

Department of Social and Organizational Psychology

# FIGHTING CORRUPTION IN A DESTRUCTIVE LEADERSHIP SETTING: THE KEY IS IN ETHICAL CLIMATE

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Fighting Corruption in a Destructive Leadership Setting

Resumo

O presente estudo pretende investigar as condições para a existência de liderança destrutiva,

focando-se no perfil e comportamento do líder, bem como na propensão do clima ético. Outro

objetivo principal deste estudo é compreender como o clima ético está associado a uma maior

vulnerabilidade para a adopção de comportamentos corruptos. De modo a testar a relação entre

as variáveis, foi aplicado um questionário a 126 indivíduos que não exercessem um papel de

chefia dentro da sua organização. Foi proposto um modelo no qual a relação entre liderança

destrutiva e vulnerabilidade à corrupção é mediada pelo clima ético. Os resultados demonstram

que existe um nível mais alto de vulnerabilidade à corrupção quando existe um clima ético

instrumental, que pode ser provocado por uma liderança inadequada, quer por falhas de

comunicação, falhas na gestão ou comportamentos abusivos. Por outro lado, a vulnerabilidade

à corrupção é reduzida quando o clima ético de independência é inibido pela componente da

comunicação da liderança destruiva

Palavras-chave: Liderança Destrutiva; Clima Ético; Vulnerabilidade à Corrupção

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Fighting Corruption in a Destructive Leadership Setting

**Abstract** 

The present study is structured to investigate the condition for the existence of destructive

leadership, focusing on the leader profile and behavior, as well as environmental proneness,

interpreted into ethical climate. Another main objective is to understand how organizational

liabilities, preceded by ethical climate vulnerabilities, are related to a higher vulnerability to the

adoption of corruption behaviors. In order to test the relation between the variables, a survey

was conducted among 126 individuals who are not working in a leadership position. A model

has been proposed in which the relationship between destructive leadership and vulnerability

to corruption is mediated by ethical climate. The results show that there is a higher level of

vulnerability to corruption when exists an instrumental ethical climate, that can be prompted by

an inadequate leadership, whether by, miscommunication, mismanagement, or abusive

behavior. In other hand, vulnerability to corruption is diminished when independence ethical

climate is inhibited by communication dimension of destructive leadership.

Key-words: Destructive Leadership; Ethical Climate; Vulnerability to Corruption

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# **Glossary of Acronyms**

**DL** – Destructive Leadership

**EC** – Ethical Climate

**VC**– Vulnerability to Corruption

**DLQ-** Destructive Leadership Questionnaire

**OC**- Organizational Corruption

**IC**- Individual Corruption

OIC- Organizational/Individual Corruption

**NOC-** No Corruption

## Introduction

Leadership is very important in an organization as it conditions its success or failure. Effective leaders are able to influence and motivate their subordinates in order to achieve the objectives of the team and the organization. However, not all leaders are equally effective. Some leaders may even act in a detrimental manner to the subordinates and the organization. Destructive leadership (LD) is a significant and common problem in many organizations (e.g. Aasland et al., 2010).

Padilla et al. (2007) suggest that destructive leadership does not only result from a dysfunctional leader, but instead it occurs when there is confluence of destructive leaders interacting with susceptible subordinates in a predisposed environment. Destructive leaders are charismatic and narcissistic. They feel the need to be able to present negative perspective of life and an ideology of hate. However, these are necessary but insufficient conditions for a leader to be taken as destructive. He or she must also interact with subordinates prone to accept domineering and abusive leaders and this must occur in specific settings. The authors suggest that the reason for the subordinates to accept such leadership passes by a need to feel secure, belonging to the group and some stability in an unpredictable world. The last component of the toxic triangle is the enabling environment. The context is favorable if it comprises four factors: instability, a perceived threat, propitious culture, and lack of control mechanisms.

This study is structured to test the condition for the existence of destructive leadership, specifically by focusing on the leader profile and behavior (DLQ), also on follower vulnerability to such behavior as well as environmental proneness interpreted into ethical climate (Victor & Cullen, 1988). Both ethical and organizational climate have a strong influence on many aspects of the organization (Simha & Cullen, 2012). Ethical climate vulnerabilities precede some organizational liabilities and has been associated with higher corruptibility which, ultimately, increases the perception of organizational decline.

Corruption is a critical problem in organizations and society at large, and organizations look for understanding its causes and consequences (Aguilera & Vadera, 2008). This interest increased following the numerous media corruption scandals in companies in the United States and Europe, and the consequent discredit of companies and managers (Ashford et al., 2008; Treisman, 2000; Aguilera & Vadera, 2008; Kühne & Sadowski, 2011).

The organizational climate has been the subject of study and has shown a great importance, since it directly or indirectly influences the behavior of workers (Schneider, 1975). Through the "Toxic Triangle", the negative consequences of Destructive Leadership are analyzed as a result of the confluence of three elements: destructive leaders; followers; organizational environment (Padilla, et al., 2007).

This research aims to understand how ethical climate mediates the relation between destructive leadership and corruption vulnerability.

# 1. Destructive Leadership

Leadership research has been mainly focused on "constructive" leadership under the designation of transformational leadership, positive relationship with the satisfaction of employees, or organizational effectiveness (e.g. Tichy & Divanna, 1986). For some authors, ineffective or destructive leadership is simply taken as absence of leadership. However, negative leadership may also express a specific set of behavioral options and not just absence of leadership. Hence, it also deserves a dedicated research and attention.

In the analysis of Destructive Leadership, there are five critical characteristics of a leader to consider: charisma, use of power, narcissism, negative life ideology and hate ideology (Padilla, et al., 2007).

For Padilla et al. (2007) and Yukl (1999), charisma is the central characteristic of destructive leaders. Destructive leadership and charisma are empirically associated because even charismatic leaders who are not destructive pose a danger to the environment around them, by taking advantage of the credit they have to abuse their power for personal purposes and goals. For Conger (1990) and House & Howell (1992), leaders who lack ethical principles, use their power to serve their interests and use control and coercion as a form of obligation of third parties to their purposes and ideas, not tolerating opposing ideas of theirs. They are characterized by being impulsive, irresponsible and punitive. Narcissism involves dominance, arrogance, grandiosity, and the use of power for personal ends. Narcissistic leaders live around their own reality, they need to feel they are at the center of events, ignoring other points of view than theirs (Rosenthal & Pittinskya, 2006 and Conger & Kanungo, 1998). Negative life ideology is related to the leader's destructive image of the world around him or his role in the world in which he is inserted (O'Connor, et al., 1995). Ideology of hate is characterized by the constant dream of eliminating their opponents or possible threats (Padilla, et al., 2007).

According to Einarsen et al. (2007), the destructive leadership can be divided into two dimensions: behaviors directed to the company, and behaviors targeting the subordinate. The behavior against the organization directly affects the interests of the organization and includes behaviors such as theft, sabotage and work to meet the opposing objectives of the company. The behavior against subordinates violate the interests of organization through devaluating or

discouragement motivation, well-being and satisfaction of subordinates, and may involve behaviors such as bullying, provocation and other ill-treatment.

According to Tepper (2000) abusive leadership consists in leader dysfunctional behaviors, perceived by subordinates, which involves either verbal or nonverbal hostility, in order to ridicule and blame subordinates for situations on which are not to blame. Starrat et al. (2010) suggest that an abusive leader usually exert consequences in subordinates, regarding job satisfaction and organizational outcomes such as productivity, social life, and emotional level. It can even cause conflicts between work and the family.

