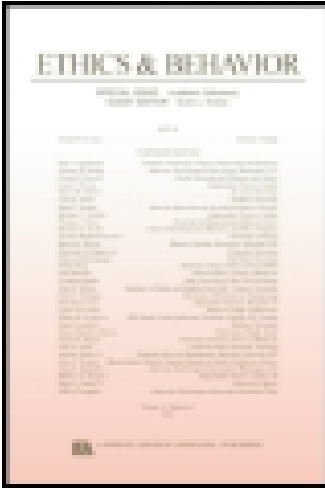


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### When Birds of a Feather Flock Together: The Role of Core-Self Evaluations and Moral Intensity in the Relationship Between Network Unethicality and Unethical Choice

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# When Birds of a Feather Flock Together: The Role of Core-Self Evaluations and Moral Intensity in the Relationship Between Network Unethicality and Unethical Choice

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Leveraging perspectives from social cognitive theory, the attention-based view, and social networks literatures, we tested the relationship between unethical choice and network unethicality, which we define as respondents' perceptions of their peer advisors' unethical choices. Although social cognitive theory predicts that perceptions of peer advisor unethical choice are positively associated with unethical choice, we theorize that the nature of this relationship depends on the personality of the actor (core self-evaluation) and the situation (moral intensity). Results from a lagged study suggest that individual and situational variables may act as key buffers to the adverse impact of unethical social influence on ethical choice. Strengths, limitations, and directions for future research are discussed.

Keywords: networks, ethics, lagged design, decision making, core self-evaluation

Previous research on unethical peer influence suggests that through observation and interaction, individuals often learn from others in their social environments, intentions, justifications, norms, and techniques associated with unethical behaviors (McCabe, Treviño, & Butterfield, 1996; O'Fallon & Butterfield, 2005; Treviño, Weaver, & Reynolds, 2006; Zey-Ferrell & Ferrell, 1982).

Although susceptibility to unethical peer influence has emerged as an important environmental determinant of unethical decision making (McCabe, Butterfield, & Treviño, 2006; McCabe & Treviño, 1993; O'Fallon & Butterfield, 2011b), research exploring variables that inoculate individuals to this influence has lagged. A recent study by O'Fallon and Butterfield (2011b) suggests that certain individual and situational variables may provide boundary conditions on individuals' conformity to unethical peer influence. These authors reported that individual variables such as low need for affiliation, extraversion, and moral identity weakened the influence of unethical peer behavior on observers' unethical choices. In contrast, situational variables, including social proximity and negative social network relationships, had no effect (O'Fallon & Butterfield, 2011b). The authors called for future research exploring the boundary conditions played by individual variables such as locus of control (Rotter, 1966), situational/issue related variables including magnitude of consequences and temporal immediacy (Jones, 1991) as well as interactions among individual and situational variables (O'Fallon & Butterfield, 2011b).

The authors reasoned that "situational variables might act as cues that activate individual difference variables in influencing the relationship between others' unethical behavior and observers' unethical behavior" (O'Fallon & Butterfield, 2011a, p. 394). These findings highlight a general limitation in the ethics literature concerning a paucity of cross-category exploration of the drivers of unethical behavior (Kish-Gephart, Harrison, & Treviño, 2010).

To be certain, in addition to environmental variables such as peer influence, considerable research attention also has been focused on individual difference characteristics (e.g., personality and demographics; Ford & Richardson, 1994; Loe, Ferrell, & Mansfield, 2000; O'Fallon & Butterfield, 2005; Tenbrunsel & Smith-Crowe, 2008) as well as features of the ethical issue (i.e., moral intensity; Jones, 1991). However, a recent meta-analysis reported by Kish-Gephart et al. (2010) revealed that the vast majority of this research has been conducted within individual, issue, and environment-related categories, rather than across categories, prompting a call for "more complex configurations of individual, moral issue, and organizational environment variables" (p. 23).

In this study, we propose the application of the attention-based view (ABV) as a framework to understand the matrix of variables driving unethical decision making and behavior.

Figure 1 depicts the conceptual relationships we test in our proposed model. We theorize that network unethicality is an environmental variable that governs attention to unethical decision making, influencing the salience of unethical social cues and influence. Second, we propose that the metapersonality trait core self-evaluation (CSE) and the moral intensity of issues in the decision-making context impact the relationship between network unethicality and unethical choice by also affecting the salience and attractiveness of unethical considerations. CSE is an individual difference factor capturing personal effectiveness, self-esteem, and worth (Judge & Bono, 2001) and may influence sensitivity to ethical situations (e.g., working hard to achieve success) or unethical situations (e.g., cheating to avoid failure). Last, we examine moral intensity as a boundary condition of the peer influence and unethical decision making relationship. Moral intensity is an issue-related variable that influences the salience of considerations such as the

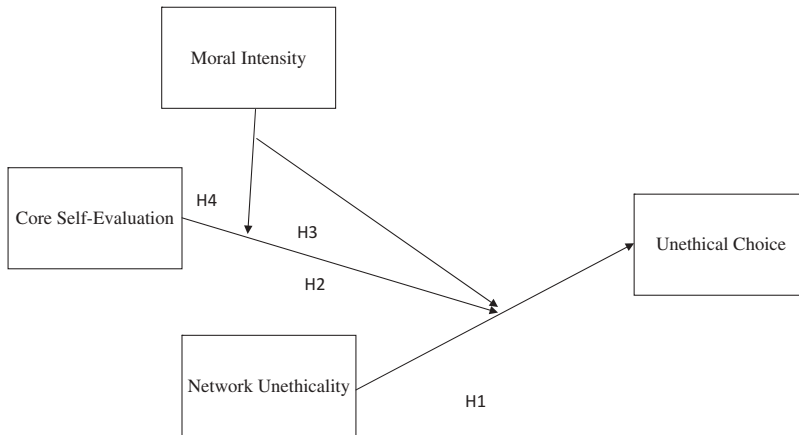


FIGURE 1 Attention-based view of the role of individual, issue, and environment related variables on unethical choice.

magnitude of consequences associated with unethical choice. Drawing on the ABV, we posit that by decreasing the salience of unethical considerations, certain individual and issue-related variables have the potential to divert individuals’ attention away from their unethical network peers and thereby diminish the tendency to make choices consistent with those made by their unethical network peers.

In the development of this framework, we seek to make three contributions to the literature. First, through the application of the ABV to our understanding of unethical decision making we seek to develop a comprehensive conceptual framework within which to integrate research across individual, issue, and environment related categories. Second, drawing on social networks literature (e.g., Brass, Butterfield, & Skaggs, 1998), we extend research on peer influence on unethical choice (e.g., McCabe et al., 2006; O’Fallon & Butterfield, 2005, 2011a, 2011b) by examining the role played by peer advisors, who potentially play a key part in capturing and directing decision makers’ attention toward or away from unethical choices. Finally, although a growing body of research has repeatedly demonstrated the impact of peer influence on unethical choice (e.g., McCabe et al., 2006; McCabe & Treviño, 1993; O’Fallon & Butterfield, 2011), research focused on boundary conditions of this relationship reflecting the separate and combined influence of individual and issue-related variables has lagged. The current research addresses how individual, issue, and environment operate in conjunction with one another to predict unethical choice.

