

6 Conclusion

“The last thing we find out in writing a book is to know what we must put first.”
Pascal (1662)

This section is organized in four sub-sections. Section 6.1 has a discussion and conclusion of the current study. Section 6.2 presents the theoretical and methodological contributions to academia, as well as significance to management goals. Limitations of the study are discussed in section 6.3, which is followed by suggestions for future research in section 6.4.

6.1. Conclusions of the Current Study

The objective of this study was to analyze the mutual interplay of individual factors and social situations in the choice of unethical options. Based on an extensive review of the literature, this study proposed an integrated theory of self-monitoring, temporal orientation and gender (individual factors) and social network influencing unethical decision-making.

The theory of self-monitoring suggests that people differ in the extent to which they “value, create, cultivate and project social images and public appearances”. High self-monitors adapt their behaviors to impress others, whereas the behaviors of the low self-monitors reflect “their own inner attitudes, emotions, and dispositions”. In addition, high self-monitors construct social networks that can function as instruments of status enhancement, but low self-monitors construct social networks that support their reputation as sincere people (GANGESTAD and SNYDER, 2000).

Time perspective, another individual characteristic of this study, is “the often non conscious process whereby the continual flow of personal and social experiences are assigned to temporal categories ... that help to give order, coherence, and meaning of those event,” and has influence on judgments, decisions and actions (ZIMBARDO and BOYD, 1999). The literature suggests that future orientation may lead to more ethical decision-making. Social capital can be defined as “resources embedded in social networks accessed and used by actors for action”, resources meaning influence, information, power. Social capital is conceptualized as social networks (SEIBERT *et al.* 2001) in this study.

Considering the sensitivity of ethical research, a multi-method was applied: a web tool to collect data was designed to reduce social bias, including a dilemma in the survey and an experiment to investigate ethical behavior. The sample collected, although relatively small, consisted mostly of people in management in different industries, including a considerable number of women in high-level corporate positions. Data were analyzed using different quantitative analytical tools to provide additional perspectives.

The findings provided evidence for the different dynamics of how individual factors influence the creation of social networks, and how the connection of these can pose higher risk of an unethical decision. First, self-monitoring was found to be the strongest individual factor to predict unethical choice – intention and behavior. Low self-monitors chose more ethical choices in the two scenarios than did high self-monitors. In the higher moral issue scenario, which included the use of bribery by a partner, the difference was further accentuated. On the other hand, very high self-monitors had the highest percentage of unethical intention and behavior of all.

The second individual variable of this study, future orientation, provided weaker evidence of unethical choice than did self-monitoring, probably as a function of the goal-orientation aspect of the measure used. However, future orientation did shed light in some cases, such as the few low self-monitors that chose the bribery option and who had a very low future orientation.

The third variable, gender, was not found to be related to ethical choices: it had weak significance compared to the other variables, and the results of the experiment indicated that high self-monitor females had unethical intentions not compatible with their unethical behavior choices. However, as mentioned before, these individual factors also were interconnected in a reinforcement process, as future orientation was positively related to females and negatively to self-monitoring.

Moreover, whereas this study found that self-monitoring increases the risk of unethical decision, it also found that gender plays a role in the explanation of which network structure increases prediction of unethical acts. Previous social network theory found that males build their networks in less closure (in higher centrality) than females, a generalization that also applies to high self-monitors compared to low self-monitors. The overall current sample is consistent with this pattern. In fact, these dimensions (gender and self-monitoring) interact such that low self-monitors have more-closed networks than do high self-monitors, but that such difference is much more prominent among females. In addition, the same pattern was observed in this study among the respondents who chose only ethical options in both scenarios. Therefore, social network by itself does not explain ethical decision-making.

However, this study found evidence that an inverted pattern emerged among people who chose the unethical options, compared to the structural advice network of the ethical ones, both in the ethical intention scenarios and in the behavioral experiment. Closure increases among unethical males compared to ethical males, including high self-monitors males, but to an even greater extent among low self-monitor males. By contrast, unethical females, both in the bribery scenario and in the behavioral experiment, were located in a network of higher centrality (lower constrained) than were ethical females. One exception was found to this inverted pattern: in the competitor scenario, females in high closure had more unethical options than high self-monitor females in low closure. However, there is evidence that females, especially high self-monitors, suffer from a possible social bias: their intention in the competitor scenario was not congruent with their behavior. This suggests that, in fact, the network closure mean of this group could be inflated, that is, there is a possibility that in fact more high self-monitor women in high centrality would chose unethical intentions, were it not for

the social bias. Therefore, this study could not confirm that females in high closure were more unethical than females in high centrality in this specific scenario.

