Journal of Management
Vol. 48 No. 2, February 2022 350–379
DOI: 10.1177/0149206320959699

Leader Unethical Pro-Organizational Behavior and Employee Unethical Conduct: Social Learning of Moral Disengagement as a Behavioral Principle

Huiwen Lian
University of Kentucky
Mingyun Huai
Tongji University
Jiing-Lih Farh
China Europe International Business School
Jia-Chi Huang
National Chengchi University
Cynthia Lee
Northeastern University
Melody M. Chao
Hong Kong University of Science and Technology

Unethical behavior in organizations has attracted much attention among researchers, yet we know little about when and why unethical behavior conducted by leaders that is intended to benefit the organization—or leader unethical pro-organizational behavior (UPB)—might translate into employee unethical behavior. Drawing on a social-learning-of-principle perspective, which proposes that people can learn the principles that govern observed behaviors, we propose that employees, especially those with a high power distance orientation, can abstract and learn a moral disengagement behavioral principle by observing leader UPB. This learned moral

Acknowledgments: The authors would like to acknowledge that this research was supported by grants from the Research Grants Council of the Hong Kong Special Administrative Region (People's Republic of China) to the first author (No. 16503715) and the third author (No. 641311) and the Natural Science Foundation of China to the second author (No. 12002340211). We would like to thank Crystal Farh for her help on an earlier version of this paper.

Supplemental material for this article is available with the manuscript on the JOM *website.*

Corresponding author: Mingyun Huai, Advanced Institute of Business, Tongji University, Tongji Building A, Siping Rd. 1500, Shanghai, 200092, PRC.

E-mail: myhuai@tongji.edu.cn

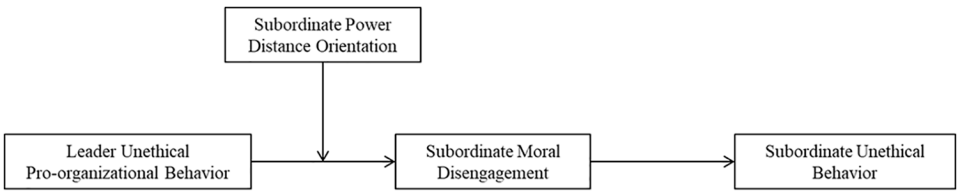
disengagement behavioral principle then enables them to engage in unethical behaviors that may be intended to benefit or harm their organizations. In two multiwave field studies with data collected from real estate agents, we found overall support for our theoretical model but the moderating effect of power distance orientation. We discuss some key theoretical and practical implications of these findings.

Keywords: *leader unethical pro-organizational behavior; social learning; principle learning; moral disengagement; power distance*

News is rife with reports of unethical organizational activities. The Facebook/Cambridge Analytica data breach and the Volkswagen emissions scandal were widely publicized; accounting fraud by Enron and WorldCom, delayed recalls of the unsafe Ford Pinto, and many other accounting, consumer, and securities frauds committed by well-known companies, such as Bank of America, AT&T, and Coca-Cola (see Clement, 2006), have been reported, too. These unethical activities are often perpetrated by leaders (e.g., executives, boards of directors, government officials) with the intention of benefiting their organizations. For example, despite knowing that Cambridge Analytica used private Facebook data without permission, managers of various political organizations still decided to hire the company to influence voters' opinions (Cadwalladr & Graham-Harrison, 2018). In the 2015 Volkswagen emissions scandal, the company's management board led by then-CEO Martin Winterkorn repeatedly rejected proposals to upgrade auto emission controls due to the cost (Ewing, 2016). Similarly, in the late 1960s, Ford executives decided not to repair a faulty design for the Pinto because they calculated that the cost to the company was too high. Such behaviors "that are intended to promote the effective functioning of the organization or its members (e.g., leaders) and violate core social values, norms, or standards of proper conduct" (Umphress & Bingham, 2011: 622) are common and known as *unethical pro-organizational behaviors* (UPBs; Chen, Chen, & Sheldon, 2016; Gino & Pierce, 2009; Umphress & Bingham, 2011; Umphress, Bingham, & Mitchell, 2010).

Because UPB is intended to benefit an organization or its members but actually violates social norms and causes harm to others outside of the organization, it may damage the organization's reputation and reduce opportunities for new and repeat business (Cialdini, Petrova, & Goldstein, 2004). However, if UPB has gone unnoticed by the public, it could benefit the organization. For example, Volkswagen avoided the expenses associated with emissions controls for years before its scandalous behavior was exposed. In cases in which the wider public is not able to observe or react to leader-driven UPB (leader UPB), a more critical determinant of whether UPB might result in benefit or harm to organizations may be the reactions of internal organizational members who witness leader UPB. Recent research describes how the bad behavior of leaders affects employees, through a behavioral mimicking process that is central to social learning theory (e.g., Lian, Ferris, & Brown, 2012a; Liu, Liao, & Loi, 2012); we similarly predict that employees might imitate leader UPB and engage in UPB themselves. That is, according to a behavioral mimicking perspective, if organizational members observe leader UPB, they may engage in similar unethical behaviors intended to benefit their organizations.

Figure 1
Theoretical Model



However, behavioral mimicking is only one aspect of social learning theory; in addition to directly imitating a role model's behavior, observers may abstract the principles that govern that observed behavior and then generate novel behaviors that go beyond what they have observed (Bandura, 1971, 1999). This *principle learning perspective* is also constitutive of social learning theory, yet it has been neglected in extant literature, despite its important implications with regard to how leader UPB might influence employee behavior. In particular, leader UPB could exemplify certain behavioral principles that employees learn and use to generate their behaviors, other than UPB. One behavioral principle that may be exemplified by leader UPB is *moral disengagement*, or various explanations adopted by individuals to disengage moral self-sanctions from their unethical behaviors (Bandura, 1990a, 1990b). When employees observe leader UPB, they may conclude that unethical behaviors are permitted once they can provide justifications (e.g., for the benefits of the organization). Consequently, employees may abstract a principle that various explanations can be used to exempt unethical behaviors from moral sanctions. This principle, namely, moral disengagement, is then adopted by employees to justify and engage in a wider range of their own unethical behavior, including not only UPB but also unethical self-interested behavior that causes harm to their organization. With a principle learning perspective derived from social learning theory, we respond to calls for research on whether and why leader unethical actions intended to benefit the organization may backfire, through employee reactions (Umphress et al., 2010; Umphress & Bingham, 2011).

Our focus on social learning as a theoretical foundation also suggests a potential boundary condition on the influence of leader UPB. In particular, social learning theory suggests that people are more likely to learn from others who are perceived as having high status (Bandura, 1973), though this effect may vary according to people's *power distance orientation*, defined as "the extent to which an individual accepts the unequal distribution of power in institutions and organizations" (Clugston, Howell, & Dorfman, 2000: 9). Those with high power distance orientations are more likely than those with low power distance orientations to regard their leaders as possessing status (Kirkman, Chen, Farh, Chen, & Lowe, 2009) and being worth learning from (Bochner & Hesketh, 1994; Lian et al., 2012a). Accordingly, we suggest that employee power distance orientation strengthens the effects of leader UPB on employee moral disengagement and unethical behavior, whether it is intended to benefit the organization or the self. Figure 1 illustrates this conceptual framework.

Our work makes important contributions to literature. First, it adds to the growing literature on UPB by demonstrating an irony of leader UPB: Even if leaders engage in unethical behavior with their organizations' well-being in mind, they may be setting poor examples for

their employees. In particular, observations of leader UPB prompts employees to justify and engage in not only UPB but also unethical self-interested behavior that harms organizations. Moreover, this effect is even stronger in response to leader UPB than to leader unethical behavior conducted purely for self-interest (Study 2), and it explains unique variances above and beyond ethical leadership (Studies 1 and 2). In doing so, our work specifies how this unique form of leader unethical behavior differs from other ethical and unethical leader behaviors. In turn, we bring greater balance to leadership literature, which to date has focused mostly on ethical leadership without examining the broader range of leader behavior that may influence followers' unethical behaviors (Brown & Mitchell, 2010; Treviño, den Nieuwenboer, & Kish-Gephart, 2014).

Second, we add to extant literature by identifying the mechanisms by which leader UPB affects followers' unethical behavior. Although previous literature has long proposed that social learning is a mechanism for transferring the effects of leader behavior to followers (e.g., Brown, Treviño, & Harrison, 2005), it generally has focused on behavioral mimicking and neglected the possibility that followers may learn metarules or principles exemplified by leader behavior. By specifying moral disengagement as a metarule or principle learned through observations of leader UPB (Studies 1 and 2) and controlling for the behavioral mimicking mechanism (Study 2), we provide more nuanced insights into how leader behavior (including UPB) affects follower behavior. In addition, our work responds to calls for more research that identifies factors and conditions that can facilitate moral disengagement (Detert, Treviño, & Sweitzer, 2008).

Third, by testing a moderating role of power distance orientation, we shed new light on how individual differences in cultural values may amplify (or mitigate) the extent to which employees learn metarules. Most UPB research has been acultural in nature; our approach helps explain why some effects—especially those between leaders and followers—may be more or less pronounced in certain populations. Taken together, our work thus (a) responds to recent calls for studies of the outcomes of unethical behavior (Treviño, Weaver, & Reynolds, 2006; Umphress et al., 2010), (b) extends knowledge of how this process unfolds between leaders and members, and (c) provides practitioners with guidance for their ethical business practices (e.g., refrain from engaging in UPB, even if they think such behaviors may benefit their organizations).

Theory and Hypotheses

Leader UPB

The definition of UPB includes two key characteristics: It is unethical, and it is driven by pro-organizational intentions. First, UPB is unethical by nature, such that it is part of the broader category of behavior that is illegal or violates the moral standards of society (Jones, 1991). This nature is demonstrated in both acts of *omission* (e.g., concealing the side effects of a product) and acts of *commission* (e.g., exaggerating the functions of a product). Second, UPB is driven by a desire to benefit an organization or its members. This characteristic differentiates UPB from unethical behavior that is not intended to benefit the organization (e.g., Asare & Wright, 1995). For example, employees may engage in unethical behavior out of ignorance, such as failing to inform customers about a hazard of a product because they lack knowledge of that hazard. This unethical behavior is not driven by any intent to benefit the

organization, so it is not UPB. The pro-organizational characteristic of UPB also differentiates it from unethical behavior conducted purely for self-interest (e.g., lying to a supervisor to avoid punishment; Treviño & Youngblood, 1990). Although UPB may benefit the organization and the self at the same time, unethical behavior driven by pro-self intentions alone is not considered UPB (Umphress et al., 2010).

Extant studies of UPB focus mainly on regular organizational members, though those in leadership roles appear more likely to engage in UPB. In particular, experimental evidence shows that participants are more likely to engage in cheating behavior that benefits their groups if they are assigned to leadership rather than membership roles (Hoyt, Price, & Poatsy, 2013). This increased tendency to engage in unethical behavior for the group's benefit probably stems from leaders' sense of responsibility to attain collective goals (Hoyt et al., 2013; Hoyt, Price, & Emrick, 2010). Theoretical and empirical research, together with ample real-life cases (e.g., Winterkorn's emissions control decisions at Volkswagen; Ewing, 2016; Ford executives' decisions about the Pinto), suggests that leader UPB is common in organizations.

