonal unethical behavior are *interpersonal* by nature, we focus specifically on the set of behaviors that are not only hurting and undermining other employees, but also (p.352) clearly violate the societal norms. For example, an employee’s action of actively hiding a key piece of information to sabotage others can be both social undermining and interpersonal unethical behavior. However, making a joke about a co-worker (to the extent that it does not cross ethical boundaries) and making him or her feel bad would be an example of social undermining rather than interpersonal unethical behavior.

**Upward Social Comparisons, Envy, and Interpersonal Unethical Behavior**
Social comparison refers to the “process of thinking about information about one or more other people in relation to the self” (Wood, 1996). As 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 (Suls & Wheeler, 2000), and affecting so much of everyday experience from self-evaluations (e.g., Lockwood & Kunda, 1997; Tesser, 1991) to emotions such as anger, resentment, and envy (Smith, Pettigrew, Pippin, & Bialosiewicz, 2012; Smith, 2000; Smith & Kim, 2007).

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; Greenberg, Ashton-James, & Ashkanasy, 2007). Notably, organizational contexts are both uncertain and competitive (Kay, Wheeler, Bargh, & Ross, 2004). Employees often compare themselves to co-workers or peers on various dimensions, including ability, salary, and level of allocated resources (Brown, Ferris, Heller, & Keeping, 2007).

People may compare downward to an individual who is perceived to be worse off on some characteristic or dimension (e.g., resources allocated, salary, ability, reputation, or relationship with supervisor), or upward to an individual who is perceived to be better off on some characteristic or dimension. We here focus on upward comparisons, in particular, that may lead employees to feel envious of co-workers’ 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, 2009a; and see Cohen-Charash & Larson, Chapter 1, and other chapters in this volume for in-depth conceptualizations of envy), which in turn could result in the desire to sabotage the comparison target.
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 (Haidt, 2001; Sonenshein, 2007). Building on this research, we conceptualize unethical behavior, not only as a product of rational calculation of cost and benefit (e.g., employees steal from the company when there is no risk of getting caught), but also as a response to emotional reactions such as envy. Here we suggest that interpersonal unethical behavior can result from the emotional reactions employees experience after comparing themselves to co-workers, particularly if the comparison produces envy.

The experience of envy can motivate interpersonal unethical behavior aimed at hurting close others (e.g., co-workers). Envy has been shown to lead employees to directly sabotage co-workers’ efforts, to behave competitively with them in collaborative settings, or simply to lobby the managers who assign them compensation (Cropanzano, Goldman, & Folger, 2003; Pruitt & Kimmel, 1977). Similarly, feelings of envy toward peers lead to target-derogation (Salovey & Rodin, 1984) and social undermining (i.e., behavior intended to hinder the ability of others) through moral disengagement, and this effect is more pronounced when there is a high sense of social identification (Duffy, Scott, Shaw, Tepper, & Aquino, 2012). This envy also decreases the likability of the promoted co-worker, which suggests a possibility that the envious ones may engage in an unethical behavior to hurt the target of their envy. These results suggest that envy can be a powerful motivator that could help rationalize one’s unethical actions toward others.

Figure 15.1 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 associated with them (i.e., envy). The second set of forces leading to interpersonal unethical behavior encompasses characteristics of an organization’s structure related to performance goals and pay for performance. 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. Building on previous work, we also propose that interpersonal unethical behaviors negatively impact organization and work group performance, as well as an organization’s reputation.
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, consistent with prior theorizing, we propose that social comparisons (upward comparisons, for the present analysis) are more likely to lead to invidious emotional and often unethical behavioral consequences in the presence of a number of conditions.

Domain Relevance and Commensurability.

There are two areas in which employees may identify their comparison target. First, the performance dimension has to be personally relevant and important to the self. According to the Self-Evaluation Maintenance Model (Tesser, 2000), comparison can increase competitive, contrastive reactions only when the (p. 355) dimension is relevant to the self. The higher the relevance of the performance dimension involved for the person making the comparison, the more likely this comparison process is to occur. And the more likely it is for the comparison to occur, the more likely the person making the comparison is to experience strong emotions of envy. Thus, outperforming a close other on a dimension high in self-relevance bolsters self-evaluation (Beach & Tesser, 2000; Tesser, 1988). Examples of such negative comparisons are quite common, as in the case of an employee who feels threatened because he perceives another co-worker within the same team to be smarter, more able, or harder-working, or because the co-worker earns more money for the same type of job.

Second, the comparison target is commensurable, in that he or she shares related attributes. 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.” This comparison target is a person with similar characteristics who motivates one to perform just as well as, if not better than, this commensurate other. Thus, the emotions of envy resulting from social comparisons and interpersonal unethical behaviors are more likely to occur when a comparison target is commensurate. In an organizational setting, for example, this commensurability (e.g., self-similarity) to the promoted co-worker increased envy among those who were rejected for promotion (Schaubroeck & Lam, 2004).
Thus, individuals who engage in upward social comparisons on a relevant performance dimension (i.e., the domain of comparison is important to the self) and with a commensurate and similar comparison target on comparison-related attributes may be more likely to experience envy, and such processes can lead to more unethical behavior in an attempt to outperform a target.