Previous studies suggested that people in a higher centrality network may suffer from a “false consensus bias” – a false approbation from others – that could lead to a higher risk of unethical acts (JONES, 1991; FLYNN and WILTERMUTH, 2010). This study found that the highest rate of unethical acts comes from high self-monitors (who usually have high centrality in their networks), but that the network structure that increases risk is contingent on gender. It was found that unethical males have higher network closure (compared to ethical males) in their advice network. However, one explanation stems from the need for a high control of the situation (as the experiment suggested), for example, reducing risk and ensuring the success of the event, which only a close network can provide. On the other hand, the lowest self-monitoring males in this sample, who also had high centrality, were also the ones who had the lower percentage of unethical intention choices. It is important to notice that this study could not make causal inferences, that is, it is not possible to conclude if closure is a cause or consequence of unethical decisions.

However, the “false consensus bias” of Flynn and Wiltermuth (2010) could shed some light as to the interpretation of the unethical high self-monitor women in higher network centrality. These women were also the ones who presented the highest rate of social response bias. Another possible explanation for this structural inverted pattern among unethical females is women trying to cope with the masculine model of success (VAN DEN BRINK and BENSCHOP, 2014), which includes the development of social networks in less closure and exercising brokerage functions. That is, high self-monitor women would be unwilling to manifest the risk of being unethical in a less closed network internally at the company; indeed, the experiment suggests that they not only had a possible response bias but also were more “naïve,” and failed to realize the futility of lying in the experiment situation.

On the other hand, if closure is necessary for the unethical men, so is it for the ethical low self-monitor women, who have the highest closure among all the ethical respondents. Closure may function as a fortress to protect the unethical people from the risk of being discovered while protecting the ethical people, in an environment of lax ethics, from the risk to be involved in an unethical act without intention. It is interesting how the words of Poldony and Baron (1997) are appropriate for unethical and ethical acts, as they argued that

“a dense, redundant network of ties is often a precondition for: (1) internalizing a clear and consistent set of expectations and values in order to be effective in one’s role; and (2) developing the trust and support from others that is necessary to access certain crucial resources (...) and to implement strategic initiatives.”

Moreover, the apparent contradiction that, in the bribery scenario case for instance, the men who had more closed networks in their companies were those who at the same time functioned as brokers (that is, kept networks with more structure holes connected and had higher central networks) can be understood in terms of the network environment, for one is internal, the other external. The best explanation comes from Burt (2005): “brokerage-closure tension” brings the best “performance” (in this case, the “best” is the worst moral level issue case, and illegal).

Considering the controversy regarding who more closely adheres to social norms – high or low self-monitors – the problem may be in the definition of the focal group who defines such norms. If by social norms it is assumed that it is an ethical environment, then the evidence shows that low self-monitors adhere more closely to the norms. The results suggest that many respondents follow a business social norm based on the ethics of the battlefield.

This study did not find that males were more unethical than females. However, high self-monitor males presented a sum of factors that can increase the risk of unethical acts; thus, males have: a) the highest levels of self-monitoring (the very high self-monitors had the highest rate of unethical option by far); b) the lowest level of future orientation; c) the most-closed networks in unethical acts such as bribery; and d) have much more gender homogenous networks than females. Visser and Mirabile (2004) found that individuals in social networks composed of others with similar viewpoints are more resistant to changes in

attitude. That is, unethical people in closed networks would be more likely to justify their acts and their opinions are more resistant to change.

In the dilemma situation, high self-monitors were more likely to not disclose information (tell the truth) to their employees, thereby avoiding conflict, such as the ones that can emerge in such a situation, to a higher extent. They could conceive of the dilemma as not being one of “lie vs. truth,” but merely one of confidential information that, if eventually disclosed, could engender a level of dissatisfaction from both sides: the employees (claiming, for example, lack of equal opportunity in the company) and the close colleague (who secretly shared a business decision).

The connection of reputation and social capital gives credence to the argument that an employee may keep silent in order to protect his or her reputation (as well as the group as a whole) while indirectly protecting social capital and career. High self-monitors create their network to enhance status and will probably look for cues to monitor and control their words in order to adapt their words to the situation. Being more attentive to social cues, high self-monitors are better at perceiving what Klein *et al.* (2004) alluded to: openness (non-conformity) and extraversion (talkativeness, assertiveness) could be a “source of annoyance” in social networks; therefore, the high self-monitor will prefer to voice less.