Although leaders engage in UPB with the intention of helping their organizations, the results of their actions may not be consistent with—or even could be the opposite of—their goals (Umphress & Bingham, 2011). We draw on a principle learning perspective, as detailed by social learning theory, to predict the effects of leader UPB on subordinates' unethical behaviors, whether intended to benefit organizations or intended to benefit the self and harm organizations. In particular, we suggest that when employees observe their leaders engaging in UPB, they abstract and learn moral disengagement as a behavioral principle from their observations. This learned moral disengagement behavioral principle can evoke behaviors that go beyond what they originally observed (Bandura, 1971). As a result, subordinates eventually may engage in unethical behavior that may or may not be intended to benefit their organizations.

We consider leader UPB as an individual-level phenomenon such that members of the same work group may have different perceptions of their leader's UPB. Because leaders develop different relationships with different followers (Dansereau, Graen, & Haga, 1975; Graen & Uhl-Bien, 1995), some followers will have greater observational access than others to the leader's actions and decision processes. Moreover, unlike transformational or ethical leadership, which tend to be directed toward a work group as a whole (Kirkman et al., 2009; Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009), leaders are less likely to exhibit UPB to the whole group because UPB violates ethical principles. Rather, they may feel more comfortable engaging in UPB in front of employees whom they trust, due to their better relationships. Therefore, we assume that leader UPB is differently perceived by various members of the same group, as opposed to a group-oriented leadership phenomenon. This assumption is consistent with existing research that has always treated UPB as an individual-level construct (e.g., Chen et al., 2016; Fehr, Welsh, Yam, Baer, Wei, & Vaulont, 2019; Umphress et al., 2010).

Leader UPB and Employee Moral Disengagement: A Principle Learning Perspective

Social learning theory suggests that people learn how to behave by observing role models in their social environment (Bandura, 1971, 1986). This process of learning through behavioral modeling is ubiquitous; how much people learn depends on the prominence of role

models. Role models who hold power and high positions in social hierarchies are more likely to engender mimicking behavior among onlookers (Bandura, 1973; Weiss, 1978). In an organizational setting, leaders enjoy power and status and thus function as prominent figures and role models. Consistent with this reasoning, existing studies consistently identify role-modeling effects of leaders on employees (Lian et al., 2012a; Liu, Liao, & Loi, 2012; Mayer et al., 2009).

Such studies of the role-modeling effects of leaders on employees emphasize behavioral mimicking, in which employees copy the behavior of their leaders. For example, employees mimic abusive supervisors and engage in similar abusive behavior toward subordinates or coworkers (Lian et al., 2012a; Liu, Liao, & Loi, 2012). However, in addition to producing the same behaviors, role modeling might create generative or innovative behaviors, according to social learning theory. When role models behave in accordance with predetermined principles, observers can abstract the principles exemplified in their behaviors and use them to generate novel patterns of behavior (Bandura, 1971, 1999). For example, by observing how a role model constructs sentences with a set of nouns, participants can abstract that this model has used a passive construction principle, and then they use the same principle to construct new sentences with a different set of nouns (Bandura, 1971). Similarly, by observing role models' moral judgment of deviant actions described in a set of stories, young children are able to determine whether role models' moral judgment is being guided by objective principles (e.g., deviant actions are judged more harshly when they cause serious material damages, despite intentions) or by subjective principles (e.g., deviant actions are judged more harshly if they are ill intended, regardless of material damages). By realizing the principles reflected in models' behaviors, young children can apply the same principles and form their own moral judgments of deviant actions described in a different set of stories (Bandura & McDonald, 1963).

According to this principle learning perspective from social learning theory that not just behavior but also behavior-generative principles can be transmitted through modeling, we predict that when they observe leaders engaging in UPB, employees go beyond simply mimicking this UPB and abstract behavioral principles that govern leader UPB. One such behavioral principle may be moral disengagement, which reflects a set of cognitive mechanisms through which people disengage their moral self-sanctions from unethical conduct (Bandura, 1990a, 1990b, 1999, 2002). There are three broad moral disengagement mechanisms (Bandura, 1999; Moore, Detert, Treviño, Baker, & Mayer, 2012). The first involves cognitively reconstruing the unethical action so that it is no longer viewed as unethical. For example, incorrectly presenting information to customers may be framed as "a strategy" to promote the sales of the organization and thus be justified as appropriate. The second mechanism obscures the agency of the unethical action and reduces the actor's role in causing harm. For example, a person might believe she or he cannot be blamed for hiding information from customers because she or he is simply trying to meet the company's sales goal. The third mechanism reduces any perceived distress caused by the unethical action to victims, such as by underestimating the pain caused by a failure to disclose the hazards of a defective product that might lead to death or injuries. All these moral disengagement mechanisms—often regarded as a single, overarching concept—reflect various explanations that people use to legitimize their unethical behavior and become insulated from self-sanctions (Bandura, 1999, 2002; Moore et al., 2012).

When employees observe leader UPB, they may abstract a common theme exemplified in these leaders' behaviors: Justifications (e.g., to help the organization) permit unethical behaviors. For example, by observing that leaders conceal the side effects of a product or misrepresent the truth of a product in the name of helping the organization, employees may conclude that they can reconstrue unethical actions to make them justified. Consequently, employees may formulate a behavioral principle that various explanations can be used to mask the moral imperatives of the unethical act and allow them to disengage from moral sanctions, namely, moral disengagement (Bandura, 1999). In fact, moral disengagement already has been suggested as the cognitive process underlying UPB (Chen et al., 2016; Umphress & Bingham, 2011). Therefore, it stands to reason that when they observe leader UPB, subordinates not only model that behavior itself but also abstract moral disengagement as a behavioral principle underlying it.

In this effect of exemplifying moral disengagement as a behavioral principle, UPB differs from unethical behavior driven purely by self-interest, which is more likely to be perceived as violating moral standards without justification. When people observe unethical actions, they usually react negatively because such actions violate internalized moral standards and represent actions that should be sanctioned. However, when actors provide a reasonable justification for engaging in unethical behavior (e.g., seeking to benefit an organization and its members), observers may no longer view such unethical behavior as morally unacceptable. Accordingly, UPB rather than unethical self-interested behavior may exemplify moral disengagement more effectively; if the justification is to the benefit of the organization, the unethical acts may appear less blameworthy and less deserving of moral sanction. When leaders exemplify this type of moral disengagement by engaging in UPB, we anticipate that, in accordance with the principle learning perspective of social learning theory, employees abstract and learn moral disengagement as a behavioral principle from those leaders.

Hypothesis 1: Individual perceptions of leader UPB (measured at Time 1 [T1]) relate positively to individual reports of moral disengagement (measured at T1 in Study 1 and Time 2 [T2] in Study 2).

Mediating Role of Moral Disengagement

Because observing leader UPB encourages employees to adopt moral disengagement, as a principle for conduct, this psychological process would expand employees' acceptance of unethical behaviors more broadly. Literature on moral disengagement suggests that people internalize moral standards through socialization and behave according to these standards (Bandura, 1986). This self-regulatory process prevents them from engaging in unethical behavior, which would violate their internal moral standards and lead to self-sanctions. However, self-regulatory processes might not initiate if people engage in moral disengagement (Bandura, 1999), because the various mechanisms of moral disengagement, as explained previously, disable this moral self-sanctioning function. In turn, people gain a sense of psychological freedom to engage in a range of unethical behaviors (both pro-organizational and selfish), without experiencing self-sanctions (Detert et al., 2008). Consistent with this claim, moral disengagement mediates the effects of situational factors on unethical behavior, such as cheating in lab settings (Welsh, Ordóñez, Snyder, & Christian, 2015). Therefore, we

propose that when employees observe leader UPB, adopting moral disengagement, they are more likely to justify and thus engage in unethical behaviors that are both pro-organizational (i.e., unethical sales behavior, Study 1; UPB, Study 2) and selfish (i.e., unethical self-interested behavior, Study 2).

Hypothesis 2: Individual reports of moral disengagement (measured at T1 in Study 1 and T2 in Study 2) mediate the positive relationship between individual perceptions of leader UPB (measured at T1) and employee unethical behavior (measured at T2 in Study 1 and T3 in Study 2).

Employee Power Distance Orientation: A Boundary Condition

Social learning theory suggests a boundary condition on the effects of leader UPB on employee moral disengagement: employee power distance orientation. Representing one of the dimensions of cultural value orientations, power distance orientation reflects individual differences in the acceptance of unequal power distributions in an organization, institution, or society (Clugston et al., 2000; Hofstede, 2001). Individuals with a high power distance orientation are more likely than those with a low power distance orientation to accept an unequal distribution of power and regard others in positions of great power as legitimate and superior (Farh, Hackett, & Liang, 2007; Kirkman et al., 2009). Such values and beliefs about the equality of power distributions render power distance orientation a salient cultural value dimension for leadership research (Gelfand, Erez, & Aycan, 2007; Kirkman et al., 2009). In particular, power distance orientation strongly affects how people perceive and react to leaders' behavior (Kirkman et al., 2009). One such role can be explained by social learning theory.

As illustrated previously, social learning theory suggests that people are more likely to model their behaviors after leaders, because they believe leaders hold power and status in an organizational context and are thus worth learning from (Bandura, 1973; Weiss, 1978). However, the extent to which people regard their leaders as possessing power and status also depends on their power distance orientation. Those with high power distance orientations are more likely to view their leaders as superior and innately powerful (Kirkman et al., 2009). As a result, they probably regard leaders as figures who should be respected and taken as role models (Bochner & Hesketh, 1994). For those with low power distance orientations, leaders are peers with similar status, less likely to be regarded as role models whose behavior should be mimicked.

This argument regarding how power distance orientation might determine the extent to which employees model their behaviors after leaders' is well supported in extant research. Notably, independent field studies consistently show that those with high power distance orientations are more likely to mimic abusive supervisors and engage in similarly hostile behaviors toward their coworkers (Lian et al., 2012a). Moreover, data collected from senior managers in four countries show that people with high power distance orientations are more likely to mimic the opinions of high-status group members (Earley, 1999). We build on these findings to suggest that, similar to the effects on the behavioral mimicking process, people with high power distance orientations are more likely to take part in principle learning by observing leaders' behavior. That is, the principle learning effects of leader UPB on employee moral disengagement should be stronger for employees with high power distance orientations.

Hypothesis 3: Employee power distance orientation (measured at T1 in Study 1 and T2 in Study 2) moderates the positive relationship between individual perceptions of leader UPB (measured at T1) and individual reports of moral disengagement (measured at T1 in Study 1 and T2 in Study 2), such that the relationship is stronger for employees with high rather than low power distance orientations.