Ashforth (1994) considered that destructive leadership should be represented as regular and repeated behavior practiced by the leader, supervisor or manager. This behavior violates the organization's interests, through depreciation and sabotage of the goals, resources and efficiency of the organization, as well as dropping motivation, well-being and job satisfaction of employees.

Destructive leadership is a damaging behavior and should be considered by organizations as it. Its risky nature should not be disregarded, even when it is justified by a superior good, or when the damage resultant from it is considered minimal. Even insignificant acts of destructive leadership may suffer substantial damage, if they are not responded instantly and if they become chronic (cf. Duffy et al., 2002). Consequently, organizations should seek to reduce the possibility of destructive leadership, by reducing the conditions that promote such leadership and/or minimizing its negative impact if it happens. Hence, the occurrence of destructive leadership can be decreased if organizational control mechanisms target factors in each of these groups. The manifestation of destructive leadership due to leaders' dispositional characteristics can be minimalized by using a mechanism that Lange (2008) named "self-controls." This instrument indicates that a leader is able to regulate his behavior, to bring it in accordance with organizational norms and, consequently, is less expected to involve in behaviors that could disrupt the organization's interests. This form of control necessitates leaders' strong identification with the organization, internalization of organizational ideals, and desire to act in accordance with the organization's interests. One mechanism to help this method of control is personnel selection and assignment (Lange, 2008) that should concentrate on identifying potential destructive leaders. Additional mechanisms to line up leaders' values and goals with organization's values and goals, comprise active promotion of organizational expectations in the course of orientations for new employees and continuous exposure of the leaders to symbolic representations of organizational values and norms (e.g., organizational language, logos, ceremonies, rituals; Harrison & Carroll, 1991; Lange, 2008).

Destructive leadership can be prevented if organizational authorities powered organizational environment, modify its elements that foster destructive leadership, and control such behaviors through sociocultural means or administrative channels. Punishment and incentive alignment (Lange, 2008) are two tools that can be used to prevent destructive leadership by, respectively, involving destructive acts to undesirable consequences and making constructive behaviors gratifying. A more severe procedure of control is legal sanctioning (Lange, 2008), which can prevent highly harmful acts of destructive leadership by imposing disciplinary or legal sanctions on deviant leaders. In addition, the occurrence of destructive leadership can be controlled by means of social sanctioning (Lange, 2008) based on organizational norms and expectations regarding acceptable behavior. Social sanctioning can be adopted by developing solider climates that encourage collaboration, justice, and prosocial standards of behavior (Kayes et al., 2007) or by adopting formal ethics codes (Wotruba, Chonko, & Loe, 2001).

### 1.1. Destructive leaders' characteristics

Abusive leaders are usually seen by subordinates as bipolar, childish, people with absence of knowledge to the branch level business and management, and often that end up losing credibility with the employees themselves (Starratt et al., 2010). Kellerman (2004) identified seven types of abusive leaders, which correspond to seven characteristics that vary in predominance: incompetent, severe, impulsive, corrupt, uncaring, distant, and close minded.

Shaw et al. (2011) suggest a method to measure the destructive leadership and identify destructive leaders. This is made on the base of main dispositional and behavioral criteria usually acknowledged by subordinates as idiosyncratic of a destructive leader: making decisions based on inappropriate information; lie; being unable to deal with new technologies and other changes; being unable to delegate and prioritize; being unable to make appropriate decisions; lacking effectiveness in persuading and negotiating; lacking knowledge to hold office; lacking long-term vision; being incapable of developing and motivating subordinates; being obsessed with control (over everything and everyone); being incapable to solve

interpersonal problems; having favorites and acting discretionary behavior; showing an annoying and inconsistent behavior; acting in a hostile way to both subordinates and other employees from other departmental areas.

Despite all these negative characteristics of destructive leadership, subordinates endure under its rule and the emerging questions that should be asked is: Why subordinates allow this kind of leadership and remain at the same workplace?

The literature distinguishes two large groups of followers: those who blindly follow the leader and have active participation in their actions, and those who follow the leader creating the conditions for the growth of such style of leadership, being suggested, respectively, the followers colluders and followers conformers (Higgins, 1997).

The colluders are ambitious (eager for statute, willing to be fully subservient to the leader as long, as this means the desired status), selfish and share the vision of their leader (Higgins, 1997 and Padilla et al., 2007). The conformers are based on unfulfilled basic needs (isolation, lack of economic conditions, social injustice), negative self-evaluation (motivation, personal satisfaction and professional satisfaction, traumas of inferiority) and psychic immaturity (Higgins, 1997).

According to Wei et al. (2011) followers that are vulnerable to this kind of leader have a tendency to blame external factors, and consequently, show bigger difficulty in dealing with stress and are likely to show bad mood in the workplace. On the other hand, who does internal causal attribution usually simply listens and tries to improve. Another characteristic is the lack of job alternatives that drives individuals into accepting and accommodating to the situation due to need (Wei et al., 2011). Therefore, the more the subordinate is dependent of the organization, the more vulnerable to these leaders will be.

Kellerman (2004) also distinguished between two types of subordinate susceptible to these leaders: those who do not question them and those who help the leader to act abusively. A very important factor that is related to bullying at work directed to the subordinate is his own personality (Samnani et al., 2012). The authors argue that people with high levels of introversion are disposed to be more vulnerable to these leaders, and the probability of reprisal is very small and, from this, they become passive in relation to the aggression. Subordinates who have low levels of agreeableness may also suffer acts of bullying, because of their

difficulty in agreeing with their leaders, and those who have low levels of conscientiousness are also a potential target because of their difficulty in noticing the bullying (Samnani et al., 2012). At this respect, Einarsen (2011) suggested that there are two types of targets: the vulnerable, and the provocative. While extroverts are more often provocative targets, introverts belong to vulnerable. Similarly subordinates with low levels of agreeableness fall in the provocative, and subordinates with high levels of agreeableness fall in the vulnerable (Coyne, Chong, Seigne & Randall, 2003; Coyne, Seigne & Randall, 2000; Glaso et al., 2007; Vartia, 1996).

The results of destructive leadership come not only from destructive leaders but also from those who support them in this type of leadership. In this light, the response that the followers will have to such behavior will be a reason for moderation or, in turn, an increase in the willful behavior of the leader (Furnaham, 2010). Some organizational environments are themselves more vulnerable to destructive leadership. The most vulnerable organizations are, the most unstable those with low cultural values, poorly balanced, ineffective and inefficient, as well as organizations in crisis (Padilla, 2007).

Personality characteristics as an explaining factor are more informative when taken into the context where behavioral options are made. This means, judging on dispositional features per se is not enough. Psychosocial variables, such as organizational climate, are required to better understand behavioral responses.

# 2. Enabling environment (organizational ethical climate)

One cannot fully understand destructive leadership without considering its context. According to Padilla et al. (2007) an enabling environment will be a critical factor to the development of a destructive leadership comprehending four dimensions: Instability; Threats; Cultural values and absence of processes and institutionalization.