On the other hand, low self-monitors create their network to protect their reputation of sincerity (GANGESTAD and SNYDER, 2000) and, in one study, were found to speak out more (PREMEAUX and BEDEIAN, 2003). However, in this study, low self-monitor females were found not to disclose confidential information. This pattern is consistent with people in closure, who have a stronger commitment to the alters in their network. As discussed before, close networks emerge from mutual trust, which in turn is developed from reciprocity, thereby creating a “credit risk” (COLEMAN, 1990). The majority of low self-monitor women are in closed networks and will not disclose information.

Therefore, it seems that low self-monitor women, protecting their close networks (which are built on trust and reciprocity) are as able as high self-monitors in avoiding conflict in this case. Toegel *et al.* (2007) also found that women, who in their sample had lower self-monitoring scores, tend to be as good emotional helpers as high self-monitor managers. By contrast, this study found

that the low self-monitor males (and the majority are in low closure, that is, high centrality) would tell the truth to employees (managing the situation as one of tell lie vs. truth) if asked. That is, by telling the truth they run the risk of being labeled a “troublemaker.”

This study posed the question in the introduction as to whether a lack of ethics was becoming “business as usual.” The answer to this question is in Figure 34, which summarizes the literature of the “snowball effect” of high self-monitors’ career advancements and leadership (based on impression management and networking development) as well as the results of this research that self-monitoring is associated with unethical decision-making.

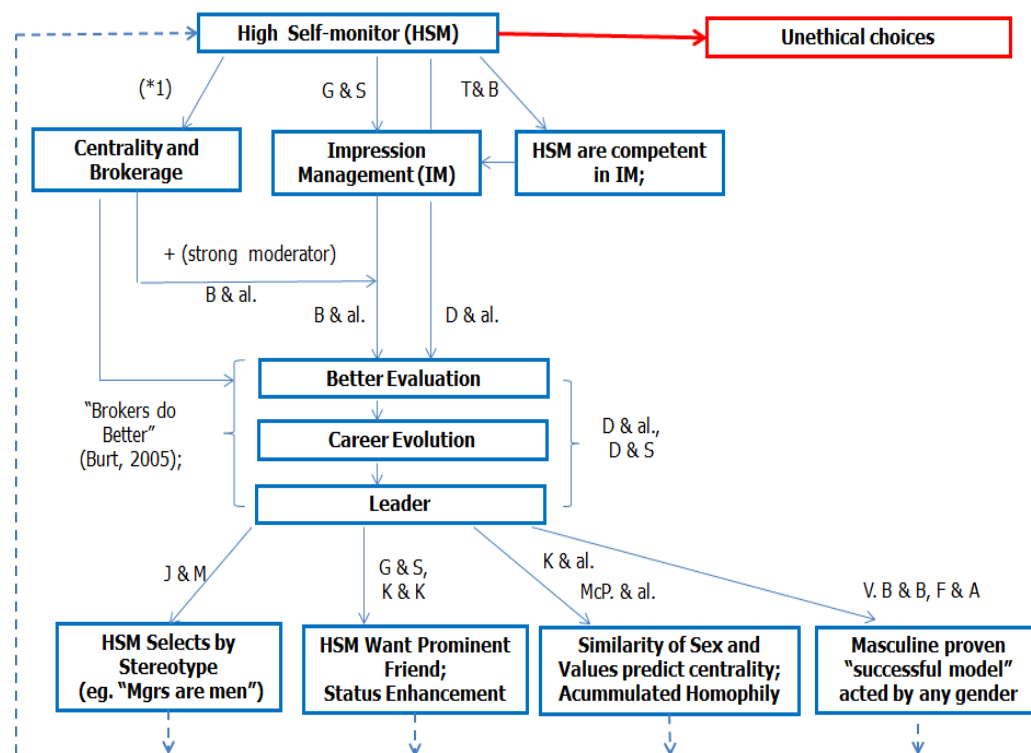


Figure 34 - Endemic unethical decisions

Source: Elaborated by the author

IM (impression management); G & S (Gangestad and Snyder, 2000); T & B (Turnley and Bolino, 2001); B & al. (Barsness *et al.*, 2005); D & al. (Day *et al.*, 2002); D & K (Day and Schleicher, 2006); F & A (Flynn and Annes, 2006), J & R (Jones and Ryan, 1997); F & al. (Flynn and Wiltermuth, 2010); J & M (Jawahar and Mattson, 2005); K & K (Kilduff and Krackhardt, 1994); McP. & al. (Mc Person *et al.*, 2001); V.B & B (Van den Brink and Benschop, 2014) *1 (Mehra, Kilduff and Brass 2001, Oh and Kilduff, 2008; Sasovova, Mehra, Borgatti and Schippers, 2010); *2 (Hewlin, 2003; Hogue & al., 2013, Oh & al. , 2014, Bolino & al. 2013, Ashton and Lee, 2005; Caldwell and O'Reilly, 1982).