In summary, we propose the model in Figure 1, in which leader UPB positively relates to employee moral disengagement, moderated by employee power distance orientations. Moral disengagement subsequently provides these employees with the psychological freedom to engage in a wide range of unethical behaviors (both pro-organizational and selfish), without experiencing self-sanctions. Therefore, employee moral disengagement relates to employee unethical behaviors, including those intended to benefit both their organizations and themselves (unethical sales behavior, Study 1; UPB, Study 2) as well as those intended to benefit the self only but harm organizations (unethical self-interested behavior, Study 2).

Hypothesis 4: Individual reports of moral disengagement (measured at T1 in Study 1 and T2 in Study 2) mediates the interactive effect of individual perceptions of leader UPB (measured at T1) and employee power distance orientation (measured at T1 in Study 1 and T2 in Study 2) on employee unethical behavior (measured at T2 in Study 1 and T3 in Study 2).

Study 1

Method

Participants and Procedure

We conducted our study in the real estate industry, in which unethical practices are common; the central nature of being a broker between a buyer and a seller is "inherently a laboratory of ethical scenarios" (Wotruba, 1990: 30). With the endorsement of a real estate company's top management, we randomly sampled 5 of 19 business districts in Taipei City, Taiwan. The surveys were distributed to 341 agents working in 63 branch stores, with the help of a senior executive assistant working in each business district. Participants completed the surveys in their own time and returned the completed versions in sealed envelopes to senior executive assistants. The survey instructions informed the participants that their responses would be used for research purposes only and kept strictly confidential. We administered surveys at two separate times: At T1, participants reported their demographics, moral disengagement, power distance orientation, and the store managers' UPB and ethical leadership. At T2, 3 months after the T1 survey, participants reported their unethical sales behavior. In appreciation for their participation, we paid each participant about US$6.50 for completing the surveys.

We obtained complete data from 230 real estate agents (67% response rate) representing 52 stores. The average group size in our final sample was 4.42 (ranging from 3 to 8). Among the 230 real estate agents, the average age was 30.91 years ($SD = 5.18$), 82% were men, 90% held at least a bachelor's degree, and the average organizational tenure was 45.69 months ($SD = 48.32$).

Measurements

We implemented all scales in Chinese, following translation–back translation procedures (Brislin, 1980), and relied on 7-point agreement scales (1 = *strongly disagree*, 7 = *strongly agree*), unless otherwise noted.

Leader UPB. To measure leader UPB, we adapted the six-item UPB scale developed by Umphress et al. (2010). We instructed subordinates to indicate the extent to which six statements accurately described their store manager ($\alpha = .89$). A sample item was "If it would help the organization, my leader would misrepresent the truth to make the organization look good."

Power distance orientation. We used the six-item power distance orientation scale developed by Dorfman and Howell (1988) to measure employee power distance orientation ($\alpha = .85$). A sample item read, "Managers should seldom ask for the opinions of employees."

Moral disengagement. We used an eight-item measure developed by Moore et al. (2012) to assess subordinate moral disengagement ($\alpha = .88$). For example, we asked whether "it is okay to spread rumors to defend those I care about."

Employee unethical sales behavior. We followed procedures recommended by Farh, Cannella, and Lee (2006) to develop a scale to assess the unethical sales practices. In particular, we conducted a focus group interview with six real estate agents to identify unethical behaviors that real estate sale agents might practice on the job. Based on the unethical behaviors identified, we developed seven scenario-based items. The appendix provides details on the scale items, development, and validation. We asked participants to indicate how likely they were to engage in these behaviors on a 7-point scale (0 = *very unlikely*, 6 = *very likely*; $\alpha = .88$).

Control variables. We controlled for ethical leadership because it may confound the estimated effects of leader UPB on subordinate moral disengagement. First, defined as leaders' demonstration and promotion of normatively appropriate conduct (Brown et al., 2005), ethical leadership likely relates negatively to leader UPB, such that leaders who engage in ethical leadership are less likely to engage in any unethical behaviors. Second, ethical leadership likely affects subordinate moral disengagement because highly ethical leaders can prompt subordinates to adopt internal moral standards in regulating their behaviors (Moore, Mayer, Chiang, Crossley, Karlesky, & Birtch, 2019). Therefore, we control for ethical leadership, so that its relations with leader UPB and subordinate moral disengagement do not confound the estimated effects of leader UPB on subordinate moral disengagement (Becker, Atinc, Breaugh, Carlson, Edwards, & Spector, 2016). We measured ethical leadership using 10 items developed by Brown et al. (2005) on a 5-point scale (1 = *strongly disagree*, 5 = *strongly agree*; $\alpha = .95$). We also controlled for gender because women may engage in more moral reasoning and moral behaviors than men (Ambrose & Schminke, 1999). The results remained similar without these controls.

Analytical Strategies

The data had a nested structure, with individual respondents nested in groups. The intraclass correlations (ICC_1) for leader UPB, ethical leadership, moral disengagement, power

distance orientation, and employee unethical sales behaviors were .18, .26, .05, .09, and .14, respectively. Given the nested data and nonzero ICC_1 values, it is essential to control for data interdependence (Bliese, Maltarich, & Hendricks, 2018; see online supplement for changes to our theorizing and analyses during the review process). We therefore used the "Cluster" and "Type = Complex" option in Mplus to analyze our data (Muthén & Muthén, 2017). This option uses a sandwich estimation procedure (Berger, Graham, & Zeileis, 2017) to adjust standard errors that can be largely underestimated if the nested data structure is ignored (Lai & Kwok, 2015). By accounting for misestimated standard errors, the "Type = Complex" approach can control for possible group-level confounding effects and thus is recommended when there are 25 or more groups (Huang, 2018). Finally, because an indirect effect usually is not normally distributed, we used the Monte Carlo simulation to generate 95% bias-corrected confidence intervals (CIs) with 20,000 repetitions for the significance tests of the indirect effects (Liu, Zhang, & Wang, 2012).

Results

Confirmatory Factor Analysis (CFA) and Discriminant Validity

To provide evidence that our measured constructs were distinguishable, we performed a CFA. Because our sample size was relatively modest compared with the large number of estimates, we created three item parcels on a random basis for each of the five variables (Bentler & Chou, 1987). The CFA results showed that our hypothesized five-factor model fit the data well ($\chi^2 = 129.51$, $df = 80$, $p < .001$, root mean square error of approximation [RMSEA] = .05, comparative fit index [CFI] = .98, Tucker-Lewis index [TLI] = .97, standardized root mean square residual [SRMR] = .05) and better than more parsimonious four-factor models in which leader UPB and moral disengagement loaded on the same factor, $\Delta\chi^2(4) = 312.89$, $p < .001$, RMSEA = .14, CFI = .84, TLI = .79, SRMR = .12, or moral disengagement and unethical sales behavior loaded on the same factor, $\Delta\chi^2(4) = 216.90$, $p < .001$, RMSEA = .12, CFI = .88, TLI = .85, SRMR = .09. We also calculated the average variances extracted (AVE) for leader UPB, moral disengagement, and unethical sales behaviors. They were greater than each construct's shared variance with one another. These results support the distinctiveness of the studied constructs (Farrell, 2010).

Hypothesis Tests

Table 1 contains the correlations and reliabilities of the study variables; Table 2 presents the analytical results of our hypothesized model. In support of Hypothesis 1, leader UPB had a significant effect on subordinate moral disengagement ($\beta = .29$, $SE = .09$, $z = 3.33$, $p = .001$). Furthermore, in support of Hypothesis 2, moral disengagement had a significant effect on subordinate unethical sales behavior ($\beta = .33$, $SE = .10$, $z = 3.40$, $p = .001$), and the indirect effect of UPB on employee unethical sales behavior through moral disengagement was significant ($\beta = .10$, $SE = .04$, $z = 2.72$, 95% CI = [.03, .19]).

Failing to support Hypothesis 3, the interaction of leader UPB and subordinate power distance orientation on subordinate moral disengagement was not significant ($\beta = .05$, $SE = .05$, $z = .97$, $p = .333$). Tests of simple slopes at ± 1 standard deviation of power distance orientation indicated that the relationship between leader UPB and moral

Table 1
Descriptive Statistics and Correlations (Study 1)

Variable	*M*	*SD*	1	2	3	4	5	6
1. Gender	0.82	0.39	—					
2. Ethical leadership	4.18	0.71	.03	(.95)				
3. Leader unethical pro-organizational behavior	3.18	1.51	−.02	−.30**	(.89)			
4. Subordinate moral disengagement	2.51	1.15	−.00	−.16*	.39**	(.88)		
5. Subordinate power distance orientation	2.83	1.16	−.11	−.28**	.35**	.55**	(.85)	
6. Subordinate unethical sales behavior	1.64	1.27	−.01	−.20**	.42**	.42**	.31**	(.88)

Note: $N = 230$. Internal consistency reliability estimates (alpha) are on the diagonal. Gender was coded with 0 = female, 1 = male.
*$p < .05$
**$p < .01$

Table 2
Effects on Subordinate Moral Disengagement and Unethical Sales Behavior (Study 1)

Variable	Subordinate Moral Disengagement		Subordinate Unethical Sales Behavior
Gender	.02 (.19)	.16 (.17)	.01 (.18)
Ethical leadership	−.07 (.13)	.06 (.11)	−.12 (.08)
Leader unethical pro-organizational behavior	.29** (.09)	.17** (.06)	.23** (.06)
Subordinate moral disengagement			.33** (.10)
Subordinate power distance orientation		.46** (.11)	
Leader unethical pro-organizational behavior x Subordinate power distance orientation		.05 (.05)	
R^2	.15*	.36**	.25**

Note: $N = 230$. Unstandardized coefficients are reported. Standard errors are reported in parentheses.
*$p < .05$
**$p < .01$

disengagement was significant when employee power distance orientation was high (β = .23, *SE* = .09, *z* = 2.41, *p* = .016) and was marginally significant when employee power distance orientation was low (β = .12, *SE* = .07, *z* = 1.67, *p* = .095); the difference between these two simple slopes was not significant (β_{diff} = .10, *SE* = .11, *z* = .97, *p* = .333). Furthermore, moderated mediation analyses showed that the indirect effect of leader UPB on employee unethical sales behavior through moral disengagement was significant when employee power distance orientation was high (β = .08, *SE* = .03, *z* = 2.56, 95% CI = [.01, .16]) and was marginally significant when employee power distance was low (β = .04, *SE* = .03, *z* = 1.43, 95% CI = [–.01, .10], 90% CI = [.0004, .09]); the difference between these two mediating effects was not significant (β_{diff} = .03, *SE* = .03, *z* = 1.07, 95% CI = [–.01, .04]). Therefore, Hypothesis 4 was not supported.

Discussion

The results of Study 1 provided support for the principle learning perspective from social learning theory, regarding the relationship between leader UPB and employee unethical sales behavior, through the mediation of moral disengagement. Although the moderating effect of employee power distance orientation was not significant, we found that our hypothesized positive effect of leader UPB on employee moral disengagement and, consequently, unethical sales behavior was slightly stronger for high-power-distance-oriented employees. Moreover, leader UPB and ethical leadership are distinguishable; all our findings hold even after we control for the effects of ethical leadership, suggesting that leader UPB exerts influences on employee moral disengagement and unethical behavior above and beyond the effects of ethical leadership.