## THEORY AND HYPOTHESES

### Attention-Based View

The attention-based view of decision making is grounded on the operational constraints implied by bounded rationality (Simon, 1947), that decision makers have limited cognitive resources

available to recognize, store, and recall information (March & Simon, 1958). Environmental stimuli compete for limited attentional capacity. To cope with heavy information-processing loads, decision makers must selectively attend to some, but not other, issues (Ocasio, 2011). From the ABV, issues refer to “the available repertoire of categories for making sense of the environment” (Ocasio, 1997, p. 189), whereas answers refer to “the available repertoire of action alternatives” (Ocasio, 1997, p. 189). The issues and answers that ultimately capture the focus of decision makers’ attention may be driven by a range of variables, including individual-related variables such as personality (Chang, Ferris, Johnson, Rosen, & Tan, 2012; see also Kish-Gephart et al., 2010), characteristics of a focal issue (e.g., Kish-Gephart et al., 2010), and environmental variables (e.g., Kish-Gephart et al., 2010)—all of which we theorize channel information toward or from decision makers.

## Attention and Social Networks

ABV proponents maintain that attention is socially controlled and distributed by the social networks to which decision makers belong (McMullen, Shepherd, & Patzelt, 2009; Ocasio, 1997; Vissa & Chacar, 2009). A social network is defined as a group of individuals and the relationships that connect its members (Borgatti & Halgin, 2011). The structures of social networks vary in accordance with the patterns of relationships connecting individuals, interaction frequency, and the closeness and intimacy of these relationships (Granovetter, 1985). In this research we focus on peer advice networks (Baldwin, Bedell, & Johnson, 1997; Ho & Levesque, 2005)—the giving and seeking of guidance, recommendations, and counsel among peers.

The ABV suggests that the interactions that occur within social networks direct individuals’ attention toward the communications and behaviors of others (Burt, 1987; Vissa & Chacar, 2009). As interaction frequency increases, demands on observers’ attentional resources and capabilities also increases (Salancik & Pfeffer, 1978). Attention focused in one direction is unavailable for recognition and sense making in other directions (Cho & Hambrick, 2006; Weick & Sutcliffe, 2006). In this way, social networks channel attention toward certain issues and answers and away from others (Ocasio, 1997), influencing the learning process (Bandura, 1977), and facilitating and constraining network members’ behavior (Brass et al., 1998; Burt, 1992).

## Hypothesis Development

### *Environment-Related Variables*

Extant research has highlighted organizational efforts to curb unethical choice by directing members’ attention to codes of conduct, organizational mission, vision, and value statements and by emphasizing rewards for organizationally appropriate behavior and sanctions for deviance (Ford & Richardson, 1994; Loe et al., 2000; Paolillo & Vitell, 2002). However, often overlooked is the informal social environment in which employees are embedded. The influence of unethical peers has been recognized as an important determinant of unethical choice (McCabe et al., 2006; McCabe & Treviño, 1993; O’Fallon & Butterfield, 2011b). For example, Zey-Ferrell, Weaver, and Ferrell (1979) reported associations between marketers’ perceptions of other marketers’ unethical

choices and their own, whereas McCabe and colleagues (2006) found that business students' perceptions of other students' unethical behavior were positively related to self-reported cheating.

Research on cognitive moral development provides that most individuals operate at a conventional level of moral reasoning (Kohlberg, 1969; Rest, 1986), looking to significant others for behavioral cues. Moreover, conventional reasoners are likely to attend more closely to the cues of close associates than of those more distant (Jones & Ryan, 1997; Kohlberg, 1976). Attention plays a key role in theories of social learning and influence (Bandura, 1977), highlighting individuals' tendency to selectively attend to stimuli signaling significant others' expectations. Research on moral approbation suggests that individuals often seek the opinion and moral approval of referent others when making moral judgments (Jones & Ryan, 1997). Because of social conformity pressures (Asch, 1955; Bond & Smith, 1996), individuals tend to adopt choices consistent with the perceived normative expectations from their social referents (Ho & Levesque, 2005; Jones & Ryan, 1997; Zey-Ferrell & Ferrell, 1982).

Information received from peer advisors may be particularly salient, because peer advisors are viewed as trusted sources of information (Mizruchi, Stearns, & Fleischer, 2011). Peer advisors provide guidance and recommendations concerning past, current, and future courses of action (Baldwin et al., 1997), and are generally called on when conditions are uncertain or ambiguous, or when peer advisors are thought to have some advanced knowledge or previous experience (Borgatti & Cross, 2003). Frequent exchange of advice between peers is an indication of perceived credibility, trust, and dependence between advisors and advisees (Borgatti & Cross, 2003). Through peer modeling, peers observe and learn which attitudes, values, and behaviors are rewarded (Erickson, 1988; Jones & Ryan, 1997); thus, peer advisors provide not only information but guidance as well. For example, an advisor may provide information about his or her intentions to make an unethical choice, the reasons underlying the unethical choice, and details regarding how to avoid getting caught (Zey-Ferrell & Ferrell, 1982).

Consequently, we propose that the extent that unethical tendencies are perceived to be present among social network peers, a condition we term *network unethicality*, drives attention towards or away from unethical choices. Network unethicality represents the proportion of social ties one has with unethical peer advisors relative to all of his peer advisors, and is likely to influence whether social learning will yield unethical choices (Zey-Ferrell & Ferrell, 1982). When social interactions more frequently tend to be with perceived unethical versus ethical peer advisors, social learning will tend to provide support and justification for unethical choices. In this way, the more that individuals interact with social network peers perceived to have unethical tendencies, the more likely their attention and learning will be directed toward unethical choices, leading to the following:

H1: Network unethicality is positively related to unethical choice.

However, although perceptions of unethical peer behavior are a key environmental determinant of unethical choice (McCabe et al., 2006; McCabe & Treviño, 1993; O'Fallon & Butterfield, 2011b), the attention-based framework we propose also incorporates a focus on the role played by individual differences that potentially lead some decision makers (but not others) to be particularly susceptible to unethical social cues and issue-related variables that highlight the costs of adopting unethical alternatives. Specifically, we argue that the relationship between network unethicality and unethical choice is bounded by individuals' core self-evaluations and perceptions of moral issue intensity.