In fact, career evolution and leadership may be consequences of: a) a high self-monitoring employee engaging in effective impression management tactics for better evaluation and b) a high self-monitor managers' technique of evaluating and selecting for promotions based on stereotypes and sexism. Self-monitoring includes an acting dimension that can be used unethically for self-promotion.

Considering the meta-analysis of Day *et al.* (2002) that high self-monitors are usually men and that homophily can be accumulated (MCIPHERSON *et al.*, 2001), the process summarized in Figure 34 could also explain the prevalence of men at the top of organizations. That is, as confirmed in this study, men have networks that are more sex homophilous than do women, and high self-monitoring men at the top of the hierarchy will have accumulated homophily from many sources, such as gender, structural position and values.

However, this is not about gender, but being able to pursue the “masculine successful model” (VAN DEN BRINK and BENSCHOP, 2014). Flynn and Ames (2006), for example, found that the benefit of self-monitoring for women was associated with the ability to present masculine or assertive behaviors in response to pressure. Women who use impression management tactics (and probably are high self-monitors) to high self-monitor male bosses were also found to have a higher chance of receiving a good performance score (BARSNESS *et al.*, 2005). Not only do women witness this “model of success” in day-to-day business (e.g. career advancement), but recent studies have suggested that: a) women in business should invest in developing self-monitoring skills in order to overcome “gender negative stereotypes” (FLYNN and AMES, 2006) and b) women should increase their networking development abilities in order to not miss career opportunities (e.g. VAN EMMERICK, EUWEMA, GESCHIERE, SCHOUTEN, 2006).

This study showed that individual factors, especially self-monitoring but also future orientation, increase the risk of unethical decision-making. However, gender plays a role in the network structure that increases the likelihood of unethical acts. The results of the model are clear with respect to males: high self-monitors associated to more closed network inside the company are related to unethical acts. On the other hand, the unethical females, both in the bribery scenario and in the behavioral experiment (cheating matrix), were in a network of higher centrality (lower constrained) than the ethical ones. That is, the people who were the most unethical had an inverse network structure compared to the ethical

people of the same gender. However, this pattern was not found in the competitor scenario, and further research is required to understand the effect of the social bias response. The dilemma also gave additional support to explaining how the intersection of individual factors influenced the creation of work networks, which in turn influence decision-making. Many business (and life) situations represent dilemmas and high self-monitors as well as low self-monitor women in closed networks seem to know how to manage them without creating conflicts.

6.2. Contributions

6.2.1. Contributions to Research

This research represents a step forward in understanding the adoption of multiple and simultaneous factors on ethical decision-making. Of particular importance was the interactionist perspective of self-monitoring and future orientation individual factors, and social networks. By extending the recent literature on social capital dark side, and following the claim for more research on how individual differences contribute to social network development, this study contributed to social capital research and ethical decision-making.

Considering self-monitor research, this study revealed, at the same time, the positive aspect of low self-monitors to organizations, and the potential risk of the “more visible” high self-monitors regarding ethics. It also provided a framework of the snowball of unethical decision-making, based on both a consolidation of previous research available in the literature and the empirical findings of this study.

Another contribution relates to the temporal orientation research field, specifically to the recent literature of how future orientation has influence over ethical decision-making and to the scarce research about the effects of future orientation to social network development. Moreover, by tapping into the different effects of self-monitoring, future orientation and gender, this work has a further ramification for gender theory on social capital and ethical decision-making.

The use of multiple methods to support the theoretical framework proposed brought a possibility to dig into the data to reveal important information and patterns: structure equation modeling and cluster analysis combined provided supplemental results over the theory. In addition, the web experiment uncovered the sources of unethical behavior, disentangling the effects of self-monitoring and gender, and giving some insights to future research on social bias and perceived behavioral control.