Low Sense of Perceived Control.

Any relevant upward social comparison is likely to produce invidious emotions; however, another factor may be important in determining whether the emotions are likely to be malicious (and thus be linked with unethical behavior) or relatively benign (and not so likely to be linked with unethical behavior)—and this comes down to whether closing the gap between the self and the advantaged target is perceived to be within one’s control. Lockwood and Kunda (1997) build on the idea that the target of upward comparison is most likely to influence self-concepts when they are considered relevant. As (p.356) an additional moderator, they showed that the consequences of having relevant “superstars” depend on the perceived attainability of their success. They posited that when the superstar’s success seems attainable and within one’s control, it will inspire and motivate individuals to set higher goals for themselves. On the other hand, when the superstar’s success seems unattainable, it will make one’s inferiority and failures more salient, thereby discouraging and demoralizing the self. This work maps substantially onto the distinction between benign and malicious envy. That is, experiencing benign envy leads to self-improvement, whereas experiencing malicious envy leads to a “pulling-down” motivation aimed at damaging the position of the target of upward comparison (van de Ven, Zeelenberg, & Pieters, 2009). They further examined how the emotional responses to the upward comparison target are influenced by the perceived attainability (van de Ven, Zeelenberg, & Pieters, 2011). Only when individuals thought self-improvement was attainable would an upward social comparison trigger benign (vs. malicious) envy and subsequently, better performance.

Thus, one’s perceived control over the attainability of the outcomes may play a significant role in the type of envy, and its behavioral consequences in the moral dimension. When the outcome is perceived as unattainable, it can increase the likelihood of experiencing strong emotions of malicious envy and motivate individuals to reduce the threat to their self-evaluation of competence (Beach & Tesser, 2000). Imagine an employee who has a comparison target who brings in many high-level clients at a law firm. If the success of this employee is viewed as attainable (e.g., they became successful by putting in the most billable hours), then the feelings of envy may not necessarily lead to interpersonal unethical behavior, because there is a way to achieve a similar goal by exerting more effort without undermining the comparison target. However, if the target’s success is viewed as unattainable (e.g., successful because he or she had good family connections), this is more likely to motivate individuals to harm the comparison target, even if it involves crossing the ethical boundaries.
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 (i.e., due to the high self-relevance—domain importance, commensurability, and closeness—and low attainability), 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 comparisons (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 (Michinov & 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 they are in at any given moment (Snyder, 1974). More specifically, 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 to take actions that can hurt others, (p.358) 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.

Organizational Characteristics, Envy, and Interpersonal Unethical Behavior
The final set of factors that we suggest directly affect employees’ likelihood to engage in interpersonal unethical behavior is related to the characteristics of an organization. We considered two main features—an organization’s performance goals and its pay for performance—that may be particularly relevant, because these features can make the performance domain particularly important and salient, creating a situational cue that gives rise to upward social comparisons.

Researchers have described performance goals as important tools 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, in both the presence and the 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 may lead to increasing the employees’ attention to the goal, and as a result, the employees may be more likely to evaluate themselves and others in terms of how close they are to meeting the goal. This would increase the salience of other employees who are closer to the goal than they are, and the upward social comparisons and resulting envy could lead to interpersonal unethical behavior. In fact, we expect employees to be more likely to sabotage others they envy (e.g., comparison targets who are closer to the goal than they are) when they are close to reaching their specific performance targets, by engaging in an unethical behavior. However, caution must be taken when theorizing about the relationship between performance goals, upward social comparisons, and interpersonal unethical behavior. Depending on the type of envy that the comparison target’s performance levels trigger, it may not necessarily lead to unethical behavior. That is, if the performance goals are perceived to be within the envier’s control, then these feelings may qualify as benign envy, which often leads to a strong motivation to exert effort to achieve goals. On the other hand, when the performance goal seems unattainable, individuals may experience malicious envy, and thus be more likely to actively harm or sabotage their comparison target by engaging in unethical behaviors (see Sterling, van de Ven, & Smith, Chapter 3, this volume, for the typology of benign vs. malicious envy). Thus, we suggest that specific, challenging goals can lead to interpersonal unethical behavior, especially when such goals are viewed as unattainable and thus trigger malicious envy.

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, compared to performance goals that are shared by work teams. Consider a workplace where an employee’s monetary incentives are closely aligned with his or her observable performance, but other factors such as the employee’s ability to work in teams and willingness to learn are not taken into account. Under this individual pay-for-performance system, pay will inevitably vary across employees, which will lead to more social comparisons among peers (Larkin, Pierce, & Gino, 2012). As discussed earlier, competition and the emotions it brings about (e.g., envy) are likely to highlight the importance of reaching performance levels associated with given levels of pay.

Consequences of Envy and 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 organizational health, functioning, (p.360) and performance (Gino & Pierce, 2010b). Consistent with this perspective, we suggest that interpersonal unethical behaviors are negatively related to organizational and work group effectiveness. However, as Cialdini (1996) argued as one of the “Triple Tumors 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 organizational member. In this next section, then, we discuss the relationship between interpersonal unethical behaviors and both organization/work group effectiveness and employee reputation.