### *Interaction Between Environment-Related Variables and Individual-Related Variables*

The ABV model of unethical choice proposes that individual-related variables moderate the harmful influence of network unethicity by influencing attentiveness to others and sensitivity to unethical stimuli. Personality is an individual difference characteristic that can influence the ability to recognize unethical issues and develop appropriate responses (Christie & Geis, 1970; Jones, 1991; Treviño & Youngblood, 1990). Although the literature has identified various personality traits such as locus of control (Detert, Trevino, & Sweitzer, 2008; Treviño, 1986; Treviño & Youngblood, 1990) and self-efficacy (Belar et al., 2001) as predictors of unethical choice, these factors have been examined individually and findings have been mixed (O'Fallon & Butterfield, 2005). To develop a more comprehensive understanding of dispositional factors on ethical decision making, we utilize the metapersonality construct CSE. CSE incorporates four well-established concepts: self-esteem, self-efficacy, locus of control, and emotional stability (Judge, Locke, Durham, & Kluger, 1998) and reflects the fundamental evaluation individuals make about themselves and their interactions with their environment (Judge, Van Vianen, & De Pater, 2004). These personal evaluations have a direct influence on evaluations of others and on environmental stimuli (Bono & Judge, 2003; Judge, Bono, & Locke, 2000; Judge et al., 2004). Previous research suggests that CSE is a more stable predictor of individual behavior than individual personality traits (Judge, 2009).

High CSE individuals tend to be well adjusted, positive, self-confident, and efficacious (Judge, Erez, Bono, & Thoresen, 2003), a disposition that inclines these individuals to believe that they can accomplish goals through appropriate behavior, and a disinclination to consider or engage others in their decision-making processes. Because high CSEs tend to view personal outcomes as dependent on their own actions, they are more likely to recognize their role in achieving results independent of guidance from others. As a consequence, social network cues should be less salient to high CSEs and less likely to influence high CSEs' choices.

In contrast, low CSEs tend to be less confident of the accuracy and efficacy of their own judgments (Judge et al., 2003) and may experience uncertainty or feelings of ambiguity when facing ethical dilemmas. Accordingly, low CSEs may be more inclined to look to referent others for guidance and feedback. As a result, the moral choices of the members of low CSEs' social networks are likely to be highly salient and personally relevant, leading low CSEs to be more attentive to social cues, behaviors, and advice from their social network ties when facing ethical dilemmas. Because we expect CSEs to account for differences in attentiveness to others and to environmental stimuli, we propose that the influence of network unethicity on unethical choice is more pronounced among low CSEs than high CSEs, leading to the following prediction:

H2: CSE moderates the positive relationship between network unethicity and unethical choice, such that the relationship is stronger for low CSEs than for high CSEs.

### *Interaction Between Issue-Related Variables and Environment-Related Variables*

As we previously note, issue-related characteristics also have been identified as a critical driver of unethical choice (Kish-Gephart et al., 2010; Sonenshein, 2009). Jones (1991) introduced the



concept of moral intensity to highlight the role of issue-related variables on ethical decision making. Moral intensity is the level of moral relevance an issue holds for an individual and comprises six distinct elements.

Jones (1991) proposed that moral intensity increases the likelihood that an issue will be recognized as a moral issue and increases perceptions of individual responsibility for choices and potential consequences to others. Because the consequences of unethical choices are likely to be more relevant and salient when moral intensity is high, as moral intensity increases the potential consequences of unethical choices are likely to command increased attention (Sonenshein, 2009). High-intensity issues send clear signals that ethical courses of action are warranted and direct attention away from unethical alternatives. Because morally intense issues offer relatively less room for deliberation, network unethicity is likely to be less salient and less impactful on decision making. In this way, high-intensity moral issues should diminish the relative influence of network unethicity.

In contrast, because issues low in moral intensity are less immediately relevant to decision makers, they also are less likely to be recognized as moral dilemmas; and if they are recognized, they may be less likely to capture sustained consideration. Low-intensity issues lack content clarity and are more likely to be perceived as ethically ambiguous. In addition, the diminished salience of the consequences of unethical choices may facilitate justification of unethical courses of action in spite of the availability of otherwise ethical options (Jordan, 2009). In this way, low-intensity moral issues provide fewer deterrents to attentional channeling and social influence, resulting in greater susceptibility to network unethicity, leading to the following prediction:

H3: Moral intensity moderates the positive relationship between network unethicity and unethical choice such that the relationship weakens as moral intensity increases.

#### *Interaction Between Individual, Issue, and Environment-Related Variables*

Earlier we propose that individual and issue-related variables mitigate against negative influences of unethical social networks. In addition, the ABV framework provides that these variables in conjunction with one another influence attentiveness to unethical stimuli, governing the incidence of unethical choices (Ocasio, 1997).

Moral issues of low intensity are likely to lead individuals to focus less attention on the merits and consequences of such acts; thus such issues are more susceptible to the influence of network unethicity. Therefore, we expect that as a result of individual differences in the tendency to look to others for guidance, low CSEs will be more susceptible to unethical attentional channeling when moral intensity is low. Specifically, when low CSEs encounter issues of low intensity, they are more likely to seek guidance from those in their peer networks. As a result, low CSEs are more likely to make choices consistent with those they perceive will be made by peer advisors.

In contrast, high CSEs tend to be highly self-efficacious and confident in their capabilities. Thus, in the absence of moral issue intensity, high core self-evaluations may provide some buffer against the impact of unethical social influence on unethical choice by directing high CSEs' attention toward their own core values and personal judgments and away from those of their unethical peers. As a result, when moral intensity is low, we expect high core self-evaluations to dampen the impact of unethical peer influences on unethical choice. Thus, we expect a strong

positive relationship between network unethicity and unethical choices when low CSEs perceive the moral intensity of an issue to be low.

As moral intensity increases, we expect both high and low CSEs to have less uncertainty regarding how to appropriately evaluate these issues. When faced with intense moral issues, the attention of both low and high CSEs is likely to be more strongly drawn to the salient ramifications of unethical choices than to the leanings of peer advisors. Thus, when the stakes associated with unethical choices are high, we expect both low and high CSEs to be less susceptible to guidance and cues from their networks.

In sum, we propose that differences in the effects of network unethicity on unethical choice among low and high CSEs will be observed only when the intensity of an issue is low enough to allow for unethical attention channeling. The clarity and salience of the consequences associated with high intensity issues diminishes differences in the predisposition among low and high CSEs to be more or less attentive to others regarding how they should think and act, leading to the following:

H4: CSE and moral intensity moderate the positive relationship between network unethicity and unethical choice such that (a) for issues low in moral intensity the relationship will be stronger for low CSEs than for high CSEs; however (b) for issues high in moral intensity CSE will have no impact on the relationship.

## METHODS

### Participants

The initial pool of participants consisted of 589 undergraduate students enrolled in multiple undergraduate courses at a large southeastern university in the United States. The distribution of participants across the various courses ranged from 4 to 137; in accordance with the university's Institutional Review Board regulations, each participant received extra course credit for participating. Results from multivariate analysis of variance (Wilks's Lambda  $F = .950$ ,  $p = .581$ ,  $\eta^2 = .04$ ) with course section as the independent variable and the variables of interest in the study as the dependent variables revealed no significant differences across sections. Thus, the subgroups were combined to create a study sample on which all of our inferences are based. The sample was 59% male and 80% Caucasian with an average age of 21.36 years ( $SD = 2.59$ ).

