Implications of person–situation interactions for machiavellians' unethical tendencies: The buffering role of managerial ethical leadership

P. Ruiz-Palomino [*], J. Linuesa-Langreo

Business Administration Department, University of Castilla-La Mancha, Cuenca, Spain

ABSTRACT

Machiavellianism is a dark personality trait that prompts self-interested manipulation in interpersonal relationships and is conducive to unethical behaviour. Yet Machiavellians (Machs) are also adaptive individuals who tailor their behaviour to the immediate context and feel constrained to manoeuvre selfishly in tightly (not loosely) structured work environments. Drawing on a person–situation interaction perspective, we analyse whether managerial ethical leadership buffers the negative influence of Mach on employees' ethical work intention. Using data from 436 employees of a diverse set of Spanish banking entities, we find that interactions with ethical leaders weaken employees' intention to behave unethically more among high Machs than among low Machs. This investigation sheds light on Machiavellianism in the workplace and explores some actions that can buffer its negative effects on employees' ethical intention.

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1. Introduction

The strength of the "profit-at-any-cost" dictum, as rooted in classical capitalist theory, powerfully incentivizes short-term accomplishments in workplaces. This paradigm traditionally follows a mechanical, formal approach that relies on quantitative key performance indicators (KPIs) to measure employees' performance; it is also the source of many negative, unethical behaviours by those employees (Al-Saggaf, Burmeister, & Weckert, 2015; Gray, Micheli, & Pavlov, 2015; Othman, 2016). Profit-focused, performance metric–based evaluation systems encourage employees to act in ways that may not really be good for the business (e.g. customer service) but rather that reflect their efforts to achieve as many quantifiable targets as are demanded (e.g. number of customers, purchases), regardless of whether the means used to reach such ends are ethical (Al-Saggaf et al., 2015; Cugueró-Escofet & Rosanas, 2017).

In response, increasing calls suggest re-considering the purpose of business, to insist on a focus on serving and building a better society (Donaldson & Walsh, 2015). The mission statements of many firms increasingly reflect such purposes (Haigh & Hoffman, 2012). Important social changes in modern society (e.g. better education, higher life expectancy) have also prompted people's embrace of new values and priorities (e.g. caring, compassion, citizenship; healthy living, environmental and social justice) (Haigh & Hoffman, 2012; Simpson, Cunha, & Rego, 2015). In this sense, businesses have been pushed to restate their core purposes with a perspective based on sharing value with stakeholders (Porter & Kramer, 2011) or creating value in society (Simpson et al., 2015). Managers who adopt such philosophies devote effort to ensuring that their workplaces reflect these mission statements, which means they seek to avoid the exclusive use of quantitative KPIs to evaluate employees' performance. If they were to retain a sole focus on KPIs, managers would be encouraging employees to pursue short-term, quantifiable accomplishments and to compete with one another, disregarding co-workers' well-being. Such workplaces are likely to become toxic, marked by dysfunctional behaviours such as lying, cheating or backstabbing (Appelbaum & Roy-Girard, 2007). This toxicity certainly hampers the effective fulfilment of the business's mission of serving and building a better society.

Yet toxic workplaces, where employees engage in manipulative,

* Corresponding author. Business Administration Department, University of Castilla-La Mancha, 44 Alfares Avenue, Cuenca 16071, Spain; IECO Research Member, Valencia, Spain.

E-mail address: pablo.ruiz@uclm.es (P. Ruiz-Palomino).

self-centred, unethical behaviours, are more common than generally believed (Kusy & Holloway, 2009; Tian & Peterson, 2016; Williams, 2016). Toxic employees evoke negative workplace outcomes, such as emotional strain, low morale, high disengagement and turnover, and low performance and financial outcomes (e.g. poor job performance, low productivity, high absenteeism) (see Appelbaum & Roy-Girard, 2007; Kusy & Holloway, 2009). As a result, there is a growing interest to better understand this dark side of workplace personalities and their drivers (Spain, Harms, & Lebreton, 2014). Studies that have focused on this phenomenon reveal three core personality traits that account for toxic workplaces, referred to as 'the Dark Triad': narcissism, psychopathy and Machiavellianism (Paulhus & Williams, 2002; Spain et al., 2014).

