The Role of Ethical Climate and Moral Disengagement in Well-Intended Employee Rule Breaking

Meagan E. Brock Baskin
University of Central Oklahoma

James M. Vardaman
Mississippi State University

Julie I. Hancock
University of North Texas

Author’s Note

Meagan Brock Baskin, Department of Management, University of Central Oklahoma; James M. Vardaman, Department of Management and Information Systems, Mississippi State University; Julie I. Hancock, Department of Management, University of North Texas.

Correspondence concerning this article should be addressed to James M. Vardaman, Department of Management and Information Systems, College of Business, Mississippi State University, Box 9581, Mississippi State, MS 39762, jvardaman@business.msstate.edu

Abstract

While pro-social rule breaking (PSRB), rule breaking intended to help the organization, is rife with ethical considerations, the role of ethical work climate (EWC) in fostering such behavior has not received significant empirical attention. By viewing PSRB as an ethical decision involving tradeoffs and risk, this study exposes the ways in which EWC influences well-intended rule breaking. Results from a sample of 274 working adults show that instrumental climate perceptions are positively associated with PSRB, and that the interaction of moral disengagement and independence climate positively impacts PSRB. Rules and caring climates are negatively associated with PSRB. Interestingly, findings suggest a climate of self-interest promotes PSRB, while a climate of care discourages such behavior. Theoretical and practical implications of these findings are discussed.

Keywords: positive deviance, pro-social rule breaking, ethical climate

Introduction

Rule breaking in the workplace has traditionally been regarded as unethical or deviant behavior, done for self-promotion or as an expression of hostility toward a supervisor or the
organization (e.g. Robinson & Bennett, 1995). Research on rule breaking has established that employees engage in rule noncompliance as a result of job dissatisfaction (Dalal, 2005), social exclusion (Twenge, Catanese, & Baumeister, 2002), or perceived injustice (Fox, Spector, & Miles, 2001). However, scholars are becoming increasingly aware of alternative explanations for such behavior, specifically that some rule breaking may be constructive in nature (Galperin, 2003). For example, Pfizer human resource manager Jordan Cohen broke organizational rules in creating the highly-successful employee productivity program “Pfizerworks” without gaining the approval of top management before pursuing the project (Miller & Wedell-Wedellsborg, 2013). While in this example Cohen violated organizational policy by going forward without approval, his intent was not deviance or harm, but to increase productivity in the organization and serve the organization’s interests. This type of rule breaking is explained by Wedell-Wedellsborg (2013, p.1): “Simply put, sometimes the right thing to do is to stop asking for permission and start bending or even breaking select internal rules, working quietly to help the company succeed in spite of its own control systems.”

Morrison’s (2006) notion of pro-social rule breaking (PSRB) thus defines this type of behavior as an employee’s intentional deviation from established organizational policies, procedures, and rules in order to help (rather than harm) the organization. While prior research on PSRB has identified individual differences such as risk propensity, job autonomy, and a lack of conscientiousness as drivers (e.g., Dahling, Chau, Mayer, & Gregory, 2012; Morrison, 2006), surprisingly little is known about the influence of ethical considerations. This oversight is important because the decision to engage (or not engage) in PSRB is rife with unintended consequences (Bryant, Davis, Hancock & Vardaman, 2010).

Figure 1. Model of study hypotheses.
Although PSRB is well-intended, employees often lack an understanding of the underlying rationale for the rule. This bounded rationality could lead to PSRB that has unintended yet negative consequences to both the organization and the rule-breaker. Organizational policies are often in place for reasons that are unknown to the employee, suggesting violations of those policies likely have unknown consequences. Pro-social rule breaking is also fraught with ethical dilemmas. Rule breaking, even when well-intended, creates dissonance for an individual, suggesting the ethical work climate (EWC) of the organization should be a factor in fostering or hindering such behavior.

Ethical work climate has been defined as “perceptions of what constitutes ethically correct behavior and how ethical issues should be handled in the organization” (Peterson, 2002, p. 50). As such, EWC has been found to influence employee perceptions and decision-making, such as engaging in deviant rule breaking (Cullen, Victor, & Bronson, 1993; Martin & Cullen, 2006). Given that PSRB is rule breaking without deviant intentions, EWC may play a key role in that decision as well. While Vardaman, Gondo, and Allen (2014) offered an initial conceptual framework on the role of EWC on PSRB, what is empirically known remains limited to date. Consequently, a strong need subsists for further theorizing and empirical testing of the role of ethical considerations in fostering PSRB. Thus, in this paper we draw upon a sample of 274 individuals employed in public and private-sector organizations to examine the role of EWC in fostering (or hindering) PSRB. In so doing, we provide an initial empirical investigation of the influence of EWC perceptions, specifically the five types of EWC theorized by Victor and Cullen (1988), on PSRB behavior. We also explore the moderating role of moral disengagement. Figure 1 summarizes our study’s hypotheses.