The first procedural step was an introductory e-mail sent by the first author to all enrolled students, providing descriptions of the study and data collection, assurances of confidentiality, information regarding how the survey results were to be used, and a request for voluntary participation. Participants were informed that the study focused on drivers of non-normative behaviors. Those who elected to participate clicked on the "agree" button and were taken to the start of the first survey. To minimize the potential for common method variance, data were collected in a time-lagged fashion, with new surveys distributed every 21 days. A major challenge in conducting time-lagged studies is that theory is often not explicit in prescribing the appropriate time intervals for evaluating various changes in phenomena (Mitchell & James, 2001). At Time 1, questions related to major, demographics, and other non-study-related variables were asked, with 484 usable surveys completed, for a response rate of 82.17%.

The second procedural step consisted of administration of surveys at three subsequent periods. At Time 2, questions regarding network unethicity were asked, with 435 usable surveys completed. At Time 3, questions regarding personality and characteristics regarding ethical issues were asked, with 400 usable surveys completed. At Time 4, questions regarding unethical choice and other unrelated variables were asked, with 367 usable surveys returned for an overall response rate of 62.3%.

To examine whether sample attrition over time was nonrandom, we compared the persons who participated only at Time 1 with the 367 persons included in the final sample. These two groups did not differ with respect to any study variable.

## Measures

Unless otherwise noted, all items on the survey were responded to on a 7-point Likert scale ranging from 1 (*strongly disagree*) to 7 (*strongly agree*). The items in the scales were averaged to create aggregate values for each variable. The items were coded such that high values reflected high levels of the study constructs.

### *Time 1 Measure*

**Control variables.** As just noted, various demographic variables may explain variance in ethical choices. Specifically, gender has been shown to be a predictor of ethical behavior (Borkowski & Ugras, 1998; Franke, Crown, & Spake, 1997; Kish-Gephart et al., 2010; Tenbrunsel & Smith-Crowe, 2008). Research suggests that female individuals tend to behave more ethically than male (Latham & Perlow, 1996). Participants provided self-report gender data in the initial survey where gender was coded 0 = *female*, 1 = *male*. In addition, age also may predict ethical behavior (Henle, Giacalone, & Jurkiewicz, 2005; Kish-Gephart et al., 2010; Lasson & Bass, 1997; O'Fallon & Butterfield, 2005; Singhapakdi, 1999; Tenbrunsel & Smith-Crowe, 2008), with older individuals demonstrating less unethical behavior (Treviño & Weaver, 2003). Participants provided self-reports of their age.

### *Time 2 Measure*

**Network unethicity.** The current operationalization of unethical peer influence, network unethicity, represents a departure from the approach taken in previous research on unethical peer influence, in which individuals were recognized as peers if they shared the same role-set as the focal individual (Zey-Ferrell & Ferrell, 1982). For example, Zey-Ferrell et al. (1979) reported associations between marketers' perceptions of other marketers' unethical choices and their own, whereas McCabe and colleagues (2006) found that business students' perceptions of other students' unethical behavior were positively related to cheating. For students, "peers" included all other students on campus, whereas for marketers peers included all other marketers within his or her organization. Although this broad treatment of peers has advanced understanding of generalized peer influence, it fails to account for the relational nature of social influence within peer groups, an omission we propose limits understanding of peer influence on ethical choice. Research from the social networks domain suggests that individuals often maintain relationships

of varying strength with others in their social environments, interacting frequently with some and infrequently (or not at all) with others.

We contend that individuals in one's peer network constitute a more appropriate reference group for understanding unethical decision making than individuals' peer groups generally. Consistent with social learning theory, we expect individuals to give greater attention to, and learn more from, their network peers than from those in the larger social environment (i.e., nonnetwork peers). As a result, we chose to shift the referent of peer influence from peers in respondents' role set generally to only those in one's immediate social network.

Network unethicity reflects perceptions of unethical leanings in an individual's peer advice network, and represents the degree of unethical influence exerted by the members of a respondent's peer advisor network, given a theoretical maximum of unethical influence. Calculating this measure involved measuring and combining two types of information: (a) the actual advice relationships of respondents' peer networks with (b) the respondents' perceptions of the likely unethical choices of each of his peer advisors.

To capture respondents' peer advice relationships we adapted an item used in previous research (Baldwin et al., 1997) directing respondents to indicate up to 12 individuals in their course from whom they had previously sought advice when experiencing a school-related matter. Although multi-item measures are generally preferred over single-item measures to maximize reliability, requiring respondents to answer several questions per member of a social network (up to 12 in the current study) would exacerbate concerns associated with fatigue and poor response rates (e.g., Marsden, 1990). As a result, we followed the custom of extant social networks studies (e.g., Oh, Chung, & Labianca, 2004; Venkataramani, Green, & Schleicher, 2010) employing single-item measures to assess social networks. To help with recall and reliability, we provided respondents with a roster of the names of all of the students in the course, another procedure common in social networks research (e.g., Baldwin et al., 1997; Marsden, 1990; Venkataramani & Dalal, 2007).

To capture respondents' perceptions of the likelihood that their peer advisors would make unethical choices, we adapted a single-item measure used in previous research on academic dishonesty (McCabe et al., 2006). The McCabe et al. (2006) measure prompts respondents to indicate "how often they had observed another student cheating" (p. 297). However, we departed from this convention by asking respondents to indicate on a 5-point Likert scale, ranging from 1 (*strongly disagree*) to 5 (*strongly agree*), how strongly they *believed* that *each* of their named peer advisors would cheat on an exam. This was done to create a correspondence with our theory that unethical influence may not be limited to peer observations but also may be transmitted through communications with unethical peer advisors. That is, a respondent may never actually have observed a peer advisor engage in unethical behavior but may still have received unethical cues such as advice or rationale that swayed respondents' attention toward unethical choices.

Respondents who did not provide names of peer advisors were assigned a value of 0 as an indication that they had no chance of receiving unethical influence from peer advisors. We then summed these values and divided by a theoretical maximum degree of unethical network choice (total possible sum). To illustrate, consider a respondent who provides the names of four peer advisors, indicating unethical choice values of 3, 1, 2, and 4 for peer advisors A, B, C, and D. This would result in a value of 10 for the degree of unethical influence in the peer advice network. Because the maximum unethical influence value per peer advisor is 5, the total possible unethical influence is equal to 20. Network ethicality was then calculated by dividing the observed influence of the network (10) by the theoretical maximum (20), resulting in a value of 0.5. In this way, the

network unethicity measure is an index ranging from 0 to 1, where 1 indicates a maximally unethical peer advice network and 0 indicates a network with no chance of transmitting unethical influence from peer advisors.