Therefore, this study contributed to academy research considering methodology and theory development in three areas - individual differences in organizations (temporal orientation, self-monitoring and gender), social capital, and ethical decision-making.

6.2.2. Contributions to Business Education

The evidence collected in this study suggests that business schools can benefit from reviewing assumptions about the positive effect of teaching competitive strategy in terms of warfare. It is important to reject “battlefield” ethics, because business strategy, at least in part, is based in war strategy, such as the concepts of the positioning school of strategy (MINTZBERG, AHLSTRAND and LAMPEL, 1998). It is not surprising that in such a “social norm,” 53% of all respondents read the competitor’s business plan before returning it. The terms used in certain books are suggestive with respect to engendering a mindset in terms of “the enemy” (for example, the “flank attack,” and “guerrilla attack” to qualify growth market strategies in WALKER and MULLIN, 2008) or worse, to fail to raise ethical concerns regarding a strategy of collusion (e.g. “such explicit collusion is usually illegal. Instead, firms must rely on signals and other’s indication of other firm motives and intentions. Cooperation (?) in this context is called tacit collusion” in BARNEY, 2011).

6.2.3. Contributions to Corporations and Society

Identifying causes and ways to prevent unethical behavior in business and greater society is an endeavor that should drive business. Management should be cautious about the assumed advantages of high self-monitoring personalities and the characteristics of social networks that could result in an endemic lack of ethical decision-making. People are different, and the unique aspects of each can be harnessed to compose an optimum team rather than a mere collection (and thus imperfect) of stereotypes. Career evaluations should be related, not only to “what was achieved” but to “how achieved,” and management should be aware of this strong facet of high self-monitor acting. Additionally, it is necessary to understand better the contributions of low self-monitors vis-à-vis their ability to develop groups committed to the company’s best interest and their ability to take decisions that above all do not compromise ethics.

It is important to differentiate the good apples from the bad. Ethical high self-monitors probably are open-minded and respectful about the ideas of others, can influence opinion through open talk, enrich the debate, be open to innovation, and manage conflict well. By contrast, unethical self-monitors seem to hide their intentions in order to be able to adapt to their best interest like a chess player: they avoid interpersonal conflict, risk to career, and conflict of business interests, often to the detriment of company results. They build their networks in such a way as to continually self-promote, while often failing to match with real performance.

Management should also be aware of this reinforcing trend in the development of networking, building that “market of contacts.” The risk is that by itself the “net” is becoming more important than “work,” thus reflecting the unfortunate truth of the expression that “who you know is more important than what you know.” The unethical women in this sample seem to be learning this “masculine successful model,” and there is a chance that social response bias will in the future diminish among females (e.g. observe the seemingly proud display of t-shirts with the slogan “good girls go to heaven, bad girls go everywhere”). That is, people are replicating the negative side of the “masculine model of success,” in an ambitious pursuit of career.

Ethics is the foundation for everything, the bricks on which a corporation should be built. Otherwise, even well-intended initiatives, such as the recent trend to corporate responsibility and sustainability, amount to nothing more than “green wash” – one more marketing activity. There is no other way but to insist that “business as usual” must have ethical underpinnings. Bringing ethics back to day-to-day life is not only about evolution in business, it concerns a revolution in society.

6.3. Limitations

This study has certain limitations. First of all, although the quality of the sample – formed mainly by experienced business people who participated in the survey and the web experiment, and an unusual number of high self-monitor women compared to men – made it possible to investigate business life, the sample size was relatively small and so the number of individuals in each single group was not high. Therefore, some preliminary evidence, such as the intention-consistency of self-monitoring and gender, could not be further explored.

A second limitation is that research on ethics based on surveys and scenarios can be compromised by social bias. This study tried to compensate for this problem using a multi-method – survey and experiment, as well as including a dilemma before the ethical scenarios. The experiment also has some methodological limitations because it did not include a control group, e.g. a group that could receive a reward. Moreover, there were only two ethical scenarios with different levels of moral issues.

Third, it was not possible to make causal inferences about the directions tested in the model. That is, people who are more prone to attain their objectives regardless of the means (that is, unethical ways) may have a higher propensity to build network in closure, and not the other way around. Additionally, although a multi-quantitative analytical method was used in order to obtain different perspectives of the data, the method could be enriched by conducting qualitative interviews to clarify the dynamics of individual factors and social networks affecting ethical decision-making.