### Theory & Hypotheses

#### Pro-Social Rule Breaking

Brief and Motowidlo (1986) noted that employee behavior may be considered “pro-social” when the it entails going beyond the scope of one’s ordinary job responsibilities and requirements in order to benefit others. Their conceptualization is based upon the assumption that the behavior, regardless of its ultimate outcomes, is an attempt to help others. However, this conceptualization fails to take into consideration that the individual engaging in such behavior may be 1) violating organizational policy when doing so, or 2) doing so not only to help other individuals but also the organization as a whole. Morrison’s (2006) analysis addressed these issues and defined PSRB as a utilitarian and functional mechanism through which individuals may positively aid the stakeholders of an organization, as well as the organization itself.

Prior work investigating PSRB has provided a definition, as well as initial evidence of the drivers of the behavior. Morrison’s (2006) qualitative examination shed light on three different forms of PSRB. These include striving for efficiency, aiding a colleague to perform more adeptly, and providing better service for customers. Morrison also found that certain individual differences play a key role in an employee’s propensity to engage in PRSB. The degree of job autonomy, or freedom that an employee has in completing their job tasks (Hackman & Oldham, 1976), was found to be positively related to PSRB. When employees are provided with a greater level of autonomy in their jobs, the organization becomes a fertile breeding ground for PSRB as a means of controlling and solving problems that arise in the workplace. Risk-taking propensity, or the degree to which an individual overestimates the probability of success in risky behavior.
(Sitkin & Pablo, 1992), was also found to have a positive relationship with PRSB, suggesting that employees with optimistic perceptions of ultimate outcomes in the face of risk are more likely to engage in PSRB, and that engaging in PSRB involves risk for the employee.

Dahling et al. (2012) examined the influence of personality traits on PRSB, finding that individuals with a high degree of conscientiousness, or the predisposition of an individual to be organized, systematic, responsible, and tenacious (Barrick & Mount, 1999), were less likely to engage in such behavior. Observing co-workers who engage in PSRB has also been linked to PSRB (Morrison, 2006), with the explanation being that observing such behavior creates an environment, or climate, where PSRB is deemed socially acceptable and normal (Baumeister, Zhang, & Vohs, 2004). The notion that an organization’s climate may influence PSRB gives rise to the idea that the organization’s EWC may play a particularly important role in such behavior. Given that PSRB involves tradeoffs that force the potential rule breaker to face potential ethical dilemmas, it seems logical that EWC is a key factor that influences PSRB, and investigating its role is important for fully understanding this behavior.

**Ethical Climate and PSRB**

Victor and Cullen (1988) established a framework which categorizes EWC, defined as “the prevailing perceptions of typical organizational practices and procedures that have ethical content”, and provides an understanding of what constitutes ethical behavior in an organization based on the ethical criteria and locus of control which exist in the firm (Victor & Cullen, 1988, 101). Combining Kohlberg’s (1969) work on moral development with their own ethical criteria and influence of locus of analysis, Victor and Cullen (1988) developed a typology made up of five dimensions of EWC - instrumental, caring, independence, rules, and law and code climates. EWC is further rooted in Kohlberg’s (1969) model of moral development which prescribes three levels in individuals: pre-conventional, conventional, and post-conventional. At a pre-conventional level of moral development, individuals make moral judgments based on how the outcomes of decisions will benefit them personally. The decision is made in self interest in order to avoid punishment or receive a reward, reflecting Victor and Cullen’s (1988) “egoism” criteria. Individuals operating at the conventional level of moral development base moral judgments on preconceived notions of what constitutes “right” versus “wrong.” These presumptions are based on what has been established as norms, as well as an individual’s interactions with colleagues and peers, leading to the identification of social cues and expectations. These decisions are based on concern for the greater good, or Victor and Cullen’s (1988) “benevolence” criteria. Finally, individuals operating at the post-conventional level of moral development focus upon their own individual principles rather than on set rules and regulations, thus relying on their own interpretation of a more complete collection of ethical standards. As prescribed by Victor and Cullen (1988), these foundations for decision-making are based on principle.