### *Time 3 Measure*

**Core self-evaluation.** Core self-evaluations are overall positive feelings or conclusions that people hold of themselves and their relationship with others. Participants provided self-ratings of the metapersonality characteristic using the 12-item measure of CSE reported by Judge et al. (2003;  $\alpha = .82$ ). An example item is “I determine what will happen in my life.”

**Moral intensity.** Moral intensity is a reflection of the characteristics of ethical issues that allow individuals to recognize them, make judgments, and behave ethically (Ng, White, Lee, & Moneta, 2009; Sweeney & Costello, 2009; Wasieleski & Hayibor, 2008). Moral intensity was measured using six items from Frey’s (2000a, 2000b) Moral Intensity Scale ( $\alpha = .82$ ). An example item is, “The harm done (if any) as a result of cheating on a test would be very small.”

### *Time 4 Measure*

**Unethical choice.** Unethical choice is defined as engaging in behaviors that violate acceptable norms. Previous studies on cheating have typically relied on self-report measures (Anderman & Danner, 2008). The measurement of any kind of cheating-related variable can be a sensitive and delicate issue, especially when self-report measures are used (Anderman, Griesinger, & Westerfield, 1998). Of interest, research has shown a sharp increase in students self-reports of cheating while in college (McCabe & Bowers, 1994; Ogilby, 1995). Therefore, consistent with previous studies, we measure unethical choice using self-reports (e.g., Joseph, Berry, & Deshpande, 2009; Simha, Armstrong, & Albert, 2012; Smith, Davy, Rosenberg, & Haight, 2009; Staats, Hupp, & Hagley, 2008; Van Yperen, Hamstra, & van der Klauw, 2011; Williams, Nathanson, & Paulhus, 2010). As a result, we assessed unethical choice using the 10-item measure reported by Tillman (2011) of unethical choice ( $\alpha = .84$ ) focused on cheating. Cheating is reflective of “tactics used by students to achieve an unfair advantage over other students in a course” (Reynolds & Ceranic, 2007, p. 1613). Most often cheating is viewed as a distinct “right versus wrong,” in which decision makers make choices that are not aligned with their moral codes (Brady & Wheeler, 1996). Example items include “I worked with others to complete the exam” and “I discussed the questions on the exam with others.”

**Marker variable.** In an effort to further control for common source variance among self-report measures (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003), we embedded six marker items theoretically unrelated to our substantive constructs (Lindell & Whitney, 2001) from the traditional family ideology and community attitudes scales ( $\alpha = .67$ ). Because method variance can inflate relationships between study constructs, it was necessary to examine this possibility. Example items include “It is a reflection of a husband’s manhood if his wife works” and “Progress can best be accomplished by having only a few people involved”

## Data Analysis

Moderated multiple regression analysis was used to test the interactions of network unethicity, core self-evaluation, and moral intensity on unethical choice (Cohen, Cohen, West, & Aiken, 2003). Variables were centered prior to their inclusion in the regression analysis to minimize the potential for multicollinearity issues to influence the pattern of relationships between the study variables (Aiken & West, 1991).

In the first step of our analysis, age and gender were included, followed by the main effect of network unethicity. In the following step, the main effects of core self-evaluation and moral intensity were entered. All three two-way interaction terms were then included, and the three-way interaction term was included in the final step of the analysis. Moderated multiple regression analysis tests for the significance of incremental changes in the variance of the criterion variable (cheating) explained by interaction terms beyond that attributable to main effects. Therefore, a significant change in the variance explained by the regression step, and a significant beta coefficient for the interaction term constitutes evidence of a moderated effect (Aiken & West, 1991; Baron & Kenny, 1986).

## RESULTS

### Descriptive Analysis

Descriptive statistics and bivariate correlations for all study variables are presented in Table 1. The correlations between our marker variable and other study variables suggest that common source-method bias was not a threat to our conclusions. As expected, the mean levels of unethical choice reported were relatively low ( $M = 1.42$ ) and positively skewed, suggesting that our measure of choice could be a low-base rate behavior, similar to other measures of unethical behavior. However, unethical choice was significantly related to several of the predictors in our

TABLE 1  
Correlations, Means, and Standard Deviations

Variable	<i>M</i>	<i>SD</i>	1	2	3	4	5	6	7
1. Age	21.47	2.06							
2. Gender	1.41	0.49	-0.12*						
3. Network Unethicity	0.33	0.24	-0.15**	-0.02	.90				
4. Core Self-Evaluation	5.32	1.07	-0.09	-0.06	-0.08	.54			
5. Moral Intensity	4.16	0.35	-0.04	-0.06	0.07	-0.02	.58		
6. Unethical Choice	1.42	0.50	-0.06	-0.04	0.29***	-0.15**	-0.02	.61	
7. Marker	3.67	0.79	0.03	-0.12*	0.08	-0.06	-0.01	0.04	

Note.  $N = 365$ . Values on the diagonal are the square root of the average variance explained, which must be larger than all zero-order correlations in the row and column in which they appear to demonstrate discriminant validity (Fornell & Larcker, 1981).

\* $p < .05$ . \*\* $p < .01$ . \*\*\* $p < .001$ .

model, suggesting that despite low levels of unethical decision making, the current setting offers sufficient variance to test the relationships we hypothesized.

### Initial Analysis

Prior to testing the hypothesis in the study, we evaluated the discriminant validity of all constructs. To do this, we followed the procedure outlined by Fornell and Larcker (1981) by calculating the average variance explained (AVE) for each of the scales in our study. This value represents the amount of variance explained by the scale as compared to that due to measurement error. Fornell and Lackner suggested that AVE values greater than .50 are desirable as they indicate the items in the scale capture more variance than can be attributed to measurement error. All of the AVEs for our scales exceeded .54. Finally, we calculated the square root of the AVEs and present these values on the diagonal in Table 1. Fornell and Larcker suggested that if the square root of the AVE, which represents the variance accounted for by the items that make up the scale, exceeds the corresponding latent variable correlations in the same row and column, which represents the variance shared by two constructs, then the scale demonstrates discriminant validity. As shown in Table 1, this condition is met for all of our scales.

### Common Method Bias

Although the impact of common method variance is touted as a potential myth (Vandenberg, 2006), some researchers believe that because of the self-report nature of the survey method, method variance is an issue that may have the ability to cause measurement error and bias the true relationships in a study. Therefore, because of the idea that method variance can inflate or deflate the necessary relationships among the constructs and cause either a Type I or Type II error, we examined this possibility (Doty & Glick, 1988; Podsakoff et al., 2003).