Envy, Interpersonal Unethical Behavior, and Organization/Work Group Effectiveness

There are two ways in which organizational functioning and work group effectiveness can be harmed by upward social comparisons and interpersonal unethical behavior.

First, the envy that is triggered by upward social comparisons at work can be detrimental to employee behavior by itself, even when it does not necessarily lead to unethical behavior. Envious individuals who do not have a sense of control may be more likely to seek alternative employment to cope with their aversive emotions, which could lead to higher turnover (Vecchio, 2000). For example, employees who engage in upward social comparison are more likely to leave their job (Card, Mas, Moretti, & Saez, 2012), to exert less effort into the task at hand (Greenberg, 1987), and to be absent more often (Schwarzwald, Koslowsky, & Shalit, 1992) than those who did not. Although past studies did not directly test the mediating hypothesis on what type of envy employees felt, and how this led to negative employee behaviors, they suggest that upward social comparison may be costly to organizational functioning. More specifically, envy has been shown to decrease team cohesiveness and team efficacy, thus leading to lower group performance and group satisfaction and higher absenteeism (Duffy & Shaw, 2000).
Second, unethical behavior plays an important yet destructive role in organization and work-group functioning. 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. In addition, unethical behavior can erode trust (p.361) 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.

Taken together, growing evidence points to that engaging in upward social comparison (and potential malicious envy that arises from it) and interpersonal unethical behavior would be detrimental to organizational functioning and work-group effectiveness.

Envy, Interpersonal Unethical Behavior, and Reputation

Engaging in upward social comparison and interpersonal unethical behaviors can have detrimental effects on one’s own reputation as a trustworthy and reliable organizational member.

First, the reputational costs associated with upward social comparisons are well-established for individuals who are the targets of upward social comparison. Exline and Geyer (2004) argued that individuals who outperform others may experience discomfort and unease as they are concerned about how their achievements are perceived, or envied by others. In fact, targets of upward social comparison (via promotion) became envied by co-workers, and even disliked by those who were rejected for promotion (Schaubroeck & Lam, 2004). Such concerns over being envied are costly for organizations, as the targets deliberately reduce their performance or effort levels to avoid future upward social comparison, or under-report their own performance (Henagan & Bedeian, 2009). On the other hand, much less attention has been paid to the reputation of those who experience envy. Given that envy often occurs along with feelings of hostility and ill will toward the target of upward social comparison (Smith, Parrott, Ozer, & Moniz, 1994), we posit that envious employees may be viewed by others as threatening, and thus have negative reputations when being considered for team selection or promotion.
Second, employees who engage in unethical behaviors are more likely to be viewed as problematic organizational members by others. Research has examined the questions of how observers judge the behavior of wrongdoers. Prior empirical studies have demonstrated that such judgements are influenced by characteristics of the crime, such as the seriousness of the offense (Carlsmith, Darley, & Robinson, 2002; Feather, 1996; Walster, 1966) and the severity of the consequences (Shaver, 1970), the difficulty of detecting the crime (Carlsmith et al., 2002), and the 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 co-workers, are likely to be viewed as unreliable and untrustworthy.

Implications and Directions for Future Research

In this chapter, we have contended that upward social comparison processes and the emotional reactions (i.e., envy) associated with them are an important motivational force underlying interpersonal unethical behaviors. We have offered a framework for understanding (1) how factors that give rise to one’s upward social comparison may drive individuals’ unethical behavior through envy, (2) the effects of interpersonal unethical behaviors on organizational functioning and work-group effectiveness, and (3) reputational effects that result from interpersonal unethical behaviors.

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 (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 feelings of envy from upward social comparisons, and unethical behavior in the workplace. By separating purely financial motives that benefit the self from interpersonal motives that may or may not lead to financial benefits, researchers may be better able to predict different types of unethical behavior in the workplace. Second, because such motivation is likely to modulate the relationship between interpersonal unethical behaviors and organization/work-group effectiveness and organizational reputation, gaining a better understanding of these effects is relevant for management scholars and practitioners alike.
This chapter 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. Furthermore, we suggest 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 has been aimed mainly at studying the effects of such processes on individuals. In contrast, we suggest 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 organizational 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? 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 benign vs. malicious envy resulting from comparisons employees engage in at work.

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 organizational members. The nature of the behavior itself (e.g., sabotaging), in addition to organizational factors and individual factors that trigger envy 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 affect the nature of the reputational effects on the wrongdoer, an improved understanding of these issues is necessary.
Finally, if the arguments we have made here are true, there seem to be important implications for practicing managers. First, the chapter illustrates why managers must be careful in assessing the unethical behaviors of their subordinates and why they should carefully consider the types of envy and resulting behavioral tendencies. 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. Finally, as noted by Gino and Pierce (2009a), unethical behaviors are particularly worrisome for organizations when they consist of an employee’s hurting the performance of a co-worker. Therefore, managers should think carefully about their organizational policies, since, like other features of an organization’s structure, policies may have a direct impact on employees’ envy and interpersonal unethical behavior.

Notes

(1.) 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, & Moore, 1988).

References

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