However, Study 1 has several limitations. First, it is not clear whether employee unethical sales behaviors are driven by pro-organizational motives or purely self-interested motives. After collecting the data, we interviewed participants who acknowledged that their unethical sales behavior integrated both motives, because adopting these practices not only helped the organization realize its sales goals but also helped the sales agents earn more bonuses. Therefore, though Study 1 affirms a principle learning effect of leader UPB, it cannot identify whether this principle learning effect generates both UPB and unethical behaviors that are purely self-interested. Second, we argue that the principle learning perspective differs from a conventional behavioral mimicking perspective, but we do not directly test whether it contributes beyond behavioral mimicking. Third, we argue that the combination of unethical and pro-organizational characteristics of UPB leads employees to adopt moral disengagement as a behavioral principle, exemplified in leader UPB, but we do not test whether leader UPB can be differentiated from leader unethical behavior that is purely self-interested. Thus we cannot rule out the possibility that leader UPB leads to employee moral engagement because its unethical nature allows employees to diffuse responsibility for their own unethical conduct.

To address these limitations, in Study 2, we measure both leaders' and subordinates' engagement in organizational deviance to indicate their unethical self-interested behaviors. *Organizational deviance* refers to counternormative behaviors initiated by employees with intentions to harm their organizations (Bennett & Robinson, 2000). Because of its counternormative nature, organizational deviance is usually regarded as unethical (Mayer et al., 2009). Of the various kinds of organizationally deviant behaviors, some are clearly self-interested because they benefit employees but harm organizations. For example, when employees falsify a receipt to get reimbursed for more than they spend on business expenses or steal organizational property, they are pursuing self-interest and harming their organizations. By controlling for leader organizational deviance, we test whether leader UPB can be differentiated from leader unethical self-interested behavior in terms of its effects on employee moral disengagement. In addition, by examining these effects on employee organizational deviance, we can determine whether the principle learning effect of leader UPB generates not only UPB but also unethical self-interested behavior among employees. Finally, in Study 2, we control for the behavioral mimicking mechanism by noting subordinates' perceptions of the likelihood that UPB will be rewarded. According to a behavioral mimicking perspective, when they observe role models' behavior, people develop expectations of the

types of behavior that are likely to lead to rewards; these expectations then determine whether they copy the role models' behaviors (Bandura, 1971). By controlling for the mediating role of subordinates' perceptions of the likelihood that UPB will be rewarded, we test whether the principle learning mechanism is independent of the behavioral mimicking mechanism.

Study 2

Method

Participants and Procedure

Similar to Study 1, we conducted this study in the real estate industry. With the help of a consulting agent, we collected data from three real estate agencies in mainland China. The consulting agent contacted three senior executive assistants working in the three agencies, and these senior executive assistants advertised our study to real estate agents, prompting 366 to express interest in participating. The surveys were distributed to these real estate agents, who completed the surveys in their own time and returned their responses in sealed envelopes to the senior executive assistants. In the survey instructions, participants were informed that their responses would be used for research purposes only and would be kept strictly confidential. Each senior executive assistant was paid around US$313 for their help in recruiting participants and collecting the surveys. The consulting agent was paid around US$1,772 for coordinating with the senior executive assistants and administering the surveys (e.g., printing, entering survey data).

We administered the surveys at three separate times. At T1, participants reported their demographics and their store managers' UPB, unethical self-interested behavior, and ethical leadership. At T2 (2 weeks after T1), participants reported their power distance orientation, moral disengagement, and perceptions of the likelihood of UPB being rewarded. At Time 3 (T3; 2 weeks after T2), they reported their own UPB and unethical self-interested behavior. We obtained completed data from 292 agents at T1 (80 stores, 80% response rate), 292 agents at T2 (80 stores, 100% retention rate), and 200 agents at T3 (56 stores, 68% retention rate). In appreciation for their participation, we paid each participant about US$8 for each survey completed. The average group size in our final sample was 3.57 (ranging from 2 to 5). Among these 200 participants, the average age was 28.84 years ($SD = 3.94$), 67% were men, 77% held at least a bachelor's degree, and the average organizational tenure was 30.06 months ($SD = 12.73$).

Measurements

We implemented all scales in Chinese, following translation–back translation procedures (Brislin, 1980). For leader UPB ($\alpha = .88$) and subordinates' power distance orientation ($\alpha = .84$), we used the scales from Study 1.

Moral disengagement. We adapted eight items from Moore et al.'s (2012) moral disengagement scale to fit the organizational context. For example, we modified one item from "People shouldn't be held accountable for doing questionable things when they were just doing what an authority figure told them to do" to "People shouldn't be blamed for distorting information about the company's products when they were just doing what an authority

figure told them to do" (1 = *strongly disagree*, 5 = *strongly agree*; α = .88). Such adaptations are in line with the notion that people adopt specific moral disengagement techniques depending on the situation (Kish-Gephart, Detert, Treviño, Baker, & Martin, 2014).

Likelihood of rewards. We provided participants with a list of six UPB behaviors from the UPB scale (Umphress et al., 2010) and asked them to indicate the extent to which they would be rewarded in their organization for engaging in each behavior, such as "Misrepresenting the truth to make the organization look good" (1 = *very unlikely to be rewarded*, 5 = *very likely to be rewarded*; α = .87).

Subordinate UPB. We measured subordinate UPB with the scale used to measure leader UPB but asked the subordinates to indicate the extent to which six statements accurately described themselves. A sample item was "If it would help the organization, I would misrepresent the truth to make the organization look good" (1 = *strongly disagree*, 5 = *strongly agree*; α = .88).

Subordinate unethical self-interested behavior. We used seven items from the organizational deviance scale (Bennett & Robinson, 2000) to measure subordinate unethical self-interested behavior. These items reflect not only subordinates' harmful (and thus unethical) behavior toward the organization but also how subordinates can benefit personally from such behavior (and thus self-interested). A sample item was "Falsified a receipt to get reimbursed for more money than you spent on business expenses." Participants indicated how frequently they engaged in each of the behaviors over the past year (1 = *never*, 5 = *very often*; α = .62).

Control variables. As in Study 1, we controlled for gender and ethical leadership in our analyses. We measured ethical leadership with the same 10-item scale used in Study 1 (Brown et al., 2005; α = .67). In addition, we controlled for leader unethical self-interested behavior, which likely relates positively to leader UPB, in that leaders may engage in unethical behaviors for both self-interested and pro-organizational reasons. Furthermore, leader unethical self-interested behavior likely affects subordinate moral disengagement, because leaders who engage in unethical self-interested behavior may discourage subordinates from adopting internal sanctions against unethical behaviors (Moore et al., 2019). We therefore controlled for leader unethical self-interested behavior to ensure that the estimated effects of leader UPB on subordinate moral disengagement are not confounded (Becker et al., 2016). We measured leader unethical self-interested behavior with the same seven items used to measure subordinates' unethical self-interested behavior but asked participants to indicate how frequently their store manager engaged in each type of behavior over the past year (1 = *never*, 5 = *very often*; α = .60). The results allowed us to arrive at the same conclusions without these controls.

Analytical Strategies

The data in the present study had the same structure as Study 1, with individuals nested in groups. The ICC_1 values for leader UPB, ethical leadership, leader unethical self-interested behavior, moral disengagement, power distance orientation, employee unethical pro-organizational behaviors, and employee unethical self-interested behaviors were .20, .18, .23, .11,

.09, .19, and .03, respectively. Given the nested data and nonzero ICC_1 values, it was appropriate to use the same multilevel modeling techniques as in Study 1 to test our hypothesized model in Mplus 8.0 (Muthén & Muthén, 2017).

Results

CFA and Discriminant Validity

Similar to Study 1, we created three item parcels on a random basis for each of the eight variables. The CFA results showed that our hypothesized eight-factor model fit the data well ($\chi^2 = 330.58$, $df = 224$, $p < .001$, RMSEA = .05, CFI = .96, TLI = .94, SRMR = .05) and better than more parsimonious seven-factor models in which leader UPB and leader unethical self-interested behavior loaded on the same factor, $\Delta\chi^2(7) = 148.56$, $p < .001$, RMSEA = .07, CFI = .90, TLI = .87, SRMR = .08; moral disengagement and likelihood of rewards loaded on the same factor, $\Delta\chi^2(7) = 204.08$, $p < .001$, RMSEA = .08, CFI = .87, TLI = .85, SRMR = .06; or subordinate UPB and subordinate unethical self-interested behavior loaded on the same factor, $\Delta\chi^2(7) = 179.83$, $p < .001$, RMSEA = .08, CFI = .88, TLI = .86, SRMR = .08. The AVE values for leader UPB and leader unethical self-interested behavior were greater than their shared variance, as were the AVEs for moral disengagement and likelihood of rewards and for subordinate UPB and subordinate unethical self-interested behavior. These results support the distinctiveness of our studied constructs (Farrell, 2010).

Hypothesis Tests

Table 3 contains the correlations and reliabilities of the study variables; Table 4 presents results for our hypotheses testing. In support of Hypothesis 1, the main effect of leader UPB on subordinate moral disengagement was significant even after controlling for leader unethical self-interested behavior ($\beta = .38$, $SE = .05$, $z = 7.61$, $p < .001$). Consistent with Hypothesis 2, the effect of moral disengagement on employee UPB was significant ($\beta = .54$, $SE = .05$, $z = 10.38$, $p < .001$), and the indirect effect of leader UPB on employee UPB through moral disengagement was significant ($\beta = .20$, $SE = .03$, $z = 6.24$, 95% CI = [.14, .27]); furthermore, the effect of moral disengagement on subordinate unethical self-interested behavior was significant ($\beta = .05$, $SE = .03$, $z = 2.20$, $p = .028$), and the indirect effect of leader UPB on subordinate unethical self-interested behavior through moral disengagement was also significant ($\beta = .02$, $SE = .01$, $z = 2.27$, 95% CI = [.002, .04]). Therefore, Hypothesis 2 was supported.