Instability is characterized by moments of instability that are conducive to drastic changes on the part of leaders under the pretext of re-establishing order. These changes are well accepted because in times of instability, the need for immediate response is urgent, so leaders gain more power (Padilla, et al., 2007; Conger and Kanungo, 1998). When people feel threatened, their willingness to accept firmer leadership is greater. This is where they find some hope in the face of the threats, thus increasing the number of followers of the leader. Many leaders use the idea of a possible threat as a way to gain power and support from followers (Solomon, et al., 1991). Societies where doubt controls, destructive leaders are well-known and hopeful for a source of hope, through tight rules where all are framed. In other cases, many cultures have a preference for strong and rigid leaders for their ability to unify the masses as a way to prevent conflicts (Luthans, et al., 1998; Padilla, et al., 2007). Absence of processes and institutionalization is characterized by abuses and centralization of power by the functions given to leaders. This is frequent in senior functions where there is less control. A culture of dependence and apathy among followers also contributes to the centralization of power (Kaiser e Hogan, 2007; Hambrick e Abrahamson, 1995; Padilla, et al., 2007)

The organizational climate works as a combination of the individual perceptions of each individual, as long as these perceptions are shared among all (Jones & James, 1979). Zohar and Luria (2004) report that the organizational climate is a shared perception that individuals understand and give meaning to the world around them. Social norms, organizational rules, and procedures provide employees with valued information about the sort of behavior they will expect to meet in that environment (Zohar et al., 2005). Organizational climate occurs when members of the organization are exposed to the same environments, as when a group of minority colleagues suffers at the hands of the same supervisor (Mckay, Avery, Tonidandel, Morris, Hernandez and Hebl, 2007).

In several studies that have been studied, such as that of Ozcelik et al. (2008) and Starratt et al. (2010), it is possible to confirm that there is a significant relationship between leadership and organizational climate. These studies show that leaders' views on organizational problems can have a major influence on employees' organizational practices and work experiences.

The organizational climate comprises all the psychosocial characteristics of the organization, involving the analysis of the behaviors and motivations of individuals, their status and their roles, the dynamics of groups, the influence of systems and how to exercise power and authority (Ozcelik et al., 2008). This concept has similarities with the organizational culture but differs in a very specific point: while organizational culture refers to what is shared as value-related, organizational climate refers to perceptive level. For Ozcelik et al. (2008) it is impossible to speak of organizational climate and not to mention the concept of leadership. In fact, the behaviors and leadership styles affect employees and how to work within organizations. A very important factor that leads to change the organizational climate, both positively and negatively, is the satisfaction or not of the needs and emotions of employees, and is managed by the respective leaders.

Authoritarian management styles, based on fear, can boost the use of bullying by the leaders in order to show authority (Hoel & Salin, 2003). Some organizational cultures legitimate the abuse by leaders and sometimes they are even rewarded (Coyne et al, 2003), because such organizations understand bullying and abusive leadership as an effective way to lead and to make employees improve their performance. Hoel and Salin, (2003) and Bulutlar and Öz (2009) found that organizations with ethically correct climates and well-defined rules are less disposed to leadership abuse, unlike those with large power distance, which are more predisposed to leadership abuse (Hoel & Salin, 2003).

Kohlberg (1981) suggested that individuals use different types of ethical criteria and show different types of moral reasoning. He proposed that moral development is multistage and sequential, and it progress from reasoning ruled by fear of punishment to concern for others, the concern for universal rights and humanity as a whole. Within this progression, Kohlberg describes three most important sorts of ethical standards: self-interest, caring, and principle. These three standards also reflect three main classes of ethical theory: egoism, utilitarianism, and deontology (Fritzche & Becker, 1984; Williams, 1985). An original statement of the Ethical Climate Questionnaire is that ethical climate in organizations, as functions of collective

individual perceptions of ethical norms, split along dimensions analogous to Kohlberg's ethical

standards. Organizational ethical climates might also be expected to be relatively distinct.

Organizations may be characterized as instrumental (egoism), caring (benevolence), or

Independence (principled).

An instrumental ethical climate is perceived when people see their organization as taking norms

and expectations that encourage ethical decision-making from an egoistic perspective. Besides

that, the person notices that self-interest guides the behavior, even to the possible disadvantage

of others.

The origins of the caring construct are fixed in benevolence theory or utilitarianism. Studies

measuring an employee's preferred work climate, most frequently indicate preference for a

caring climate (e.g., Cullen et al., 2003; Koh and Boo, 2001; Sims and Keon, 1997). In this

atmosphere, individuals notice that decisions are, and should be, based on an all-embracing

concern for the well-being of the others.

Personal morality is the only construct comprising the independence climate. This climate

indicates that individuals believe they should act based on personal moral convictions to make

ethical decisions. In their interpretation of the organization, decisions with moral consequences

should accentuate personal moral beliefs with minimal regard for external forces and outside

influence on ethical dilemmas. The individual's values, upon which decisions are made, are

apparently determined through careful consideration (e.g., Schminke et al., 2005; Watley,

2002).

On the basis of this we hypothesize that:

H1a: Destructive leadership is positively associated with Instrumental Ethical Climate

H1b: Destructive leadership is negatively associated with Caring Ethical Climate

H1c: Destructive leadership is positively associated with Independence Ethical Climate

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# 3. Vulnerability to Corruption

Corruption can be defined as "the crime committed by the use of authority within organizations and for personal gain" (Aguilera & Vadera, 2008: 433). Lange (2008) also complements saying that corruption suggests the intentional misuse of organizational resources or the perversion of organizational routines. Corruption is not an exclusive phenomenon to political or governmental organizations (Bargh & Alvarez, 2001), it has deep roots and it mirrors the political, economic, legal and cultural institutions of a country (Svensson, 2005). The pressures for competition, acceptance of corrupt behavior and even the complex bureaucracy that invites bribes (Ashforth et al., 2008), as well as a legal and penal system that reveals a low probability of being caught and being punished (Treisman, 2000), are some of the aspects that can explain the occurrence of corruption at a societal level.

Even though the individual perspective of Ashfort et al. (2008), which aggregates a set of dimensions of a moral and cognitive nature, have contributed to a better understanding of the question of corruption, for example by demonstrating that individuals may experience corrupt practices without obtaining a benefit directly, contains in itself some boundaries. More precisely, concentrating on the individual does not contribute to the explanation of organizations becoming corrupt over time. For Ashfort et al. (2008), the unethical organizational climate potentiates and legitimizes corrupt behavior, causing honest people to involve in doubtful practices as a result of socialization in a corrupt organization.

Moreover, Anand et al. (2005) claim that corruption does not result from a single individual, but instead from a combined act of several individuals. Pinto et al. (2008) have contributed to a better understanding of analysis levels of corruption, distinguishing two types of corruption within organizations. In order to do this, they considered two essential aspects: the beneficiaries of corrupt acts and the people who carry them out, that is, an individual or a group of individuals. Therefore, the authors distinguish the concepts of "corrupt organization" and "organization with corrupt individuals".

The first typology brings up to organizations where groups of individuals, mainly from the top of the hierarchy or the leading coalition, engage in corrupt behavior in order to benefit the organization itself, that is, there is a coherent group that acts for the organization's advantage, to the detriment of stakeholders. In contrast, organizations with corrupt individuals are

organizations in which some individuals, usually on the periphery of the organization, in their personal capacity, adopt corrupt behavior for their own benefit. In this type of corruption, individuals act according to their own interests, often to the damage of the organization. However, this kind of phenomenon initially concentrated in some individuals, can, without difficulty, spread to the whole organization (Pinto et al., 2008).

Technically, vulnerability to corruption can be measured with a situational judgment tests (e.g. Freitas, 2009) that require individuals to state the degree of probability they would identify with four possible behaviors reflecting Pinto et al. (2008) types of corruption namely "individual", "organizational" and "both individual and organizational" as well as "no corruption" option.