As one of these three so-called dark personality features (Paulhus & Williams, 2002), Machiavellianism involves a tendency to manipulate others in pursuit of selfish gains (Lee et al., 2013). It is therefore unsurprising that this trait is linked to unethical work behaviours (e.g. Kish-Gephart, Harrison, & Treviño, 2010; Lee et al., 2013) and responsible for damage to both organizational well-being and other organizational members (Dahling, Kugumcu, & Librizzi, 2012; Dahling, Whitaker, & Levy, 2009). However, some authors note that people who exhibit high Machiavellianism (hereafter, high Machs) do not lack ethics per se (Schepers, 2003). That is, high Machs do not always behave unethically but instead tend to ignore ethical considerations (Dahling et al., 2012) or exhibit moral disengagement, such that they easily disassociate from any personal moral standards (Egan, Hughes, & Palmer, 2015). Other perspectives support the notion that high Machs even can be a positive addition to some organizations. For example, some studies link high Machs' behaviour to better task performance, in the presence of certain organizational variables (i.e. loosely structured organizations, Shultz, 1993; inadequate resources, Kuyumcu & Dahling, 2014) and personal variables (tenure in the organization, Dahling et al., 2009). High Machs may also display more citizenship behaviours in the presence of managers who lead with a transformational leadership style (Belschak, Den Hartog, & Kalshoven, 2015). That is, high Machs are often considered socially undesirable (Rauthmann & Kolar, 2012) because of the harm they cause to others (e.g. emotional exhaustion, Volmer, Koch, & Goritz, 2016), yet they may not be as unwelcome as is widely assumed (Belschak, Hartog, & Kalshoven, 2015; Chamorro-Premuzic, 2015, pp. 2-4; Smith & Webster, 2017). Contrary to recommendations that suggest designing hiring processes to prevent toxic workers—including high Machs—from entering the workforce (Housman & Minor, 2015; Torres, 2015), strategies that seek to shape the organizational context to leverage the benefits of high Machs while also guiding them toward more ethical behaviour could be meaningful. Embracing this strategy makes even more sense considering that detecting high Mach candidates is difficult in the hiring process, due to their tactical inclination to make a good impression on others (Rauthmann, 2011) and tendency to feign certain qualities to ingratiate themselves in the selection process (Spain et al., 2014).

Prior studies call for research to examine whether the influence of high Machs might be moderated positively (Spain et al., 2014), such that it is pertinent to investigate possible contingencies of the link between Machiavellianism and ethical work behaviour. Scant research addresses the impact that contingent situational variables might have on high Machs' unethical behaviour. However, person–situation interactions are viewed as central to understanding individual behaviour (Zettler & Hilbig, 2010), and ethical behaviour in particular (Treviño, 1986). Christie and Geis (1970) suggest distinctive behaviours by Machs, depending on the extent to which the organizational structures in which they operate are loosely or tightly defined. Specifically, loosely structured situations

give high Machs more opportunity to manipulate others and exploit the situation for their personal gain, whereas in highly structured situations, both high and low Machs tend to work within established limits (Christie & Geis, 1970). These findings suggest the possibility that Machs' behaviours can be shaped meaningfully by strong, tight, ethical work environments.

To explore this possibility, we examine explicitly whether managerial ethical leadership can stimulate Machs to engage in ethical work intention. Ethical work intention represents the penultimate step in the overall decision-making process (i.e. awareness, judgment, intention, behaviour; Rest, 1986) and can be defined as anticipated behaviour that is built on universal moral principles, generally accepted by the larger community, and conducive to positive human growth (Ruiz-Palomino & Bañón-Gomis, 2017). Managerial ethical leadership is defined as the leadership deployed by managers who are 'considerate, trustworthy, and morally upright individuals who make just decisions, candidly communicate acceptable ethical standards … and become excellent role models' (Brown, Treviño, & Harrison, 2005, p. 120), by embodying the qualities of being both a *moral person* (i.e. exhibiting honesty, integrity, and trustworthiness) and a *moral manager* (i.e. communicating ethics, using reinforcement systems, being ethical role models, and treating others fairly; Brown et al., 2005). As such, because high Machs are skilled at detecting and processing threats of punishment (Czibor & Bereczkei, 2012) and leveraging self-presentation tactics (Jones & Paulhus, 2009) to craft favourable impressions (Rauthmann, 2011), these employees may be less likely to engage in manipulative, deceitful tactics in the presence of ethical leaders. Accordingly, we predict a moderating role of managerial ethical leadership on Machs' ethical work intention. In support of this prediction, the limited prior research in this domain indicates that leadership can change Machs' dark behaviour. For example, Belschak et al. (2015) show that when they are led by transformational leaders, high Machs engage in more citizenship behaviours. Castille, Buckner, and Thoroughgood (2017) also cite the possibility that ethical leadership training programs can help reduce high Machs' inclinations toward unethical behaviour. Yet no existing research has addressed these points empirically, such that the question of whether ethical leaders can push high Machs' behaviour in an ethical direction remains uncertain and an intriguing research void to fill.

Our principal research objective is to explicate the role of managerial ethical leadership in the negative relationship between Machiavellianism and ethical work intention. To this end, we examine the direct negative effect of Machiavellianism and the direct positive effect of managerial ethical leadership on employees' ethical work intention. Then we investigate whether managerial ethical leadership moderates the effects of Machiavellianism on employees' ethical work intention, by buffering high Machs' intention to behave unethically. These efforts advance prior research that suggests that Machs' dark behaviour can be shaped positively (e.g. Belschak et al., 2015). We also expand extant insights into Machiavellianism and its effects in organizational life by qualifying the limited view that suggests Machiavellianism has solely dark effects in the workplace (O'Boyle, Forsyth, Banks, & McDaniel, 2012; Paulhus & Williams, 2002). That is, without denying that Machiavellianism involves a dark side (Rauthmann & Kolar, 2012), it may also offer positive outcomes for organizations, inasmuch as this trait can lead people to act in ways that further collective goals—provided they can benefit, economically and professionally, from doing so (Castille et al., 2017). High Machs possess political skills (Judge, Piccolo, & Kosalka, 2009) —specifically, social astuteness and networking abilities (Dahling et al., 2009)—which can be both self-serving and benevolent, such that they support both personal and organizational goals