Failing to support Hypothesis 3, the interaction of leader UPB and subordinate power distance orientation on moral disengagement was not significant ($\beta = –.01$, $SE = .11$, $z = –.08$, $p = .933$). Tests of simple slopes at ± 1 standard deviation of power distance orientation indicated that the relationship between leader UPB and moral disengagement was significant for both high- and low-power-distance-oriented employees ($\beta = .30$, $SE = .07$, $z = 4.14$, $p < .001$, and $\beta = .31$, $SE = .10$, $z = 3.04$, $p = .002$, respectively; $\beta_{diff} = –.01$, $SE = .14$, $z = –.08$, $p = .933$). Failing to support Hypothesis 4, the indirect effect of leader UPB on subordinate UPB through moral disengagement was positively significant when subordinate power distance orientation was high ($\beta = .16$, $SE = .04$, $z = 4.35$, 95% CI = [.08, .25])

Table 3
Descriptive Statistics and Correlations (Study 2)

Variable	*M*	*SD*	1	2	3	4	5	6	7	8	9
1. Gender	.67	.47	—								
2. Ethical leadership	3.84	.34	−.03	(.67)							
3. Leader USB	1.10	.17	.12	−.29**	(.60)						
4. Leader UPB	2.52	.74	.03	−.26**	.13	(.88)					
5. Subordinate moral disengagement	2.57	.59	.14*	−.11	.05	.47**	(.88)				
6. Likelihood of rewards	2.22	.65	.02	−.05	−.19**	.51**	.46**	(.87)			
7. Subordinate power distance orientation	2.53	.64	.10	−.07	.03	.40**	.39**	.35**	(.84)		
8. Subordinate UPB	2.75	.68	.11	−.13	.05	.62**	.71**	.59**	.42**	(.88)	
9. Subordinate USB	1.10	.18	.11	−.17*	.49**	.08	.18*	−.03	.14*	.14	(.62)

Note: $N = 200$. Internal consistency reliability estimates (alpha) are on the diagonal. UPB = unethical pro-organizational behavior; USB = unethical self-interested behavior.
*$p < .05$
**$p < .01$

Table 4
Effects on Subordinate Moral Disengagement and Unethical Behaviors (Study 2)

Variable	Subordinate Moral Disengagement		Likelihood of Rewards		Subordinate UPB	Subordinate USB
Gender	.16* (.07)	.13 (.07)	.05 (.07)	.03 (.07)	.04 (.05)	.01 (.02)
Ethical leadership	.02 (.11)	.01 (.11)	.03 (.13)	.01 (.14)	.03 (.10)	−.02 (.04)
Leader USB	−.08 (.19)	−.07 (.18)	−.98** (.28)	−.94** (.26)	.15 (.31)	.49** (.12)
Leader UPB	.38** (.05)	.30** (.05)	.48** (.06)	.42** (.06)	.25** (.05)	−.02 (.02)
Subordinate moral disengagement					.54** (.05)	.05* (.03)
Likelihood of rewards					.26** (.05)	.01 (.02)
Subordinate power distance orientation		.21** (.07)		.16* (.08)		
Leader UPB × Subordinate Power Distance Orientation		−.01 (.11)		.06 (.08)		
R^2	.24**	.28**	.33**	.35**	.64**	.27**

Note: $N = 230$. Unstandardized coefficients are reported. Standard errors are reported in parentheses. UPB = unethical pro-organizational behavior; USB = unethical self-interested behavior.
*$p < .05$
**$p < .01$

and low ($\beta = .17$, $SE = .06$, $z = 2.91$, 95% CI = [06, .29]; $\beta_{diff} = –.01$, $SE = .08$, $z = –.08$, 95% CI = [–.15, .14]); the indirect effect of leader UPB on subordinate unethical self-interested behavior through moral disengagement was significant when subordinate power distance orientation was high ($\beta = .02$, $SE = .01$, $z = 2.50$, 95% CI = [.002, .03]) and low

($\beta = .02$, $SE = .01$, $z = 1.74$, 95% CI = [.001, .04]; $\beta_{diff} = -.001$, $SE = .01$, $z = -.08$, 95% CI = [–.02, .02]).

With regard to the behavioral mimicking mechanism, the indirect effect of leader UPB on employee UPB through reward likelihood was significant ($\beta = .13$, $SE = .02$, $z = 5.10$, 95% CI = [.08, .18]). However, the indirect effect of leader UPB on subordinate unethical self-interested behavior through reward likelihood was not significant ($\beta = .004$, $SE = .01$, $z = .34$, 95% CI = [–.02, .03]). Furthermore, the interaction of leader UPB and subordinate power distance orientation on perceptions of the likelihood of rewards was not significant ($\beta = .06$, $SE = .08$, $z = .78$, $p = .44$). Tests of simple slopes at ± 1 standard deviation of power distance orientation indicated that leader UPB was positively and significantly related to perceptions of the likelihood of rewards, whether employee power distance orientation was high ($\beta = .46$, $SE = .07$, $z = 7.04$, $p < .001$) or low ($\beta = .38$, $SE = .09$, $z = 4.05$, $p < .001$; $\beta_{diff} = .08$, $SE = .10$, $z = .78$, $p = .44$). Moderated mediation analyses showed that the indirect effect of leader UPB on subordinate UPB through reward likelihood was positively significant when subordinate power distance orientation was high ($\beta = .12$, $SE = .03$, $z = 4.57$, 95% CI = [.07, .17]) and low ($\beta = .10$, $SE = .03$, $z = 3.95$, 95% CI = [.05, .16]; $\beta_{diff} = .02$, $SE = .03$, $z = .75$, 95% CI = [–.03, .08]); the indirect effect of leader UPB on subordinate unethical self-interested behavior through reward likelihood was not significant when subordinate power distance orientation was high ($\beta = .003$, $SE = .01$, $z = .34$, 95% CI = [–.02, .02]) or low ($\beta = .003$, $SE = .01$, $z = .33$, 95% CI = [–.01, .02]; $\beta_{diff} = .001$, $SE = .002$, $z = .34$, 95% CI = [–.005, .008]).

Supplementary Analysis

Given the multilevel nature of our studies, we followed reviewers' suggestions to explore (a) if the relationships among leader UPB, moral disengagement, and employee unethical behavior existed at both the individual level (Level 1) and the group level (Level 2), (b) if these relationships differed across the two levels, (c) if there were significant Level 1 slope variances across groups, and (d) if the variability in the Level 1 slopes across groups could be predicted by group-level leader UPB. We conducted a two-level analysis in Mplus 8.0 (Muthén & Muthén, 2017). To isolate the individual-level effects from the group-level effects, we group-mean centered leader UPB and moral disengagement at Level 1 and then reintroduced the group mean of leader UPB and moral disengagement at Level 2 to represent group-level leader UPB and moral disengagement (Hofmann & Gavin, 1998). To test (b) listed earlier, we grand-mean centered leader UPB and moral disengagement at Level 1 and then introduced the group mean of leader UPB and moral disengagement at Level 2; the resulted effects at Level 2 represented the incremental effects due to group membership (e.g., the expected difference in moral disengagement between two employees who reported the same individual-level leader UPB but who were led by leaders differing by one unit in group-level leader UPB; Raudenbush & Bryk, 2002). To test (c) and (d) listed earlier, we modeled random slopes for the effects of leader UPB (group-mean centered) on moral disengagement as well as the effect of moral disengagement (group-mean centered) on employee unethical behaviors at Level 1. We then grand-mean centered group-level leader UPB to predict these random slopes (Hofmann, & Gavin, 1998; Snijders & Bosker, 2012).

In Study 1, we found that at the individual level, both the effects of leader UPB on moral disengagement ($\gamma = .28$, $SE = .08$, $z = 3.44$, $p = .001$) and of moral disengagement on employee unethical sales behavior ($\gamma = .36$, $SE = .10$, $z = 3.51$, $p < .001$) were positive and significant. At the group level, the effect of leader UPB on moral disengagement was positive and significant ($\gamma = .32$, $SE = .10$, $z = 3.13$, $p = .002$), but the incremental effect due to group membership was not significant ($\gamma = .32 - .28 = .04$, $SE = .11$, $z = .40$, $p = .693$); the effect of moral disengagement on employee unethical sales behavior was not significant ($\gamma = .22$, $SE = .14$, $z = 1.62$, $p = .106$), and the incremental effect due to group membership was not significant ($\gamma = .22 - .36 = -.14$, $SE = .15$, $z = -.97$, $p = .334$). In addition, we found that the relationship between leader UPB and moral disengagement had a significant Level 1 slope variance across groups (variance = .08, $SE = .03$, $z = 2.92$, $p = .004$), whereas the relationship between moral disengagement and employee unethical sales behavior did not have a significant Level 1 slope variance across groups (variance = .09, $SE = .05$, $z = 1.88$, $p = .061$). The cross-level interaction results showed that the moderating effect of group-level leader UPB was not significant on the individual-level relationship between leader UPB and moral disengagement ($\gamma = .13$, $SE = .09$, $z = 1.45$, $p = .147$) or between moral disengagement and employee unethical sales behavior ($\gamma = .01$, $SE = .07$, $z = .12$, $p = .906$).

In Study 2, we found that at the individual level, the effect of leader UPB on moral disengagement was positive and significant ($\gamma = .34$, $SE = .07$, $z = 5.16$, $p < .001$), the effect of moral disengagement on employee UPB was positive and significant ($\gamma = .63$, $SE = .06$, $z = 9.92$, $p < .001$), and the effect of moral disengagement on employee unethical self-interested behavior was positive and significant ($\gamma = .06$, $SE = .03$, $z = 2.08$, $p = .038$). At the group level, the effect of leader UPB on moral disengagement was positive and significant ($\gamma = .42$, $SE = .09$, $z = 4.64$, $p < .001$), but the incremental effect due to group membership was not significant ($\gamma = .42 - .34 = .07$, $SE = .12$, $z = .63$, $p = .531$); the effect of moral disengagement on employee UPB was positive and significant ($\gamma = .60$, $SE = .08$, $z = 7.15$, $p < .001$), but the incremental effect due to group membership was not significant ($\gamma = .60 - .63 = -.04$, $SE = .11$, $z = -.32$, $p = .747$); the effect of moral disengagement on employee unethical self-interested behavior was not significant ($\gamma = .05$, $SE = .05$, $z = .94$, $p = .35$), and the incremental effect due to group membership was not significant ($\gamma = .05 - .06 = -.01$, $SE = .06$, $z = -.16$, $p = .875$). These nonsignificant incremental effects across both studies validated our decision to regard leader UPB as an individual-level phenomenon and to analyze the relationships among the studied variables at Level 1. In addition, we found that the relationships between leader UPB and moral disengagement, between moral disengagement and employee UPB, and between moral disengagement and employee unethical self-interested behavior did not have significant Level 1 slope variances across groups (variance = .02, .01, and .01, respectively; $SE = .05$, .05, and .01, respectively; $z = .38$, .24, and .41, respectively; $p = .701$, .812, and .679, respectively). Not surprisingly given the nonsignificant slope variances, the cross-level interaction results showed that the moderating effect of group-level leader UPB was not significant on the individual-level relationship between leader UPB and moral disengagement ($\gamma = .21$, $SE = .19$, $z = 1.10$, $p = .27$), between moral disengagement and employee UPB ($\gamma = .10$, $SE = .14$, $z = .68$, $p = .497$) or between moral disengagement and employee unethical self-interested behavior ($\gamma = -.05$, $SE = .08$, $z = -.65$, $p = .516$).