Overall, we hypothesize that:

H2a: Instrumental Ethical Climate is negatively associated with No Corruption

H2b: Instrumental Ethical Climate is positively associated with Individual Corruption

H2c: Instrumental Ethical Climate is positively associated with Organizational Corruption

H2d: Instrumental Ethical Climate is positively associated with Organizational-Individual Corruption

H3a: Caring Ethical Climate is positively associated with No Corruption

H3b: Caring Ethical Climate is negatively associated with Individual Corruption

H3c: Caring Ethical Climate is negatively associated with Organizational Corruption

H3d: Caring Ethical Climate is negatively associated with Organizational-Individual Corruption

H4a: Independence Ethical Climate is not associated with No Corruption

H4b: Independence Ethical Climate is not associated with Individual Corruption

H4c: Independence Ethical Climate is not associated with Organizational Corruption

H4d: Independence Ethical Climate is not associated with Organizational-Individual Corruption

Integrating all hypotheses generates a multiple mediation model that takes destructive leadership dimensions as predictor, ethical climate dimensions as mediator and corruption type as criterion variable. This suggests a mediation as follows: H5 Ethical climate mediates the relation between destructive leadership and corruption vulnerability.

Figure 3.1. Research Model

#### Overall:

H1a: Destructive Leadership is positively associated with Instrumental Ethical Climate

H1b: Destructive Leadership is negatively associated with Caring Ethical Climate

H1c: Destructive Leadership is positively associated with Independence Ethical Climate

H2a: Instrumental Ethical Climate is negatively associated with No corruption

H2b: Instrumental Ethical Climate is positively associated with all sorts of corruption

H3a: Caring Ethical Climate is positively associated with No corruption

H3b: Caring Ethical Climate is negatively associated with all sorts of Corruption

H4a: Independence Ethical Climate is not associated with No Corruption

H4b: Independence Ethical Climate is not associated with all sorts of Corruption

H5 Ethical Climate mediates the relation between destructive leadership and corruption vulnerability.

## 4. Method

## 4.1. Procedure and data analysis strategy

Data collection adopted a snow-ball strategy by using social and professional networks to invite for participation in the study and ask respondents to forward the invitation. The survey was made available online by using Qualtrics software and displaying an anonymous access link to it.

The questionnaire started with an introduction note that stated the nature of the study, its institutional affiliation, asking for up to 10 minutes' attention. Complying with ethical standards it also stated its voluntary and anonymous character making available an email contact. As it is an online link, participants could quit at any point.

Data analysis develops in two phases: the test of psychometric qualities of the constructs under analysis, and the test of hypotheses. Whenever measures are already tested and have a previously known factor structure, exploratory factor analysis is not the best option and a research should opt for confirmatory factor analysis (CFA) instead. A CFA establishes a theoretic structure that is judged on the basis of fit indices with true data structure. According with Hair et al. (2010) one should assess fit indices as a whole taking into account the following criteria: CMIN / DF should be below 3 and showing a non-significant p-value (except if the sample is small, as is the case in our study). Additionally, CFI (comparative fit index) should be set above .95, TLI (Tucker-Lewis Index) also above .95, RMSEA (Root Mean Square Error of Approximation) below .07 and SRMR (*Standardized* Root Mean Squared Residual) below .08. In case a CFA fails to find good fitted model, we can opt for Lagrange Multipliers (or indices) to adjust the model. In case this approach fails (or compromises too much the theoretic quality of the model) we can conduct exploratory factorial analysis.

Technically, we consider the exploratory factorial analysis is viable when KMO equals at least .500 and Bartlett test of sphericity has a significant p-value. This means there is enough shared variance to justify the extraction of factors or components. Items will be removed whenever any of the following situations are found: a) when commonalities are below .500, b) when, after an orthogonal rotation, there are crossloadings, i.e. loadings above .500 in a factor other than

the one the item is expected to load, and c) when loadings fail to reach the minimum of .700. Reliability is tested with Cronbach's Alpha, which is expected to reach .700 to accept the factor as sufficiently reliable except if the scale is new or yet untested in the population following Nunnally (1978) guidelines lowering the threshold to 0.600. Once factors are found, composite indices will be computed to move on to the hypotheses testing. For interpretation purposes we will rely on Varimax rotation except if theoretically there is ground to assume interdependency between factors in the same construct.

In the second phase, hypotheses are tested with Hayes (2013) PROCESS macro using model 4 (multiple mediators) which allows the assessment of the significant role mediators play in the relation between predictors (destructive leadership dimensions) and criterion variables (types of corruption).

This data analysis technique works on the assumption they are measured as interval level minimum, and that residuals are normally distributed. Also, in order to control for multicollinearity, we will include the VIF test, which should not reach the value of 5. Bs will be used to interpret the magnitude of association between variables on the basis of their significance (p<.05).

#### 4.2. Sample

We collected 139 surveys from which, after removal of those with too many missings, 126 are usable. The sample has balanced gender representation (51.4% female), averages 29.7 years-old (S.D. = 9.98, and ranging from 20 to 66), and comprises mostly qualified individuals (83.2% degree or above) working without supervision responsibilities (63.6%) Among those that have managerial responsibilities, top managers compose 8.4% of the sample, middle managers 13.1% and the remaining 15% are team leaders. The sample is mostly comprised of individuals living in Metropolitan Lisbon.

#### 4.3. Measures

**Destructive leadership** was measured with a 12-item short version of "Destructive Leadership" by Shaw et al. (2011) we adapted following the same procedure of May and Meier's (2013) by

choosing the items with higher factor loadings and facial validity. This scale was already used previously in an academic study having been found to have good psychometric properties (Martins, 2014). This questionnaire covers three factors: Abusive behavior (4 items, e.g. My leadership tries to exert control over everybody"); Mismanagement (4 items, e.g. "My leadership is very bad in problem solving and decision."); and inadequate communication of expectations (4 items, e.g. "It's hard to understand what my leadership wants."). Participants were asked to indicate to what extent they agreed or disagreed with each statement presented on their current leadership by using a 5-point Likert scale where "1 = Strongly Disagree" and "5 = strongly agree".

CFA showed poor fit (CMIN/DF= 3.835, p <.001; CFI= .892, TLI= .861, RMSEA= .151, SRMR= .065) and by using Lagrange indices we excluded two items and reallocated one. The final solution has acceptable fit indices (CMIN/DF= 1.528, p= .028; CFI= .985, TLI= .979, RMSEA= .065, SRMR= .031) and all three factors showed good reliability (Cronbach alpha= .828, .912, and .923 respectively).

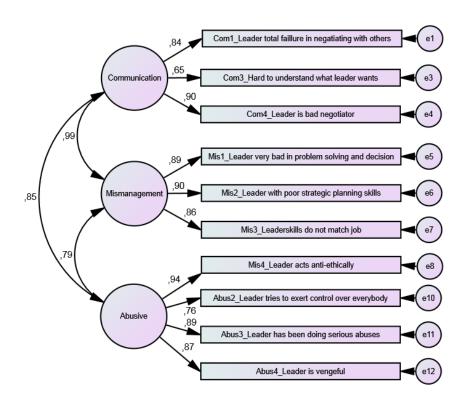


Figure 4.1. CFA Destructive Leadership

Judging on the very high correlation between "communication" and "mismanagement" factors, we estimated a two-factor model joining these. The CFA showed valid fit indices (CMIN/DF=1.564, p=.019; CFI=.983, TLI=.978, RMSEA=.067, SRMR=.034). Taking into consideration that the fit indices do not substantially improve with the two-factor solution as compared with the original three-factor solution, in order to preserve the theoretical structure of the model, and despite the high correlation, we opted to keep the original model. It would be, however, important to control for multicollinearity concerning this variable.