To assess the extent of method bias in our study, we followed the technique recommended by Lindell and Whitney (2001). If a variable can be identified on theoretical grounds that should not be related to at least one variable of interest in the study, it can be used as a marker. We used ratings from the traditional family ideology and community attitudes scales as our marker variable. Lindell and Brandt (2000) suggested that the strength of common method bias can be assessed through a post hoc marker variable approach under which a method factor is assumed to have a constant correlation with all similarly measured items (Malhotra, Kim, & Patil, 2006). Method bias can be assessed based on the correlation between the marker variable and the theoretically unrelated study variables. According to Spector (2006), if the survey using self-report information introduces this bias, a baseline level of correlation should exist among all variables. As shown in Table 1, results of the marker variable analysis revealed that the common method variance was not a significant factor.

### Regression Analysis

Results for our hypothesis tests are shown in Table 2. Although our analysis incorporates multiple steps, we interpret the final step as it includes all components of our model. Also shown in Table 2 are the results from our tests for multicollinearity. We assessed multicollinearity via

TABLE 2  
Regression Results for the Effects of Network Unethicality, Core Self-Evaluation, and Moral Intensity on Unethical Choice

Independent Variables	Unethical Choice				
	Step 1	Step 2	Step 3	Step 4	Step 5
Intercept	1.842***	1.598***	1.668***	1.604***	1.582***
Age	−0.017	−0.006	−0.009	−0.008	−0.007
Gender	−0.046	−0.036	−0.035	−0.020	−0.015
Network Unethicality (NU)		.607***	.556***	.511***	.482***
		<i>.977/1.024</i>	<i>.959/1.043</i>	<i>.947/1.056</i>	<i>.923/1.084</i>
Core Self-Evaluation (CSE)			−.052**	−.046*	−.038*
			<i>.954/1.048</i>	<i>.946/1.057</i>	<i>.911/1.098</i>
Moral Intensity (MI)			−.137**	−.130**	−.120**
			<i>.959/1.043</i>	<i>.949/1.054</i>	<i>.938/1.066</i>
NU × CSE				−.156*	−.129
				<i>.881/1.135</i>	<i>.856/1.168</i>
NU × MI				−.708***	−.652***
				<i>.898/1.114</i>	<i>.881/1.135</i>
CSE × MI				0.048	0.021
				<i>.898/1.114</i>	<i>.807/1.239</i>
NU × CSE × MI					.285*
					<i>.716/1.396</i>
<i>F</i>	1.107	11.715***	9.918***	8.988***	8.362***
<i>R</i> <sup>2</sup>	0.006	0.089	0.121	0.168	0.175
Adj <i>R</i> <sup>2</sup>	0.001	0.081	0.109	0.149	0.154
$\Delta R^2$	0.006	0.083	0.033	0.047	0.007
F for increment in <i>R</i> <sup>2</sup>		32.738***	6.671***	6.655***	2.958*

Note. *N* = 365. All independent variables are unstandardized. Tolerance and variance inflation factor are in italic bold, respectively.

\**p* < .05. \*\**p* < .01. \*\*\**p* < .001.

two commonly used indices: tolerance and variance inflation factor. Miles and Shelvin (2003) proposed tolerance values close to 1 and variance inflation factor scores less than 2 to denote trivial collinearity. The results from our analysis revealed no evidence of collinearity (Hair, Black, Babin, Anderson, & Tatham, 2006; Miles & Shelvin, 2003).

In Hypothesis 1 we proposed that network unethicality is positively related to respondents' unethical choice. As can be seen in the last regression step in Table 2, consistent with our expectation, there is a positive and significant relationship between network unethicality and unethical choice ( $B = .482$ ,  $p < .001$ ), providing support for this prediction. After entering the control variables, network unethicality explained an additional 8.3% of the variance in unethical choice.

Hypothesis 2 proposed that CSE moderates the relationship between network unethicality and unethical choice, such that the unethical choices of low CSEs are more strongly related to network unethicality than those of high CSEs. As can be seen in the last step of the regression in Table 2, the Network Unethicality × CSE interaction term was not significant, providing no support for Hypothesis 2.



In Hypothesis 3 we predicted that moral intensity moderates the relationship between network unethicity and unethical choice, such that the relationship is weaker at higher moral intensity. As can be seen in the last regression step in Table 2, the Network Unethicality  $\times$  Moral Intensity interaction term was significant and explained significant incremental variance in unethical choice ( $B = -.652, SE = .234, \Delta R^2 = .025, p < .01$ ). To determine whether the form of the two-way interaction conformed to our prediction, we followed the procedure outlined by Stone and Hollenbeck (1989) to graphically depict the interactions. Two levels of core self-evaluation were plotted: at 1.0 standard deviation above and below the mean. As can be seen in Figure 2, the relationship between network unethicity and unethical choice was stronger for low morally intense issues. As expected, when faced with issues with higher levels of moral intensity, the relationship between network unethicity and unethical choice weakened. We conducted a simple slope test to determine if the slopes of the lines in Figure 2 differed significantly from zero. Results indicated that the slopes for high ( $\beta = .353, t = .233, p = .020$ ) and low ( $\beta = .611, t = 4.764, p < .001$ ) moral intensity were significantly different from zero, providing support for Hypothesis 3.

Finally, in Hypothesis 4 we predicted that CSE and moral intensity moderate the relationship between network unethicity and unethical choice such that under conditions of low moral intensity there is a significant interactive effect of CSE and network unethicity on unethical choice. As can be seen in the last step of the regression in Table 2, the significant three-way interaction term explained approximately 1% additional variance in unethical choice, beyond the effects of the control variables, the main effects, and the two-way interactions ( $B = .285, SE = .166, \Delta R^2 = .007, p < .05$ ). To confirm that the form of the three-way interaction coincided with our theory, in Figure 3 we plotted the significant three-way interaction. The data were split at 1.0 standard deviation above and below the means for moral intensity and core self-evaluations indicating high and low levels of these variables (Stone & Hollenbeck, 1989).

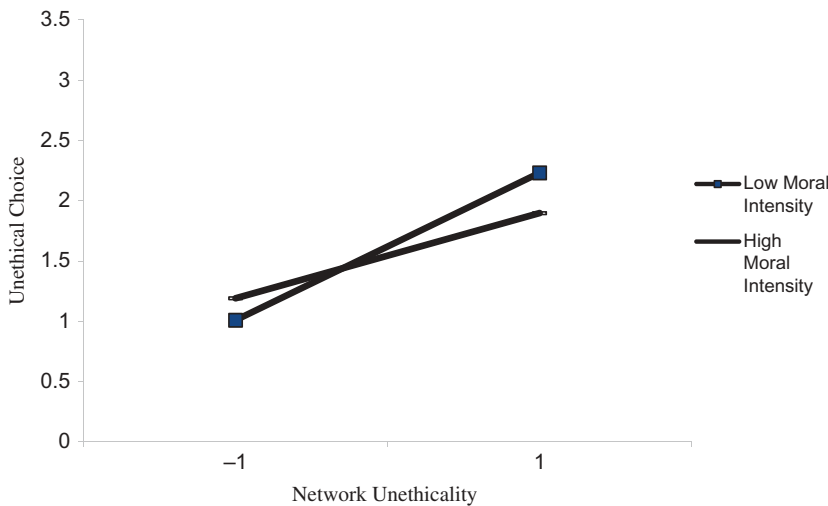


FIGURE 2 Two-way interaction for network unethicity and moral intensity.