General Discussion

Building on the principle learning perspective of social learning theory, we predicted that leader UPB would induce employee moral disengagement because employees learn moral disengagement as a behavioral principle exemplified in leader UPB; this modeling effect of leader UPB on employee moral disengagement would be strengthened for employees with a high power distance orientation. Building on moral disengagement literature, we further predicted that employee moral disengagement would mediate the effects of leader UPB on employee unethical behavior as well as the interactive effects of leader UPB and employee power distance orientation on employee unethical behavior. Using a two-wave field survey design, Study 1 offered support for the positive effect of leader UPB on employee unethical sales behaviors through the mediating role of employee moral disengagement, after controlling for the effects of ethical leadership. Using a three-wave field survey design, Study 2 extended these findings and showed that leader UPB had a significant effect on employee moral disengagement, after controlling for both ethical leadership and leader unethical self-interested behavior. Study 2 further showed that leader UPB had significant effects on both employee UPB and employee unethical self-interested behavior, through the mediation of employee moral disengagement, even after controlling for traditional behavioral mimicking mechanisms (i.e., likelihood of rewards). However, the moderating effect of power distance orientation was not supported in either Study 1 or 2; we discuss possible explanations of this nonsignificant finding next.

Moderating Effect of Power Distance Orientation

The moderating effect of power distance orientation was not significant in either study. Instead, the social learning effect is equally strong for low-power-distance-oriented and high-power-distance-oriented employees. This finding is inconsistent with our theoretical prediction and previous research, which indicates that the latter should be more likely to learn from leaders than the former (Lian et al., 2012a). Notably, previous studies often collect data from low-power-distance cultures and call for further test in cultures marked by high power distance, such as China (Lian et al., 2012a: 120). Perhaps individuals with low power distance orientations who come from a high-power-distance culture still hold relatively higher power distance orientations in a global sense (Hofstede, 2001). We performed an initial test of this possibility by comparing the means of power distance orientation from our studies with those reported by Lian et al. (2012a). Although the mean power distance orientation in our Study 1 was significantly higher, in Study 2 it was similar to that reported in Lian et al. (2012a). Therefore, distributions in power distance orientation appear unlikely to account for these divergent findings.

Instead, perhaps both high- and low-power-distance-oriented employees learn from leaders but for different reasons. Among high-power-distance-oriented employees, who regard their leaders as superior, learning might reflect their sense that the leaders are worth learning from (Lian et al., 2012a). Low-power-distance-oriented employees also might learn from leaders but as a result of their tendency to develop personalized relationships with those leaders (Hofstede, 2001; Tyler, Lind, & Huo, 2000). These strong social bonds may create opportunities for low-power-distance-oriented employees to observe and learn from leaders'

behaviors (Bandura, 1971). Finally, a boundary condition of the moderating role of power distance orientation also might arise. For example, employees with low self-esteem might model themselves after supervisors whom they regard as successful, competent, or possessing reward power, whereas employees with high self-esteem are less likely to do so (Weiss, 1978). To test these possible explanations, additional studies should examine the role of power distance orientation in affecting employees' social learning process from leaders in greater detail.

Implications for Unethical Behavior

Despite the nonsignificant results regarding the moderating effect of power distance, our studies make several important contributions to unethical-behavior literature. Notably, unethical behavior at work has attracted a lot of attention from both practitioners and researchers because of its prevalence and high costs to organizations. Although researchers have examined the influence of leaders on employee unethical behavior (for reviews, see Brown & Mitchell, 2010; Treviño et al., 2006, 2014), they focus mostly on the influence of leader ethical practices (e.g., Mayer et al., 2009) rather than leader unethical practices (Brown & Mitchell, 2010). Yet it is well established that negative behavior and experiences do not represent merely the opposite of positive behavior and experiences (Baumeister, Bratslavsky, Finkenauer, & Vohs, 2001), and negative behavior usually exerts stronger effects than positive behavior (Baumeister et al., 2001). Thus, it is essential to study the influence of leaders' unethical practices to gain a more comprehensive understanding of their roles in affecting employee unethical behavior as well as to specify the novel mechanisms that underlie these influences. In this sense, our study adds to literature on unethical behavior by identifying leader unethical behavior, in the form of UPB, as a significant driver of employee unethical behavior through its effects on employee moral disengagement. The effects of leader UPB extend beyond the effects of ethical leadership.

Our work also examines an often-neglected type of unethical behavior, that is, unethical behavior intended to benefit the organization. Extant research mostly has asserted that unethical behavior seeks to benefit the self (Greenberg, 2002; Kish-Gephart, Harrison, & Treviño, 2010). However, employees also engage in unethical behavior to benefit their organizations (Gino & Pierce, 2009; Umphress et al., 2010; Umphress & Bingham, 2011). Despite efforts to identify various antecedents of employee UPB, prior studies shed little light on the consequences of leaders engaging in such unethical behaviors (Treviño et al., 2006; Umphress et al., 2010). We advance understanding of UPB by emphasizing its manifestation of moral disengagement as a behavioral principle, whereby employees model their behavior from observing leaders who practice UPB and also apply learned moral disengagement as a behavioral principle to define their own unethical behavior. We show that UPB can actually harm organizations rather than help them, as originally intended, by increasing employee unethical self-interested behaviors.

Implications for (Un)ethical Leadership

In addition to providing more balance to extant literature by examining the influences of both ethical and unethical practices by leaders, our research contributes specifically to

literature on (un)ethical leadership by providing a more nuanced view of the process by which it influences employees. In particular, social learning is a key mechanism for explaining how leaders influence employee behavior (Lian et al., 2012a; Liu et al., 2012; Mayer et al., 2009). However, existing work with a social learning perspective focuses mostly on employees' direct mimicry of leader behavior and shows, for example, that employees mimic their supervisors' ethical leadership practices by exhibiting ethical leadership themselves (Mayer et al., 2009). We demonstrate that employees not only directly mimic their leaders' behaviors but also adopt the behavioral principles (e.g., moral disengagement) that underlie the behavior. Such a learning process allows employees to move beyond leaders' original behavioral manifestations to exhibit novel behavior, guided by the behavioral principles they have learned from leaders.

We also highlight the importance of considering the intentions that underlie leader (un)ethical behavior as a means to understand its influence on employees. Leadership literature cites the intentions that underlie leader behavior, as perceived by employees, and how such perceptions affect employees' reactions. Most evidence indicates that perceptions of good intentions (e.g., to promote organizational performance) buffer the negative effects of leaders' negative behaviors (e.g., abusive supervision; Liu et al., 2012) and strengthen the positive effects of their positive behaviors (e.g., transformational leadership; Fu, Tsui, Liu, & Li, 2010). We extend this line of research by revealing that perceived good intentions (i.e., to benefit the organization), in combination with leaders' unethical behavior, actually can result in negative reactions, in the form of increased employee moral disengagement and various unethical behaviors (pro-organizational and selfish), due to principle learning of moral disengagement.

Implications for Moral Disengagement

Moral disengagement has long been recognized as an important cognitive process driving unethical behavior. However, extant research mainly takes an individual-differences approach to show that a person's propensity to morally disengage can lead to unethical behavior (Detert et al., 2008; Moore et al., 2012). Although researchers have suggested that certain situations may induce moral disengagement (Beu & Buckley, 2004), empirical evidence primarily comes from laboratory settings (e.g., Gino & Ariely, 2012; Welsh et al., 2015). By identifying a significant effect of leader UPB on employee moral disengagement in field settings, our study responds to calls to identify situational factors that induce moral disengagement (Detert et al., 2008). Moreover, we highlight the usefulness of a principle learning perspective as a means to explain why people become morally disengaged under the influence of situational factors.

Practical Implications

Our work also has practical significance. First, it provides evidence of leader UPB and its negative consequences. Reports on high-profile scandals in the popular press tend to focus on malicious forms of unethical behavior. As a result, managers may overlook unethical behaviors intended to benefit the organization. Our work, showing that leaders actually engage in UPB, should help raise awareness of this particular type of unethical behavior

among organizational decision makers. Moreover, by showing that leaders can exert negative influences on employees via UPB, our results should motivate organizations to work to eliminate such behavior by establishing a zero-tolerance policy and reinforcing it with monitoring, training, or mentoring.

Second, we show that employees can learn to morally disengage by observing leader UPB, after which they may engage in various types of unethical behavior. Such findings suggest that leaders should refrain from engaging in unethical behavior, even if it is for the good of the organization. Although leaders may feel justified or pressured to conduct unethical acts to help their organizations reach their goals (Hoyt et al., 2010, 2013), they should realize that they are setting examples for employees, who observe these unethical acts and then may decide that they, too, can disengage from moral self-regulation and engage in unethical behavior that ultimately could cost the organization dearly (Cialdini et al., 2004; Greenberg, 2002). By raising awareness among leaders of how engaging in UPB can do more harm than good, this work may provide them with stronger motivations to resist the temptation to conduct UPB.

Strengths, Limitations, and Further Research

A potential limitation of our work pertains to the risk of common method bias, as we collected the data for all the variables from a single source (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). However, self-reported data often are the most valid for perceptual variables, such as ethical leadership and leader UPB, as well as for variables that are not easily observable, such as internal cognitive processes (e.g., moral disengagement; Chan, 2009) or transgressive acts (e.g., unethical behavior; Bandura, 1991). Moreover, we measured moral disengagement and unethical behavior at two separate times in our studies (Podsakoff et al., 2003), which helps mitigate common method bias concerns. Another limitation relates to the generalizability of our results; in both studies, we collected data from real estate agents. However, when the goal is not to generalize results to a specific population, it is more important to consider whether the samples are appropriate for testing the theory (Highhouse & Gillespie, 2009). We believe this to be the case in our research, because we focus on unethical behaviors in general and UPB in particular, both of which are common and relevant among real estate agents (Wotruba, 1990).

In terms of directions for future research, our work can be extended in several ways. First, we show that leader UPB and ethical leadership are distinguishable, with different effects on employee moral disengagement and unethical behavior. However, these findings are preliminary. Previous studies document various outcomes associated with ethical leadership, and continued work could explore whether leader UPB affects these outcomes, beyond ethical leadership. By leveraging findings that indicate leaders' positive behaviors can interact with and exacerbate the effects of their negative behaviors (Duffy, Ganster, & Pagon, 2002; Lian, Ferris, & Brown, 2012b), continued studies might explore whether ethical and unethical leadership interact and if the former might worsen the negative consequences of the latter.

Second, with regard to the consequences of leader UPB, our examination of employee moral disengagement and unethical behavior represents an initial test. Further research could investigate other possible outcomes of leader UPB. For example, the pro-organizational

intentions exemplified by leader UPB may enhance employees' identification with the organization and leader (Abrams, Randsley de Moura, & Travaglino, 2013), which may evoke positive outcomes, such as increased job effort or job performance. Additional research could enrich our work by examining how and why leaders' different intentions (pro-organization or purely self-interested) affect employee reactions to leaders' un(ethical) behavior.

Third, our work is among the first to move beyond the concept of behavioral mimicry and emphasize learning of behavior-generative principles as they relate to modeling influences. Many authors rely on behavioral mimicry to explain behaviors by organizational members; continued research might reexamine these studies to determine whether new insights could be generated by expanding the scope of the modeling influences beyond behavioral mimicry to include learning behavior-generative principles. For example, if we had focused only on behavioral mimicry, we could predict the influence of leader UPB on employee UPB, but by including learning of behavior-generative principles, we also can explain the influence of leader UPB on a broader range of employee unethical behaviors. Similarly, we might derive novel mechanisms and outcomes, beyond role models' behavior, by emphasizing learning of behavior-generative principles when applying the social learning perspective.