Ethical climate was measured with Victor and Cullen's (1987, 1988) three subscales: instrumental climate (4 items, "In this company people protect their own interest above else"); a caring climate (4 items, "What is best for everyone in the company is the major consideration here"); and an independence climate (4 items, "In this company people are expected to follow their own personal and moral beliefs"). We opted to exclude "Law and code" and "Rules" because when studying corruption vulnerability, targeting Law and Code or Rules would bias answers in the sense that these ethical climates are by definition a "no corruption" environment. Additionally, instrumental, caring and independence climates are those that Kohlberg (1981) originally proposed linked to self-interest, caring, and principle.

CFA of the three-factor solution showed unacceptable fit indices (CMIN/DF=2.933, p<.001; CFI=.872, TLI=.834, RMSEA=.124, SRMR=.094). By using Lagrange multipliers, we removed three items, one per factor, and the 9-item solution was found to have good fit indices (CMIN/DF=1.593, p=.033; CFI=.969, TLI=.953, RMSEA=.069, SRMR=.057). All three factors showed good reliability (Cronbach alpha=.860, .718, and .793 respectively).

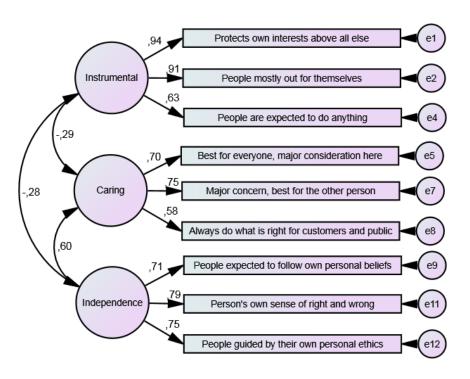


Figure 4.2. CFA Ethical Climate

**Vulnerability to corruption** was measured with Freitas (2009) scale comprising three stories plus a new one we designed for this study. The stories place the reader in a fictional situation that pushes into a moral dilemma decision making. All stories were written so to accommodate four possible decisions reflecting Pinto et al. (2008) view of corruption motives: self-interest, altruistic, both, and none.

#### An example of such a story is:

"Your work at a branch of a large company operating in Portugal. You know management practices in your industry where many companies do not formally invoice their customers so that they can avoid taxation. To invoice or not means to pay a lot in tax or, instead a minimal amount. Your company endeavors to act in an adapted way and, without explicitly telling you, makes you understand that you are authorized to avoid tax as managers will pretend knowing nothing. However, if any problem arises, you will be personally accountable. You also know that the tax authority has weak capacity in this industry to detect tax evasion."

Respondents were requested to signal on a 6 point Likert scale (1= "certainly not", to 6= "for sure") their preferences considering each of the possible statement:

"I would not avoid taxes no matter of what consequences I or my company would have to face" (No corruption condition)

"I would avoid taxes whenever possible to protect my company's interests even at my own risk"

"I would avoid taxes to protect my own interests and never those of the company"

"I would avoid taxes only if it protects my own interest as well as that of the company"

Thus, the indices were built on a formative rather than reflective manner (Hair et al, 2014) which rules out CFA. However, they are expected to be internally consistent and we have tested for their respective reliability.

For the indicator of "organizational corruption" (e.g. Story 1 – "I would offer the "contribute" to defend the company's interest even if that would harm me."), we found a Cronbach alpha of .733.

For the indicator "individual corruption" (e.g. Story 3 - I would avoid tax only to protect my own interest and never those of the company."), we found a Cronbach alpha of .814.

For the indicator "no corruption" (e.g. Story 4 – "I would not alter the sample composition because that would be a fraud."), we found a Cronbach alpha of .620.

For the indicator "organizational and individual corruption" (e.g. "Story 2 – I would lie a client only if that simultaneously protected my interest as well as that of the company.") we found a Cronbach alpha of .706.

Although this is a formative construct in nature it is expected to show significant intercorrelations between indices. Table 4.3 shows such correlations, which were not only significant as they showed the valence as expected (positive amongst pro-corruption indices, and negative with no-corruption index).

<u>Table 4. 1- Correlations between corruption indices</u>

		1	2	3	4
1.	Organizational Corruption	1			
2.	Indivicual Corruption	.727**	1		
3.	No Corruption	246**	241*	1	
4.	Org/Individual Corruption	.797**	.762**	204*	1

<sup>\*\*</sup> p< 0.01, \* p < 0.05 level (2-tailed).

**Sociodemographics** comprised gender (1=female), age, education (1=up to basic schooling, 2=9 years, 3=12 years, 4=Degree, 5=Master, 6=PhD), hierarchical position (1=operational base, 2=team supervision, 3=middle management, 4=top management), organizational tenure, and tenure with current direct leader.

### 5. Results

Results section starts by reporting descriptive and bivariate analyses and follows to show findings concerning hypotheses testing.

## 5.1. Descriptives

The mean values reported for ethical climate follow and expected pattern where respondents rate above median point of the scale the "no corruption" option while rating below median point all other options that link to some corrupted behavior. The lowest value concerns "individual corruption" which is the most morally questionable option.

Similar figures were found for destructive leadership dimensions (Communication, Mismanagement, and Abusive) with means ranging 2.01 to 2.34. Most respondents acknowledge that their leadership is not without flaw (otherwise they would have chosen the 1) but also not strongly deviant although 15% of the sample did agree their leadership matches destructive behavior.

Ethical climate concomitantly shows means above median point of the scale for positive dimensions (caring and independence) and below median point for the instrumental ethical climate.

As regards patterns of correlation between sociodemographic and the variables under focus it is noteworthy to highlight the negative correlations between hierarchical position and destructive leadership which is also found for instrumental ethical climate. Also, the negative significant correlations between gender and all dimensions of destructive leadership suggest females report more this sort of phenomenon. Additionally, it is interesting that no correlation was found between corruption options and sociodemographics to the exception of gender and individual corruption and age. Gender correlates both with organizational corruption and individual corruption while age correlates with organizational & individual corruption. The valences of the correlation coefficients suggest males report higher levels of vulnerability to corruption and older participants report lower levels of organization & individual corruption.

Overall the intercorrelations within constructs show significant correlations between all composing variables which goes in line with previous findings from psychometric analyses.

<u>Table 5. 1- Descriptives and Bivariate analyses</u>

	N	Scale	Mean	s.d.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Gender	107	1-2	-	-	1														
2. Education	107	2-6	4.19	0.779	.031	1													
3. Age	107	20-66	29.6	9.9	.100	144	1												
4. Hierarchy	107	1-4	1.66	0.99	.385**	.033	.058	1											
5. Organizational tenure	107	0-36	4.51	6.57	.037	078	.816**	.048	1										
6. Tenure with direct leader	107	0-16	2.45	2.91	.073	013	.598**	.083	.707**	1									
7. OrgCorruption	113	1-5	2.11	0.89	.168	063	099	.125	019	017	1								
8. IndivCorruption	113	1-5	1.92	0.95	.194*	107	081	.046	013	.000	.727**	1							
9. NoCorruption	113	1-6	3.86	1.18	083	.067	071	043	068	176	246**	241*	1						
10. Org_IndCorruption	113	1-6	2.57	1.10	.206*	080	253**	.128	187	088	.797**	.762**	204*	1					
11. DL_Communication	126	1-5	2.21	1.07	197*	131	.061	212*	024	098	.039	.186*	.020	.090	1				
12. DL_Mismanagement	126	1-5	2.34	1.25	236*	105	.057	224*	.007	011	047	.089	.003	.022	.877**	1			
13. DL_Abusive	126	1-5	2.01	1.14	192*	118	.015	242*	018	007	010	.174	062	.069	.760**	.727**	1		
14. EC_Instrumental	126	1-6	3.31	1.31	142	162	.006	236*	065	060	.043	.217*	012	.091	.501**	.486**	.561**	1	
15. EC_Caring	126	1.33-6	4.00	1.07	067	187	109	.038	182	327**	.144	.025	.248**	.030	158	242**	195*	256**	1
16. EC_Independence	126	1.33-6	3.71	1.15	076	028	146	.045	069	.011	.269**	.261**	.034	.205*	258**	201*	177*	243**	.468**

# 5.2. Hypotheses testing

All the models depicted in Table 5.2 were significant and accounting for between 5% to 14% variance. Table 5.3 shows the summary of models that had an overall significant p value (p<.05) detailing the specific findings for all three ethical climate dimensions.