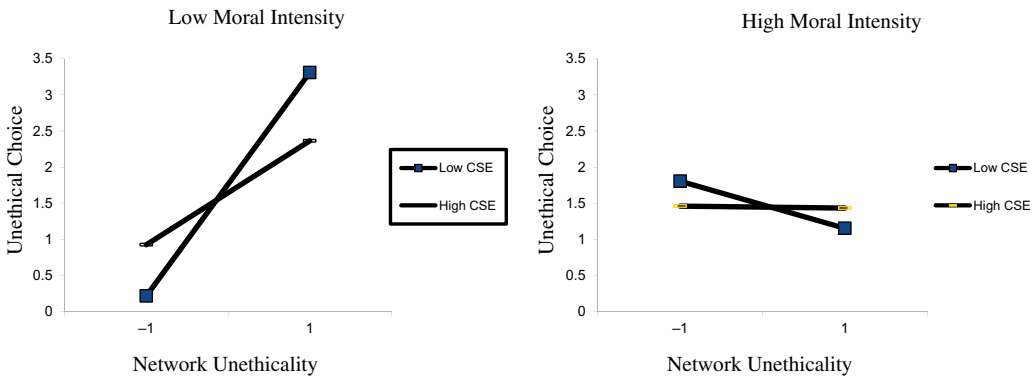


FIGURE 3 Three-way interactions for network unethicity, core self-evaluation (CSE), and moral intensity.

To determine the significance of the relationships plotted in Figure 3, we conducted a simple slope test. Results from this analysis indicated that the slopes for the low CSE/low moral intensity ( $B = 1.548$ ,  $SE = .309$ ,  $t = 4.995$ ,  $p < .001$ ) and high CSE/low moral intensity lines differed significantly from zero ( $B = .72$ ,  $SE = .381$ ,  $t = 1.889$ ,  $p = .05$ ). In contrast, the slopes for the low CSE/high moral intensity ( $B = -.326$ ,  $SE = .374$ ,  $t = -.872$ ,  $p = .384$ ) and high CSE/high moral intensity were not significantly different from zero ( $B = -.014$ ,  $SE = .367$ ,  $t = -.381$ ,  $p = .969$ ). Thus, variance in unethical choice produced by the three-way interaction between CSE, moral intensity, and network unethicity emerged for issues low in moral intensity, providing support for Hypothesis 4, and the importance of concurrent evaluation of person, issue, and environment variables for the prediction of unethical decision making.

As noted, self-reporting cheating behavior was infrequent and produced a skewed distribution, creating a need to properly account for this nonnormal distribution. To test the robustness of our results, we followed up the test of our linear interaction using the Poisson regression analysis, the analytic technique that is appropriate when the dependent variable assesses occurrences that are relatively rare despite the opportunities present for them to happen (Cameron & Trivdei, 2013; Lix, Keselman, & Keselman, 1996; Raver & Nishii, 2010). In addition to the Poisson model, given the tendencies to false positives (Sturman, 1999), we considered an alternative model using the standard Negative Binomial model. The results of our post hoc tests, using the final step, as shown in Table 3, revealed similar results to those reported earlier. To facilitate interpretation, we plotted results of the linear regression. To facilitate interpretation, we plotted results of the linear regression.

## DISCUSSION

Drawing on theory from the attention-based view, social learning, and social networks literatures, we theorized that unethical decision making is driven by a complex configuration of person, issue, and environment-related variables that tend to direct individuals' attention toward or away from unethical choices. In an effort to provide a broad evaluation of the ABV model, we

TABLE 3  
Post Hoc Regression Results

<i>Independent Variables</i>	<i>Unethical Choice</i>	
	<i>Poisson</i>	<i>Negative Binomial</i>
Intercept	.481***	.481***
Age	-0.006	-0.006
Gender	-0.011	-0.011
Network Unethicality (NU)	.331***	.331***
Core Self-Evaluation (CSE)	-0.023*	-0.023*
Moral Intensity (MI)	-0.072*	-0.072*
NU × CSE	-0.068	-0.068
NU × MI	-.038**	-.038**
CSE × MI	-0.001	-0.001
NU × CSE × MI	.105*	.105*
Wald $\chi^2$	118.69***	118.69***

*Note.*  $N = 365$  Results from Step 5.  
\* $p < .05$ . \*\* $p < .01$ . \*\*\* $p < .001$ .

examined the relationship between core self-evaluation (individual-related factor), moral intensity (issue-related factor), and network unethicality (environment-related factor) on unethical choice. We predicted that decision makers’ attention or inattention to the advice and behavioral intentions of unethical peer advisors influences the likelihood of unethical choices. The attention paid to unethical peer advisors is affected both separately and collectively by the strength of decision makers’ core self-evaluations and their perceptions of the intensity of moral issues. The results of our empirical analysis revealed a positive relationship between unethical choice and network unethicality, measured as an individual’s perception of the likelihood of unethical choices by those in his or her peer advice network. This finding coincides with results reported in previous research demonstrating that individuals’ social interactions with peers influence their ethical decision making.

In addition, our analyses also revealed that this relationship is moderated by perceptions of moral intensity. The findings related to moral intensity indicate that when faced with an ethical situation, individuals’ heightened recognition of personal responsibility and potential consequences of their actions reduce their inclination to rely on cues provided by peers. Specifically, in this research, perceptions of high moral intensity appear to have diminished the influence of unethical peers. In contrast, issues low in moral intensity, which are more ambiguous and have less severe consequences, appear to have increased the potency of the advice and signals of unethical peers. Although the results from our analysis provide support for the role of moral intensity as a moderator of the network ethicality–unethical choice relationship, we found no support for CSE as a boundary condition of this relationship. A possible reason for this may be the consequences of moral intensity. Support for the three-way interaction suggests that CSE impacts the network unethicality–unethical choice relationship, but only when moral intensity is low.

Under conditions of low moral intensity, the strength of the positive relationship between network unethicality and unethical choices is greater for low CSEs than for high CSEs. In contrast, when moral intensity is high, the impact of CSE on the relationship between network unethicality

and unethical choice was negligible. This suggests that when the consequences associated with an ethical dilemma are perceived to have low significance, lower core self-evaluations lead to stronger tendencies to make ethical choices consistent with those perceived to be made by peer advisors. In addition, low CSEs appear to doubt their ability to make an adequate decision when facing ethical dilemmas that are highly ambiguous and therefore have a tendency to seek the advice of their peers in these situations rather than trusting their intuitions and decision-making capabilities. However, under conditions of high moral intensity, the relationship between network unethicity and unethical choices was insignificant, regardless of the level of CSE. This suggests that issues with more serious consequences may supersede individuals' susceptibility to the unethical choices of their social networks. Further, this finding confirms expectations expressed in previous research (Aquino, Freeman, Reed, Lim, & Felts 2009; O'Fallon & Butterfield, 2011b) that the impact of individual differences on the relationship between others' and observers' unethical behavior is triggered by issue-related cues.