Conclusion

Drawing on a social-learning-of-principles perspective, we predicted and confirmed that employees learn from their leaders' engagement in UPB, such that they adopt moral disengagement and engage in not only UPB but also unethical self-interested behavior that harms organizations. Employees are likely to morally disengage and commit their own unethical acts when they observe their leaders engaging in UPB but not when they observe them engaging in unethical self-interested behavior. Our work helps differentiate leader UPB from ethical leadership by detailing the unique effects of leader UPB on employee moral disengagement and unethical behavior.

Appendix

The Unethical Sales Behavior Scale

Scale Development.

Unethical behaviors take different forms in different situations. To identify the most relevant forms exhibited by real estate agents, we conducted a focus group interview with six real estate agents and asked them to provide examples of unethical behaviors in which real estate agents might engage. The most frequently mentioned behaviors were (a) manipulating prices behind clients' backs to facilitate transactions, (b) withholding negative information about properties from buyers to increase their purchase rates, (c) fabricating evidence to beat competitors, and (d) adopting questionable tactics to obtain useful information about and steal clients from competitors. In turn, we drafted 13 items and asked the same six agents to identify the most representative of real estate agents' unethical practices. This procedure resulted in seven items, which we used to develop the scenario-based items in the Table A1.

Table A1
Exploratory Factor Analysis of Unethical Sales Behavior Scale

Scenario Item	Factor Loading	Percentage of Variance Explained
1. In the process of negotiating prices between a buyer and a seller, you realize that the buyer's offer is below market value, but you still think there is a possibility of closing the deal. Thus, based on your own judgment, you decide to raise the buyer's offer yourself without seeking for the buyer's agreement, hoping to facilitate a deal.	.54*	.29
2. Your client is looking to buy a property. You are aware that some people are unhappy with the feng shui of the property and that the neighbors might be difficult to get along with. However, you consider these opinions to be subjective and thus decide against telling your client in order to increase the chances of making a sale.	.75*	.56
3. One of your clients is an investor. While negotiating the price of a property with the seller on behalf of this client, you try to convince the seller to lower the asking price by pointing out the inadequacies of the living amenities. You do this in hopes of sealing the deal and later selling the property on your client's behalf at a higher price.	.81*	.66
4. You and a competitor are both asked to sell a property for a client. You learn that your competitor has found a buyer and is close to sealing the deal, so you make up a story about having found another buyer who is willing to pay more, with the sole intention of preventing your competitor from completing the transaction.	.79*	.63
5. A buyer asks you about the price of a property in order to compare it with asking prices quoted by other real estate agencies. Although you know the asking prices quoted by those other agencies are reasonable, you tell the buyer otherwise. You hope that by doing so, the buyer would appoint you as one of the agents.	.85*	.72
6. A seller is selling a property through a sole agent. You want to win over this seller, so you make up a story about having many buyers who are willing to purchase the property. In doing so, you hope the seller will cancel his/her arrangement with the existing agent and appoint you instead as the sole agent.	.73*	.53
7. You notice that your competitor is selling an excellent property, so you use whatever means to find out more about this property (e.g., by asking your friends and family to pose as potential buyers and gather information from your competitor). Once you know more about this property, you then contact the seller to try and convince him/her to let you act as the sole agent.	.64*	.41
Total percentage of variance explained		.60

Note: $N = 230$. The percentage of variance explained was calculated as 1 – residual variance.
*$p < .05$

Scale Validation Evidence

Using data collected in Study 1, we conducted an exploratory factor analysis with maximum likelihood extraction (Conway & Huffcutt, 2003). The factor loadings and variances explained by each item are in Table A1, which reveals that all factor loadings were above .40, and the seven items explained 60% of the variance. This evidence suggests that the seven items were meaningful representatives of the measured construct (Hinkin, 1998).

Table A2
Five Scenarios of Regular Sales Behavior

1. Agent Li is in charge of selling house A. Three potential buyers contacted Agent Li and wanted to tour house A. Agent Li arranged the tours in the same order as the order the buyers contacted him/her, with the buyer who contacted him/her first getting to tour the house first.
2. Agent Li is responsible for advertising and managing the housing market of district A. He/she gathers a lot of information on houses available for sale in district A and potential buyers. He/she usually prioritizes houses that belong to popular communities in order to speed up the sales and promote the status of his/her company.
3. Agent's Li's company is selling a brand-new condominium, and Agent Li is responsible for organizing an opening fair to promote its sales. He/she took advantage of the holiday season and successfully promoted the condominium with a fair of a Christmas theme.
4. One of Agent Li's responsibilities is to help his/her buyers learn about houses that are suitable for them. In order to fulfill the responsibility, Agent Li often learns about the educational and economical background of his/her buyers, in order to know what kind of houses may match their preference.
5. Agent Li just takes over the sales of condominium A. One big advantage of condominium A is that it is well managed. Agent Li emphasizes this advantage to potential buyers, letting them realize that living in this condominium will make their day-to-day life much easier.

In addition, we invited 25 real estate agents to rate the extent to which the behavior described in each of the scenario-based items violated ethical principles and represented an unethical sales practice, on a 5-point scale (1 = *very ethical*, 5 = *very unethical*). Among the 25 real estate agents who responded to our survey, the average age was 27.2 years (SD = 4.33), 48% were men, and the average sales experience was 4.64 years (SD = 2.81). Each respondent reviewed 12 randomly ordered scenarios, seven of which were unethical sales behaviors we developed and five that described regular sales practices (see Table A2). The seven scenarios used to measure unethical sales behaviors were rated as more unethical (means from 3.20 to 4.28, grand mean = 3.51, SD = 0.64) than the five scenarios used to measure regular sales practices (means from 1.44 to 1.88, grand mean = 1.61, SD = 0.43; t = 14.04, $p < .001$).

Finally, to assess whether responses to our scenario-based Unethical Sales Behavior Scale were related to actual unethical behaviors, we recruited an independent sample of 130 real estate agents. We administered the scenario-based unethical sales behavior measure (listed in Table A1) at Time 1 (T1). Two weeks after the T1 survey (Time 2 [T2]), we administered the actual unethical sales behavior, unethical pro-organizational behavior (UPB), and unethical self-interested behavior measures. We used the scales from Study 2 to measure UPB and unethical self-interested behavior. For the actual unethical sales behavior measure, we used the seven items based on which we developed the scenario-based Unethical Sales Behavior Scale. Sample items of the actual unethical sales behavior scale included "Raised a buyer's offer yourself without seeking for the buyer's agreement, hoping to facilitate a deal" and "Did not tell your client opinions on a property (e.g., feng shui or difficult neighbors) that you considered subjective." Participants were asked to rate on a 5-point scale (1 = *never*, 5 = *always*). All the 130 participants responded to our T1 survey, and 118 of them responded to our T2 survey (91% retention rate). In appreciation of their participation, we paid each participant about US$3 for completing both surveys. Among the 118 participants, the average age was 45.74 years (SD = 9.06), 48% were men, and 32% held at least a bachelor's degree. The results indicate that those who reported their intention to engage in unethical sales behaviors in the scenarios were more likely to actually engage in unethical sales

behavior ($r = .74$, $p < .001$), UPB ($r = .55$, $p < .001$), and unethical self-interested behavior ($r = .50$, $p < .001$).

ORCID iD

Huiwen Lian https://orcid.org/0000-0003-0556-6399

References

Abrams, D., Randsley de Moura, G., & Travaglino, G. A. 2013. A double standard when group members behave badly: Transgression credit to ingroup leaders. *Journal of Personality and Social Psychology*, 105: 799-815.

Ambrose, M. L., & Schminke, M. 1999. Sex differences in business ethics: The importance of perceptions. *Journal of Managerial Issues*, 11: 454-474.

Asare, S. K., & Wright, A. 1995. Normative and substantive expertise in multiple hypotheses evaluation. *Organizational Behavior and Human Decision Processes*, 64: 171-184.

Bandura, A. 1971. *Social learning theory*. New York: General Learning Press.

Bandura, A. 1973. *Aggression: A social learning analysis*. Englewood Cliffs, NJ: Prentice Hall.

Bandura, A. 1986. *Social foundations of thought and action: A social cognitive theory*. Englewood Cliffs, NJ: Prentice Hall.

Bandura, A. 1990a. Mechanisms of moral disengagement. In W. Reich (Ed.), *Origins of terrorism: Psychologies, ideologies, theologies, states of mind*: 161-191. New York: Cambridge University Press.

Bandura, A. 1990b. Selective activation and disengagement of moral control. *Journal of Social Issues*, 46: 27-46.

Bandura, A. 1991. Social cognitive theory of self-regulation. *Organizational Behavior and Human Decision Processes*, 50: 248-287.

Bandura, A. 1999. Moral disengagement in the perpetration of inhumanities. *Personality and Social Psychology Review*, 3: 193-209.

Bandura, A. 2002. Selective moral disengagement in the exercise of moral agency. *Journal of Moral Education*, 31: 101-119.

Bandura, A., & McDonald, F. J. 1963. Influence of social reinforcement and the behavior of models in shaping children's moral judgments. *Journal of Abnormal and Social Psychology*, 67: 274-281.

Baumeister, R. F., Bratslavsky, E., Finkenauer, C., & Vohs, K. D. 2001. Bad is stronger than good. *Review of General Psychology*, 5: 323-370.

Becker, T. E., Atinc, G., Breaugh, J. A., Carlson, K. D., Edwards, J. R., & Spector, P. E. 2016. Statistical control in correlational studies: 10 essential recommendations for organizational researchers. *Journal of Organizational Behavior*, 37: 157-167.

Bennett, R. J., & Robinson, S. L. 2000. Development of a measure of workplace deviance. *Journal of Applied Psychology*, 85: 349-360.

Bentler, P. M., & Chou, C. P. 1987. Practical issues in structural modeling. *Sociological Methods & Research*, 16: 78-117.

Berger, S., Graham, N., & Zeileis, A. 2017. *Various versatile variances: An object-oriented implementation of clustered covariances in R*. Working paper no. 2017-12, Economics and Statistics, University of Innsbruck, Innsbruck, Austria.

Beu, D. S., & Buckley, M. R. 2004. This is war: How the politically astute achieve crimes of obedience through the use of moral disengagement. *Leadership Quarterly*, 15: 551-568.

Bliese, P. D., Maltarich, M. A., & Hendricks, J. L. 2018. Back to basics with mixed-effects models: nine take-away points. *Journal of Business and Psychology*, 33: 1-23.

Bochner, S., & Hesketh, B. 1994. Power distance, individualism/collectivism, and job-related attitudes in a culturally diverse work group. *Journal of Cross-Cultural Psychology*, 25: 233-257.