Table 5. 2- Analysis of variance of the mediation models.

Independent variable	Mediating variable	Dependent variable	Mediation Models				
(IV)	(M)	(DV)	$R^2_{adj}$	F (4, 108)	p		
DL communication	EC	Org. Corruption	.057	2.703	<.05		
DL communication	EC	Ind. Corruption	.143	5.6586	<.001		
DL mismanagement	EC	Ind. Corruption	.133	5.3033	<.001		
DL abusive	EC	Ind. Corruption	.134	5.3470	<.001		

Table 5. 3- Mediation results (with destructive leadership as independent variable)

I.V.	M.V.	D.V.	Results				
DL Communication	EC Instrumental	Organizational corruption	No mediation				
DL Communication	EC Caring	Organizational corruption	No mediation				
DL Communication	EC Independence	Organizational corruption	Total Mediation  There is no evidence that Organizational Corruption is influenced by DL Communication when Ethical Climate Independence is considered.				
DL Communication	EC Instrumental	Individual Corruption	Total There is no evidence that Individual Corruption is influenced by DL Communication when Ethical Climate Instrumental is considered.				
DL Communication	EC Caring	Individual Corruption	No mediation				
DL Communication	EC Independence	Individual Corruption	Total There is no evidence that Individual Corruption is influenced by DL Communication when Ethical Climate Independence is considered.				
DL Mismanagement	EC Instrumental	Individual Corruption	Total There is no evidence that Individual Corruption is influenced by DL Mismanagement when Ethical Climate Instrumental is considered.				
DL Mismanagement	EC Caring	Individual Corruption	No mediation				
DL Mismanagement	EC Independence	Individual Corruption	No mediation				
DL Abusive	EC Instrumental	Individual Corruption	Total There is no evidence that Individual Corruption is influenced by DL Abusive when Ethical Climate Instrumental is considered.				
DL Abusive	EC Caring	Individual Corruption	No mediation				
DL Abusive	EC Instrumental	Individual Corruption	No mediation				

A first reading is that instrumental ethical climate is, in all cases, a rich ground for individual corruption (.176 <  $\beta$  < .242, p< .05) alongside with independence ethical climate that also fosters both organizational corruption ( $\beta$  = .223, p < .01) and individual corruption (.308 <  $\beta$  < .317, p < .001). Destructive leadership relates with these ethical climate dimensions in opposite ways, as it fosters instrumental ethical climate (.565 <  $\beta$  < .678, p < .001) but inhibits independence ethical climate (-.222 <  $\beta$  < -.181, p < .05).

Judging on the Betas, as they are standardized they can directly be compared, the strength of association between destructive leadership and instrumental ethical climate is much stronger than that it has with independence climate. Therefore, overall, destructive leadership builds more corruption vulnerability than it prevents and thus should be taken as a corruption factor in organizations.

Results show several cases of significant mediation paths where individual corruption is more often explained by the models than organizational corruption (just one case). All dimensions of destructive leadership had at least one significant mediation instance and two of ethical climate dimensions (instrumental, and independence) played a role in these models.

Whenever a significant relation was found, it was invariably a total mediation as the direct path (c') is not statistically significant while the indirect ones (from IV to mediator, and from mediator to DV) are. In such circumstance a total mediation is the most likely process explaining how destructive leadership favors corruption.

Table 5. 4- Summary of multiple mediator model analyses with organizational corruption (1000 bootstraps)

Independent variable	Mediating variable	Effect of IV on M	Effect of M on DV	Direct Effect	Indirect Effect		Total Effect	
(IV)	(M)	(a)	(b)	(c')	95% CI	(a x b)	(c)	
DL Communication	EC Instrumental	.678***	.078	.034	[0523, .0174]	.053	.032	No mediation
	EC Caring	130	.041		[0545, .0155]	005		No mediation
	EC Independence	222*	.223**		[1270,0065]	049*		Total

Note: Dependent variable: Organizational corruption

Table 5. 5- Summary of multiple mediator model analyses with individual corruption (1000 bootstraps)

Independent variable	Mediating variable	Effect of IV on M	Effect of M on DV	Direct Effect	Indirect Eff	fect	Total Effect	_
(IV)	(M)	(a)	(b)	(c')	95% CI	(a x b)	(c)	
DL Communication	EC Instrumental	.678***	.176*	.110	[.0238, .2189]	.119*	.048	Total
	EC Caring	130	059		[0096, .0626]	.007		No mediation
	EC Independence	222*	.317***		[1626,0105]	070*		Total
DL Mismanagement	EC Instrumental	.565***	.242**	033	[.0560, .2579]	.137*	.070	Total
	EC Caring	185*	058		[0175, .0597]	.001		No mediation
	EC Independence	143	.312***		[1221, .0041	004		No mediation
DL Abusive	EC Instrumental	.651***	.201*	.050	[.0422, .2405]	.130*	.145	Total
	EC Caring	181*	051		[0207, .0617]	.009		No mediation
	EC Independence	146	.308***		[1227, .0115]	.045		No mediation

Note: Dependent variable: Individual Corruption

(a), (b), (c) and (c'): \*p<.05, \*\*p<.01, \*\*\*p<.001.

(a x b): \*CI include zero.

(N=113)

By conducting a hierarchical regression analysis, we found a model explaining 2.9% adjusted variance with a single predictor of "no corruption" option: Ethical Climate Caring (beta=.294, p<.01). VIF shows no multicollinearity problems (the single value above 5 concerns one item in the first step just for control purposes. No VIF issues are found on the second step, the one to test the hypotheses). This supports H3a and H4a while rejecting H2a.

Table 5. 6- Ethical climate predictors of No Corruption

	Unstandard	dized Coefficients	Standardized Coefficients			Collinearity S	Statistics
Model	В	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	3.851	.259		14.887	.000		
DL_Com	.190	.232	.171	.821	.413	.208	4.804
DL_Mism	.003	.195	.003	.016	.987	.227	4.415
DL_Abus	204	.161	197	-1.263	.209	.369	2.706
2 (Constant)	2.711	.654		4.142	.000		
DL_Com	.052	.237	.047	.220	.826	.191	5.235
DL_Mism	.105	.196	.108	.538	.591	.216	4.637
DL_Abus	171	.165	166	-1.039	.301	.341	2.935
EC_Instr	.048	.110	.053	.440	.661	.599	1.669
EC_Car	.320	.119	.294	2.701	.008	.734	1.363
EC_Indep	082	.111	080	739	.461	.738	1.355

a. Dependent variable: No Corruption

As we found no mediation with Process Macro for OIC as a dependent variable, no model on OIC was shown above. Therefore, to test H2b, H3b, and H4b, we show table 5.7 that include findings pertaining a hierarchical regression analysis on OIC. The model explains 4.6%  $_{ad}R^2$ , and has no multicollinearity issues. A single predictor was found: independence ethical climate (beta=.309, <.01). This rejects all hypotheses, H2b, H3b and H4b (as far as OIC is concerned). Regarding the other sorts of corruption (individual, and organizational) we resource to previous findings on the mediation models shown above.