The results of the current study provide support for the critical role of network unethicity for predicting unethical choice. Although CSE, moral intensity, and network unethicity operated in conjunction, network unethicity accounted for the most variance in unethical decision making. This finding is consistent with previous research regarding the influence of unethical peers, which is often among the strongest drivers of unethical choices (e.g., Izraeli, 1988; Zey-Ferrell & Ferrell, 1982; Zey-Ferrell et al., 1979). Indeed, although previous research has consistently revealed that unethical peer influence increases the likelihood of unethical choice, the differential association between individuals' choices and their distant versus proximal peers has remained largely unexplored. The current study thus builds on and extends this approach through an exclusive focus on individuals' immediate social networks as a particular subset of the overall peer group.

Social networks theory provides that close network associations increase opportunities for interactions and social influence. Because of these connections, network peers' behaviors should be more salient to decision makers and have a stronger impact on attention and learning than the behaviors of nonnetwork peers. Our findings further suggest that CSE may influence the extent to which attention is paid to the unethical behaviors of network associates when issue intensity does not orient attention to the consequences of unethical choices.

An important question for future research to explore orbits the "birds of a feather" issue, regarding whether high versus low CSEs tend to build different types of networks. Understanding whether high CSEs are more likely to build relationships with ethical peers than low CSEs also is critical to understanding potential foundational endogeneity in the ABV framework we develop. Thus it will be important for future research to develop models that allow for the close examination of the potentially causal relationships among CSE, social networks, and unethical choice over choice through the use of longitudinal research designs.

Further, the fact that moral intensity influenced the relationship between CSE, network unethicity, and unethical choice also highlights the importance of the salience of consequences on decision makers' attentional focus. Highly salient consequences may be a sufficient deterrent, regardless of CSE or unethical social cues. However, when consequences are lower in salience, low CSEs may be more strongly influenced by social cues and behaviors of an unethical social network than high CSEs.

## Strengths, Limitations, and Future Directions

There are several strengths of the current study. First, this study fills a void in the extant literature by simultaneously examining the interactive effects of individual-, issue-, and environment-related variables on unethical choices. Although previous research has presented conceptual arguments for the simultaneous influence of these variables (Kish-Gephart et al., 2010; O'Fallon & Butterfield, 2011b), the empirical research testing these propositions has been limited. Second, the study incorporated a lagged study design, which should minimize concerns associated with common method variance (Podsakoff et al., 2003) and reduce potential alternative explanations for the observed relationships in our model. We included a marker variable as a further test for common method variance, which offered support for our model. Third, our consideration of a relational perspective on unethical choice extends research on peer influence by incorporating relations between unethical choice and one's immediate peers as opposed to one's overall peer set.

Despite these strengths, the results from this study should be considered in light of inherent limitations in the study design. Examining unethical decision making is a delicate issue, the difficulty of which is magnified by a focus on students and the issue of cheating. As stated previously, research has shown a sharp increase in students' self-reports of cheating while in college (McCabe & Bowers, 1994; Ogilby, 1995). In addition, previous research has shown a strong relationship between cheating in college and unethical behavior in the workplace (Nonis & Smith, 2001; Sims, 1993). Thus the use of voluntary, self-reported data related to unethical choices (Sheppard, Hartwick, & Warshaw, 1988) is of potential concern, although it also might be argued that because of the nature of the sample and question, the current context provides a conservative evaluation of the ABV model we propose. However, the decision to use undergraduate students as subjects in behavioral research is a topic that has received a great deal of attention (Gordon, Schmitt, & Schneider, 1984; Gordon, Slade, & Schmitt, 1986). Because ethical dilemmas are faced by adults regardless of age or occupation, we considered college students to be an appropriate group to test the proposed theoretical framework. In addition, as previous research indicates that the moral development of this cohort should be sufficiently established to test our hypothesis, we proceeded with this choice (Kohlberg, 1969).

In addition, our use of a single-item measure to assess social networks raises concerns regarding the reliability of our measure of network unethicality. However, for reasons previously cited here (i.e., potentially low response rates and respondent fatigue) and elsewhere (e.g., Marsden, 1990), we believe the benefits of using a single-item measure outweigh the costs of employing a multi-item measure to assess numerous interpersonal relations.

A further limitation of our design is the use of a take-home exam as a context within which to capture unethical choices, which students may have interpreted as an opportunity to collaborate with others. Future ethics research should seek to impose stronger situational constraints to determine whether situational flexibility impacts the pattern of association observed in the current study. A final limitation of the current research involves our exclusive focus on network peers and the omission of the potential impact of nonnetwork peers on unethical choice. This decision poses an interesting direction for future research, testing for variance in the effects of unethical influence on unethical choice across these groups.

## Implications

In the aftermath of the Emory cheating scandal, it was revealed that several administrators and leaders were aware of the persistent misreporting. This is interesting given research suggesting that “organizational leaders possess a key source of ethical guidance for employees by focusing followers’ attention on specific standards, including the necessity to act prosocially toward the organization” (Umphress & Bingham, 2011, p. 629). It is likely that those involved learned methods and the justification for misreporting through interpersonal interactions at work, and likely supported one another to keep it hidden from those outside of their networks. Managers should be more cognizant of their role in directing and allocating their members’ attention through the dictation of work group size and composition, work times and location, and/or members’ access to others in the organization (Rerup, 2009; Sullivan, 2010). Moreover, by facilitating or constraining the pattern of member interactions and the distribution of their attention, organizational leaders may help to curb their members’ unethical choices. Thus a primary implication of our model is that organizations should direct focus on informal employee networks and recognize their role in patterns of unethical choice. Given the inevitability of such networks, it is important that managers understand their power on individuals’ attention and seek to ensure that appropriate formal and informal mechanisms are in place to measure core aspects of networks. Regularly scheduled ethics audits may be useful to address these issues.

Another important managerial takeaway of this study is that unethical stimuli may be differentially impactful depending on employee personality. As a result, employee personality assessments may need to be incorporated into traditional ethics and compliance training to increase their utility. In addition, managers should be cognizant of the nature of their communications and interactions with employees and recognize that individual differences and issue salience should govern how they communicate with subordinates regarding the consequences of their actions.

## CONCLUSION

The purpose of this study was to develop and test a theoretically derived attention-based model of the relationships between individual, issue, and environment-related variables on unethical choices. The current findings speak to the importance of examining these variables in conjunction to understand patterns of unethical choices. The current results also extend previous formulations through an examination of the role played by peer influence on individuals’ unethical choices. The relationships between the variables underlying unethical choice are complex. For research in the area of unethical decision making to advance, the continued development of models incorporating a full range of theoretical drivers is critical.

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