Brislin, R. W. 1980. Translation and content analysis of oral and written materials. In H. C. Triandis & J. W. Berry (Eds.), *Handbook of cross-cultural psychology, Vol*. 2: 349-444. Boston: Allyn & Bacon.

Brown, M. E., & Mitchell, M. S. 2010. Ethical and unethical leadership: Exploring new avenues for future research. *Business Ethics Quarterly*, 20: 583-616.

Brown, M. E., Treviño, L. K., & Harrison, D. A. 2005. Ethical leadership: A social learning perspective for construct development and testing. *Organizational Behavior and Human Decision Processes*, 9: 117-134.

Cadwalladr, C., & Graham-Harrison, E. 2018. Revealed: 50 million Facebook profiles harvested for Cambridge Analytica in major data breach. *Guardian*, March 17.

Chan, D. 2009. So why ask me? Are self-report data really that bad? In C. E. Lance & R. J. Vandenberg (Eds.), *Statistical and methodological myths and urban legends: Doctrine, verity and fable in the organizational and social sciences*: 309-336. New York: Routledge.

Chen, M., Chen, C. C., & Sheldon, O. J. 2016. Relaxing moral reasoning to win: How organizational identification relates to unethical pro-organizational behavior. *Journal of Applied Psychology*, 101: 1082-1096.

Cialdini, R. B., Petrova, P. K., & Goldstein, N. J. 2004. The hidden costs of organizational dishonesty. *MIT Sloan Management Review*, 45: 67-73.

Clement, R. 2006. Just how unethical is American business? *Business Horizons*, 49: 313-327.

Clugston, M., Howell, J. P., & Dorfman, P. W. 2000. Does cultural socialization predict multiple bases and foci of commitment? *Journal of Management*, 26: 5-30.

Conway, J. M., & Huffcutt, A. I. 2003. A review and evaluation of exploratory factor analysis practices in organizational research. *Organizational Research Methods*, 6: 147-168.

Dansereau, F., Graen, G. B., & Haga, W. 1975. A vertical dyad linkage approach to leadership in formal organizations. *Organizational Behavior and Human Performance*, 13: 46-78.

Detert, J. R., Treviño, L. K., & Sweitzer, V. L. 2008. Moral disengagement in ethical decision making: A study of antecedents and outcomes. *Journal of Applied Psychology*, 93: 374-391.

Dorfman, P. W., & Howell, J. P. 1988. Dimensions of national culture & effective leadership patterns: Hofstede revisited. In R. N. Farmer (Ed.), *Advances in international comparative management*: 127-149. Greenwich, CT: JAI Press.

Duffy, M. K., Ganster, D. C., & Pagon, M. 2002. Social undermining in the workplace. *Academy of Management Journal*, 45: 331-351.

Earley, P. C. 1999. Playing follow the leader: Status-determining traits in relation to collective efficacy across cultures. *Organizational Behavior and Human Decision Processes*, 80: 192-212.

Ewing, J. 2016. Martin Winterkorn, Ex-CEO of Volkswagen, is under investigation. *New York Times*, June 20.

Farh, J. L., Cannella, A. A., & Lee, C. 2006. Approaches to scale development in Chinese management research. *Management and Organization Review*, 2: 301-318.

Farh, J. L., Hackett, R. D., & Liang, J. 2007. Individual-level cultural values as moderators of perceived organizational support-employee outcomes relationships: Comparing the effects of power distance and traditionality. *Academy of Management Journal*, 50: 715-729.

Farrell, A. M. 2010. Insufficient discriminant validity: A comment on Bove, Pervan, Beatty, and Shiu (2009). *Journal of Business Research*, 63: 324-327.

Fehr, R., Welsh, D., Yam, K. C., Baer, M., Wei, W., & Vaulont, M. 2019. The role of moral decoupling in the causes and consequences of unethical pro-organizational behavior. *Organizational Behavior and Human Decision Processes*, 153: 27-40.

Fu, P. P., Tsui, A. S., Liu, J., & Li, L. 2010. Pursuit of whose happiness? Executive leaders' transformational behaviors and personal values. *Administrative Science Quarterly*, 55: 222-254.

Gelfand, M. J., Erez, M., & Aycan, Z. 2007. Cross-cultural organizational behavior. *Annual Review of Psychology*, 58: 479-514.

Gino, F., & Ariely, D. 2012. The dark side of creativity: Original thinkers can be more dishonest. *Journal of Personality and Social Psychology*, 102: 445-459.

Gino, F., & Pierce, L. 2009. Dishonesty in the name of equity. *Psychological Science*, 20: 1153-1160.

Graen, G. B., & Uhl-Bien, M. 1995. Relationship-based approach to leadership: Development of leader member exchange (LMX) theory of leadership over 25 years: Applying a multi-level multi-domain perspective. *Leadership Quarterly*, 6: 219-247.

Greenberg, J. 2002. Who stole the money, and when? Individual and situational determinants of employee theft. *Organizational Behavior and Human Decision Processes*, 89: 985-1003.

Highhouse, S., & Gillespie, J. Z. 2009. Do samples really matter that much? In C. E. Lance & R. J. Vandenberg (Eds.), *Statistical and methodological myths and urban legends: Doctrine, verity and fable in the organizational and social sciences*: 249-268. New York: Routledge.

Hinkin, T. R. 1998. *A brief tutorial on the development of measures for use in survey questionnaires*. Retrieved on December 20, 2018 from Cornell University, School of Hotel Administration site: http://scholarship.sha.cornell.edu/articles/521

Hofmann, D. A., & Gavin, M. B. 1998. Centering decisions in hierarchical linear models: Implications for research in organizations. *Journal of Management*, 24: 623-641.

Hofstede, G. 2001. *Culture's consequences: Comparing values, behaviors, institutions, and organizations across nations*. Thousand Oaks, CA: Sage.

Hoyt, C. L., Price, T. L., & Emrick, A. E. 2010. Leadership and the more-important-than-average effect: Overestimation of group goals and the justification of unethical behavior. *Leadership*, 6: 391-407.

Hoyt, C. L., Price, T. L., & Poatsy, L. 2013. The social role theory of unethical leadership. *The Leadership Quarterly*, 24: 712-723.

Huang, F. L. 2018. Multilevel modeling myths. *School Psychology Quarterly*, 33: 492-499.

Jones, T. M. 1991. Ethical decision making by individuals in organizations: An issue-contingent model. *Academy of Management Review*, 16: 366-395.

Kirkman, B. L., Chen, G., Farh, J. L., Chen, Z. X., & Lowe, K. B. 2009. Individual power distance orientation and follower reactions to transformational leaders: A cross-level, cross-cultural examination. *Academy of Management Journal*, 52: 744-764.

Kish-Gephart, J. J., Detert, J., Treviño, L. K., Baker, V., & Martin, S. 2014. Situational moral disengagement: Can the effects of self-interest be mitigated? *Journal of Business Ethics*, 125: 267-285.

Kish-Gephart, J. J., Harrison, D. A., & Treviño, L. K. 2010. Bad apples, bad cases, and bad barrels: Meta-analytic evidence about sources of unethical decisions at work. *Journal of Applied Psychology*, 95: 1-31.

Lai, M. H. C., & Kwok, O. 2015. Examining the rule of thumb of not using multilevel modeling: The "design effect smaller than two" rule. *Journal of Experimental Education*, 83: 423-438.

Lian, H., Ferris, D. L., & Brown, D. J. 2012a. Does power distance exacerbate or mitigate the effects of abusive supervision? It depends on the outcome. *Journal of Applied Psychology*, 97: 107-123.

Lian, H., Ferris, D. L., & Brown, D. J. 2012b. Does taking the good with the bad make things worse? How abusive supervision and leader–member exchange interact to impact need satisfaction and organizational deviance. *Organizational Behavior and Human Decision Processes*, 117: 41-52.

Liu, D., Liao, H., & Loi, R. 2012. The dark side of leadership: A three-level investigation of the cascading effect of abusive supervision on employee creativity. *Academy of Management Journal*, 55: 1187-1212.

Liu, D., Zhang, Z., & Wang, M. 2012. Mono-level and multilevel mediated moderation and moderated mediation: Theorizing and test. In X. P. Chen, A. S. Tsui, & J. L. Farh (Eds.), *Empirical methods in organization and management research,* 2nd ed.: 545-579. Beijing, China: Peking University Press.

Mayer, D. M., Kuenzi, M., Greenbaum, R., Bardes, M., & Salvador, R. B. 2009. How low does ethical leadership flow? Test of a trickle-down model. *Organizational Behavior and Human Decision Processes*, 108: 1-13.

Moore, C., Detert, J. R., Treviño, L. K., Baker, V. L., & Mayer, D. M. 2012. Why employees do bad things: Moral disengagement and unethical organizational behavior. *Personnel Psychology*, 65: 1-48.

Moore, C., Mayer, D. M., Chiang, F. F. T., Crossley, C. D., Karlesky, M., & Birtch, T. A. 2019. Leaders matter morally: The role of ethical leadership in shaping employee moral cognition and misconduct. *Journal of Applied Psychology*, 104: 123-145.

Muthén, L. K., & Muthén, B. 2017. *Mplus user's guide* (8th ed.). Los Angeles, CA: Muthén & Muthén.

Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. 2003. Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88: 879-903.

Raudenbush, S. W., & Bryk, A. S. 2002. *Hierarchical linear models: Applications and data analysis methods*. Thousand Oaks, CA: Sage.

Snijders, T. A. B., & Bosker, R. 2012. *Multilevel analysis: An introduction to basic and applied multilevel analysis* (2nd ed.). Thousand Oaks, CA: Sage.

Treviño, L. K., den Nieuwenboer, N. A., & Kish-Gephart, J. J. 2014. (Un)ethical behavior in organizations. *Annual Review of Psychology*, 65: 635-660.

Treviño, L. K., Weaver, G. R., & Reynolds, S. J. 2006. Behavioral ethics in organizations: A review. *Journal of Management*, 32: 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: 378-385.

Tyler, T. R., Lind, E. A., & Huo, Y. J. 2000. Cultural values and authority relations: The psychology of conflict resolution across cultures. *Psychology, Public Policy, and Law*, 6: 1138-1163.

Umphress, E. E., & Bingham, J. B. 2011. When employees do bad things for good reasons: Examining unethical pro-organizational behaviors. *Organization Science*, 22: 621-640.

Umphress, E. E., Bingham, J. B., & Mitchell, M. S. 2010. Unethical behavior in the name of the company: The moderating effect of organizational identification and positive reciprocity beliefs on unethical pro-organizational behavior. *Journal of Applied Psychology*, 95: 769-780.

Weiss, H. M. 1978. Social learning of work values in organizations. *Journal of Applied Psychology*, 63: 711-718.

Welsh, D. T., Ordóñez, L. D., Snyder, D. G., & Christian, M. S. 2015. The slippery slope: How small ethical transgressions pave the way for larger future transgressions. *Journal of Applied Psychology*, 100: 114-127.

Wotruba, T. R. 1990. A comprehensive framework for the analysis of ethical behavior, with a focus on sales organizations. *Journal of Personal Selling & Sales Management*, 10: 29-42.