Table 5. 7- Ethical climate predictors of Individual/Organizational Corruption

	Unstandardized Coefficients		Standardized Coefficients			Collinear	rity Statistics
Model	В	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	2.387	.241		9.890	.000		
DL_Com	.281	.216	.270	1.300	.196	.208	4.804
DL_Mism	226	.182	248	-1.244	.216	.227	4.415
DL_Abus	.044	.151	.046	.292	.771	.369	2.706
2 (Constant)	1.380	.607		2.274	.025		
DL_Com	.381	.220	.366	1.731	.086	.191	5.235
DL_Mism	297	.182	325	-1.633	.106	.216	4.637
DL_Abus	021	.153	022	137	.891	.341	2.935
EC_Instr	.114	.102	.134	1.120	.265	.599	1.669
EC_Car	100	.110	098	909	.365	.734	1.363
EC_Indep	.296	.103	.309	2.873	.005	.738	1.355

a. Variável Dependente: Organizational/Individual Corruption

Therefore, findings from mediation tests considered together with these findings, we conclude that H2b (instrumental ethical climate positively associated with all sorts of corruption) is only partially supported (just for the case of individual corruption). Also, that H3b (caring ethical climate is negatively associated with all sorts of corruption) is fully rejected. Finally, that H4b (independence ethical climate is not associated with all sorts of corruption) is fully rejected (as it is always positively associated with all sorts of corruption).

### 6. Discussion and conclusion

Firstly, the discussion will highlight and analyze the main conclusions of the study and, in a second phase, some aspects related to the implications and contributions of this study will be analyzed, as well as their main limitations and suggestions for future investigations.

By integrating all paths, findings suggest destructive leadership plays a double role in promoting corruption. On the one hand, it largely nurtures an instrumental ethical climate that is considerably correlated with individual corruption, but it also decreases independence ethical climate, that should also be taken as a factor of corruption. So, on the one hand it builds corruption vulnerability and one the other hand it prevents it.

Regarding this fact, and turning back to existent literature, Neubert et al. (2009), Grojean et al. (2004) and Dickson et al. (2001) say that leaders also play a key role in the creation and maintenance of the ethical organizational climate. They not only directly influence their subordinates' behavior, but also influence the subordinates' perception of norms and behaviors that are considered appropriate, founding the organizational climate. In this study, the influence of destructive leadership in the ethical climate was analyzed.

As predicted, the results demonstrate that destructive leadership is positively related to self-interest (instrumental) climate. Typically, destructive leaders are concerned only with their own interests, rather than worrying about the interests and needs of their subordinates or the organization. These leaders frequently use their influence to control and manipulate their subordinates to achieve what is best for themselves, even if it damages the whole organization (e.g. Schyns and Schilling, 2013). The destructive leader's behavior can be understood by the subordinates as an example. Leaders who act in a detrimental way, have a tendency to have subordinates who exhibit similar behaviors (Mawritz et al., 2012). Destructive leaders can be responsible for a negative ethical climate, where people are predominantly worried with achieving their own interests.

The results of this study reveal that the relations between communication (destructive leadership component) and organizational corruption, such as with individual corruption, are mediated by independence ethical climate. This suggests that destructive leadership

has a negative relation with the independence ethical climate, characterized by personal moral convictions to make ethical decisions, which, in turn, increase organizational vulnerability to corruption and also individual vulnerability to corruption. Thus, hence independence ethical climate has a positive relation with organizational corruption and with individual corruption, this relation is inhibited by the fact that independence ethical climate is negatively related to communication (destructive leadership component), which diminish the level of both individual and organizational corruption.

Instrumental ethical climate mediates the relation between communication (destructive leadership component) and individual corruption. This means that destructive leaders with lack of communication skills contribute for the creation and maintenance of an ethical climate characterized by self-interest, and which promotes an individual vulnerability to corruption.

In addition, results show that instrumental ethical climate also mediates the relation between mismanagement (destructive leadership component) and individual corruption. This suggests that leaders who have bad management behaviors contribute to an instrumental ethical climate, which leads to an Individual vulnerability to corruption.

To finish, results also demonstrate the existence of relation between abusive (destructive leadership component) and individual corruption, when instrumental ethical climate is a mediator. This means that, leaders who adopt abusive behaviors towards theirs subordinates are originating a self-interest sort of climate and, by this, increasing individual vulnerability to corruption.

This means that destructive leadership (in its three dimensions: communication, mismanagement and abusive) drives to a self-centered and self-interested perspective adopted by individuals (instrumental ethical climate) and also inhibits a climate regulated by personal moral convictions to make ethical decisions (independence ethical climate).

Concerning to caring ethical climate, we expected that it was a mediator in the relation between destructive leadership and vulnerability to corruption. Although results had shown some significance between destructive leadership (more specifically in mismanagement and abusive dimensions), there is no evidence of a total mediation.

The results also suggest that both instrumental and independence ethical climates, lead to a vulnerability to corruption, either it is individual vulnerability, which individuals act according to their own interests and often to the damage of the organization, or organizational vulnerability, which individuals acts for the organization's advantage.

By the results obtained, it's possible to relate that there is no significant relation between neither destructive leadership with no corrupt, neither destructive leadership with both organizational/individual corruption, acting together. This suggests that all the dimensions of destructive leadership (communication, mismanagement and abusive behavior) have no effect in no corruptive behaviors, and also have no effect on corrupt behaviors that could benefit the individual and the organization at the same time. Concerning to ethical climate, it is only possible to find significant relation between no corruptive behaviors and caring ethical climate, which means that, when people are concerned about their organizational pairs, it's likely they won't get into corruptive behaviors.

The ethical climate shows an important role in the achievement of corruption, in the meantime it can encourage such behavior or, on the contrary, act as a preventive. The results found here corroborate some theoretical precepts that associate the more selfish or instrumental sort of climate with deviant behavior or ethically questionable activities, as contrasting to the rules and humanitarian climates that tend to decrease deviant behavior and corrupt acts (Martin et al., 2009, Peterson, 2002).

In organizations with this kind of climate, people seek only to satisfy their own interests, not caring about the organization as a whole (Victor and Cullen, 1988). According to Ruppel and Harrington (2000), in organizations with a self-interested climate, confidence is not developed. Opportunistic behavior and immoralities are more likely to take place.

Although this study approaches some barely explored topics, and contribute for a new understanding of these issues, we should acknowledge some limitations. First of all, it should be noted that this was a very difficult sample to reach, so it has fallen short of expectations. It should be noted that data collection was done online and is known that this is a method that has some advantages and disadvantages. The advantages are based on the fact that it is an accessible and adjusted form for the population to which the questionnaire was intended, and that facilitates an easy and fast dissemination. Another

important aspect is that, since the subject matter was delicate to report, replying in privacy and without direct contact with the researcher could disinhibit responses and diminish the effects of social desirability. However, in this type of data collection there are a number of issues that are completely beyond the control of the researcher, namely to make sure that there are no more than one respondents and whether these people meet the sample inclusion requirements.