Another limitation was that both future orientation measures proved to have low variance among the sample. Future self-continuity was strongly associated to age and failed to reflect the expected objective to measure. Future perspective, although related to some degree to both social network and unethical options, did not enable a disentangling of its various dimensions – such as time pressure or goal-oriented, which should be better understood – from the outcomes. In fact, the goal-orientation facet of this construct can be strongly characteristic of the respondents who would reach their goals regardless of how, at the same time, ethical people may have concerns as to the future consequences.

Moreover, although certain other dimensions of time, such as tenure in the company, provided evidence related to the influence on ethics, this study was not able to disentangle its effect from the other variables, other than the observation that tenure is related to self-monitoring (the very high self-monitors had significantly lower tenure).

A sixth limitation was that the diversity of the ego-networks, measured by function and level of the alters, did not present much relevant information/differentiation. Therefore, it was not possible to test and provide contributions to the resource theory of social capital (LIN, 2001).

Finally, as most of the sample was Brazilians, this study could not develop a macro analysis comparing data from different countries. That is, this study could not explore, for instance, the impact of culture on networking, time orientation and propensity to silence. As Van der Gaag and Snijder (2005) suggested it is important not to confound individual styles with macro sociological levels.

6.4. Future Research

Although this research focused on the individual level, ethical behavior can also be influenced by country or corporate ethical culture. Brazilians comprised the majority in the sample of the current study, but there was some evidence that the unethical choices may be the result of globalization of the way to do business, because respondents of other nationalities also chose unethical options. Therefore, future studies could replicate this study in other countries.

An important line of research could be to develop a micro/macro-level analysis comparison, exploring the social capital theories at the collective level, such as Bourdieu's (1986) and Putman's (2000) theories, in addition to the social capital theories at the individual level used in this study. As some scholars have recently suggested, social capital is contingent on culture (e.g. XIAO and TSUI, 2007), and culture has an influence on the "dark side" of social capital (e.g. MC CARTHY and PFUFFER, 2008; LOPEZ and SANTOS, 2012). Another variable in this study – future orientation – is also associated with cultural values (e.g. BEARDEN *et al.*, 2006; HOFSTEDE, 1980). Moreover, cultural norms, such as maintaining harmony, and the issue of shame versus guilt may be relevant to understanding the "unethical silence" which can increase the chances of an unethical act and snowball effect (MARIA, 2006; MILLIKEN *et al.*, 2003).

Future research could also seek to obtain additional explanations through web experiment. For instance, control groups could be used to investigate unethical behavior in light of rewards. (It could be a challenge to implement a feasible reward with a sample of business executives.) It is also important, using for instance qualitative methods, to explain the reasons for females' higher frequency of choosing the invalid matrix option, to try to clarify whether the result relates to social bias, future pressure or lower perceived behavior control compared to males.

It is also worth exploring other future measures insofar as future orientation should be a positive goal for any corporation that wants to be "build to last" in terms of ethics. One possibility is to use measures of present dimension, that is, how the preference for the here and now affects ethical decision-making. Other dimensions of time, such as tenure in company, could be explored. Other studies could investigate additional positive characteristics of the low self-monitor personality to business, as well as to investigate further the ability of low self-monitor women to behave similarly to high self-monitors in a dilemma case.

Information about alters' ethical decision-making was beyond the scope of this study, which therefore missed a more compelling view of the "birds of a feather flock together." That is, it was not possible to verify the similarity of ethical values among those in the advice network of the respondents. To undertake such investigation, future research should use one of the usual methods for collecting social network data in which respondents point openly to the name of

each alter, and then the same questions about ethical decision would be collected from the alters. However, this method increases privacy issues, all the more challenging considering the sensitivity of ethical questions.

Moreover, other social network measures, such as the *tertius iungens* versus *tertius gauden* way of building networks, could support further explanations with regard to the relation of social network and unethical options. Specifically, it can bring additional differentiation between the ethical and unethical high self-monitors in a high centrality network.

Another possible line of research could be to focus on boundary-spanning employees, such as sales people, because they build multiple networks for different purposes, including, for example, internal networks for advice, versus external networks of customers and suppliers. It would also be valuable to verify the empirically proposed “advantage” of the brokerage-closure tension in network research and unethical decision-making.

In summary, the current study proposed an integration of individual and situational factors (social networks) that could lead to unethical choices. Future ethical research can benefit not only from the inclusion of social network, self-monitoring and temporal orientation variables, but also from the dynamics of how these factors are interconnected to reveal the dark side of business decision-making.