However, we believe this study offers some meaningful insights. First of all, it fills in some gaps within research focused on corruption, namely by the construction of a model that integrates destructive leadership dimensions and ethical climate dimensions, that have been central to explaining corruption. In addition, this study offers an integrated perspective of individual and organizational aspects, promoting a more holistic view of a phenomenon as complex as organizational corruption.

As final suggestions for future studies and research, it would be important to study other factors and variables that could influence subordinates' perception, as long as this study only considers the perspective of subordinates concerning their leaders. As we found a correlation with gender and destructive leadership, it would be also interesting to investigate if there is any gender difference between subordinates and leader.

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# **Appendix**

## **Appendix 1. Survey**

## **Destructive Leadership**

Pense na sua chefia direta e indique, por favor, até que ponto concorda que as seguintes afirmações o/a descrevem bem, usando uma escala de Discordo totalmente a Concordo totalmente.

Discordo totalmente	Discordo parcialmente	Não concordo nem discordo	Concordo parcialmente	Concordo totalmente

No que diz respeito à negociação com os outros, a minha chefia é geralmente um fracasso total

Por vezes tenho de adivinhar o que a minha chefia realmente espera de mim.

Tenho dificuldade em compreender o que a minha chefia diz ou quer.

A minha chefia é muito má na resolução de problemas e tomada de decisões.

A minha chefia tem uma fraca capacidade de planeamento estratégico.

As competências da minha chefia não correspondem muito bem ao seu trabalho.

A minha chefia é uma má negociadora.

A minha chefia é ditadora.

A minha chefia tenta exercer controlo total sobre todos.

A minha chefia tem vindo a cometer graves abusos de confiança.

A minha chefia age frequentemente de modo antiético.

A minha chefia é rancorosa.

### **Ethical Climate**

Pense na sua organização e indique por favor até que ponto concorda que as seguintes afirmações o/a descrevem bem, usando uma escala de "Completamente falsa" a "Completamente verdadeira".

		Um			
Completamente falsa	Maioritariamente falsa	pouco falsa	Um pouco verdadeira	Maioritariamente Verdadeira	Completamente verdadeira

Nesta organização cada um protege, acima de tudo, os seus próprios interesses.

Nesta organização cada um preocupa-se, acima de tudo, com o que é melhor para si próprio.

Nesta organização não há espaço para os valores morais nem para a ética pessoal.

Espera-se que as pessoas façam tudo pela organização sem olhar às consequências.

O que for melhor para todos na organização é aquilo que mais pesa nas decisões.

A principal preocupação é o bem de todos os que trabalham nesta organização.

A nossa principal preocupação é sempre o que é melhor para a outra pessoa.

Nesta organização espera-se que se faça sempre o que é correcto para os clientes e público.

Nesta organização espera-se que as pessoas sigam as suas próprias crenças pessoais e morais.

Cada pessoa nesta organização decide por si própria o que está certo e errado.

A preocupação mais importante nesta organização é respeitar o sentido individual do que está certo e errado.

Nesta organização as pessoas guiam-se pela sua ética pessoal.

### **Vulnerability to Corruption**

Seguem-se quatro histórias. Face a cada uma delas indique qual o comportamento que mais provavelmente adotaria.

#### História 1

"É gestor(a) numa empresa que está a considerar abrir uma filial num país longínquo que está com um forte crescimento económico. Os contactos iniciais com as autoridades desse país indicaram-lhe muito claramente que a aprovação deste investimento dependeria de um contributo monetário que viesse a realizar para o partido político no poder. A nova filial permite-lhe entrar neste vasto e florescente mercado muito antes da concorrência. Os lucros estimados desta filial são muito elevados e os custos da "contribuição política" são mínimos quando comparados com os ganhos."

Muito			Muito			
Certamente que Provavelmente Provavelmente			Provavelmente	Provavelmente	Certamente que	
não	não	não	sim	sim	sim	

Daria a "contribuição" para defender o interesse da empresa e ainda que isso me prejudicasse.

Daria a "contribuição" apenas se eu próprio ganhasse alguma coisa com isso e ainda que a empresa ficasse prejudicada.

Não daria qualquer "contribuição" ainda que isso me beneficiasse a mim ou à empresa.

Daria a "contribuição" apenas se isso me favorecesse e simultaneamente também favorecesse a empresa.

### História 2

"Uma empresa concorrente anunciou que irá comercializar um novo produto que torna os seus praticamente obsoletos. A sua empresa não conseguirá desenvolver um produto equivalente durante os próximos 3 meses. Alguns membros da sua empresa querem anunciar aos clientes que terão um novo produto equivalente dentro de um mês na esperança que não cancelem contratos. Esperam depois ir apresentando desculpas até terem o produto novo pronto."

Muito			Muito			
Certamente que	Provavelmente	Provavelmente	Provavelmente	Provavelmente	Certamente que	
não	não	não	sim	sim	sim	

Mentiria a um cliente só na condição de salvaguardar o interesse da empresa ainda que me prejudicasse pessoalmente.

Mentiria a um cliente só para proteger os meus interesses e nunca os da empresa.

Mentiria a um cliente só se isso protegesse simultaneamente os meus interesses e os da empresa.

Nunca mentiria a um cliente independentemente das consequências para mim e para a empresa.

#### História 3

"Trabalha numa filial de uma grande empresa a operar em Portugal. Conhece as práticas de gestão no seu sector em que há empresas que não passam faturas do que vendem para poderem pagar menos impostos. Passar ou não fatura ao cliente pode significar pagar muito dinheiro ao fisco ou, pelo contrário, uma soma mínima. A sua empresa procura agir de forma adaptada e, sem lho dizer explicitamente, dá-lhe a entender que pode alinhar na fuga fiscal dado que os gestores fingirão nada saber. Porém, se houver algum problema, responderá pessoalmente. Sabe ainda que o sistema fiscal tem pouca capacidade neste sector para detetar os casos de fuga."

	Muito		Muito			
Certamente que	Provavelmente	Provavelmente	Provavelmente	Provavelmente	Certamente que	
não	não	não	sim	sim	sim	

Não fugiria aos impostos independentemente das consequências para mim e para a empresa.

Fugiria aos impostos sempre que possível para proteger os interesses da empresa e ainda que isso me faça correr algum risco.

Fugiria aos impostos apenas para proteger os meus interesses e nunca os da empresa.

Fugiria aos impostos apenas se isso me protegesse e também protegesse a empresa.

#### História 4

"É diretor(a) clínico numa farmacêutica e tem a seu cargo a decisão de testar a eficácia clínica de um medicamento novo para a leucemia. Tecnicamente os testes dão valores muito próximos dos que se procurava mas insuficientes para defender a sua eficácia clínica exceto se for sua opção adulterar a composição da amostra e remover alguns pacientes de teste. A sua empresa precisa da comercialização deste medicamente porque sem isso vai à falência e perdem-se centenas de postos de trabalho. O Presidente da empresa nunca dirá para o fazer mas sabe que se eu recomendar é porque "dei um jeito" ficar-me-á reconhecido por esta decisão embora eu saiba que é técnica e profissionalmente condenável."

	Muito		Muito			
Certamente que	Provavelmente	Provavelmente	Provavelmente	Provavelmente	Certamente que	
não	não	não	sim	sim	sim	

Não alteraria a composição da amostra porque isso seria fraude.

Alteraria a composição da amostra porque é crucial para a empresa e ainda que eu não ganhe nada com isso.

Alteraria a composição da amostra porque eu ficaria sempre com o favor pessoal do Presidente independentemente do ganho da empresa.

Alteraria a composição da amostra apenas se isso me beneficiasse pessoalmente e também à empresa.