Locus of analysis, or the audience to which one focuses the outcomes of their ethical decision-making, plays an important role in the behaviors in which one engages in the workplace in addition to the above ethical criteria. Victor and Cullen (1988) describe three referent groups for ethical decision-making. First, the individual locus of analysis focuses on the interests of oneself, again engaging in self-interested choices, as described by egoism. Next, the local locus of analysis focuses on the interests of the organization, thus encouraging individuals to engage in behaviors and decision-making that are related, beneficially or otherwise, to the organization. Finally, the cosmopolitan locus of analysis focuses on the consequences that behaviors and
decision-making have on society as a whole.

Using Victor and Cullen’s (1988) typology as a foundation, Vardaman et al. (2014) extended theory on PSRB by integrating PSRB as a consequence of EWC. They argue that, as individuals within an organization engage in everyday interactions to develop and understand acceptable behaviors (e.g. Glick, 1985; Schminke, Arnaud, & Kuenzi, 2007), an EWC is established and thus influences the ethical behavior of the individuals (e.g. Trevino, Butterfield, & McCabe, 1998). Subsequently, falling back on the above definitions of EWC, the propensity of an individual to engage in PSRB behaviors ought to be dictated, in part, by the perceptions of socially accepted behaviors that have been established within the organization’s EWC (Baumeister et al., 2004). While some EWCs, such as instrumental, caring, and independence, may foster an environment in which autonomy, individual choice, and genuine concern for the organization’s success may encourage PSRB, other EWCs such as rules and law and code may foster an environment in which rule-breaking of any kind is frowned upon.

**Instrumental Climate.** Victor and Cullen’s (1988) EWC typology characterizes individuals employed in an organization demonstrating an instrumental climate as developing perceptions of appropriate behavior and decision-making focused on self-interested outcomes (egosim) at both an individual and organizational locus of analysis (Wimbush, Shepard, & Markham, 1997). Such a climate maximizes the interest of the individual and the organization, encouraging behavior that exemplifies the importance of increasing profits and production, leading to a highly competitive inter-organizational environment in some instances (Parboteeah & Kapp, 2007) and reflecting Kohlberg’s (1969) pre-conventional level of moral development. Individuals in an instrumental EWC tend to exhibit behaviors consistent with guarding themselves to ensure that their interests are protected and are expected to engage in behaviors, ethical or otherwise, to enhance the success of the organization, regardless of the outcomes (Victor & Cullen, 1988). Consequently, rule breaking that reinforces the goals of increasing profitability and productivity of oneself and/or the organization as a whole may not be perceived as inappropriate, but as a means necessary to ensure success.

Prior studies have found that deviant rule breaking behavior may be fostered by an instrumental climate (e.g., Bulutlar & Oz, 2009; Peterson, 2002; Vartia, 1996), yet PSRB may also be a function of this environment as self-interested rule breaking may also benefit the organization. In the context of this climate, rules and laws, as well as the effects that one’s behavior has on others, are of less consequence. Subsequently, this climate lends itself to outcome-based decision-making and behaviors. For example, in order to retain an important client, a sales associate may be barred by company policy to offer a discount greater 15%. However, if not offering the discount would result in the loss of the entire account, an instrumental EWC might prompt the sales associate to break this rule and offer a 20% discount. This example illustrates how instrumental rule breaking aids the individual sales associate, but also will often benefit the organization as a whole.

**Hypothesis 1: Instrumental EWC is positively associated with PSRB.**

**Caring Climate.** An organization with a caring climate encourages a moral judgment approach geared towards behaving in a manner that benefits the greater good. Individuals employed in this type of climate tend to place importance on the well-being of others in the organization, as well as the organization and society in general. As such, they are encouraged to behave in a manner which encourages teamwork, looking out for others, and aiding...
organizational efficiency. Furthermore, this EWC focuses on the greater good and, subsequently, encourages behavior that ensures the greater good for everyone in the organization and the organization as a whole. Individuals are expected to always behave in a manner that is efficient and which leads to the best possible outcome for the customers and general public (Victor & Cullen, 1988).

Thus, a caring climate may encourage PSRB not based upon self-interest, but upon the idea that the behaviors and decision-making ought to reflect the greatest benefit possible for all parties involved. Individuals should be more likely to engage in helping behaviors that will aid the success of their colleagues and the organization as a whole (Parboteeah & Kapp, 2007). The propensity to make decisions and engage in behaviors reflecting altruism may encourage individuals to engage in PSRB in order to help the organization. Thus, we hypothesize that a caring EWC will positively influence PSRB.

*Hypothesis 2: Caring EWC is positively associated with PSRB.*

**Rules Climate.** Organizations with a rules climate have established a strict adherence to rules, policies, and procedures that outline the norms and expectations of the organization (e.g., Aquino & Becker, 2005; Martin & Cullen, 2006). This climate also defines the expectations of one’s peers and provides specific guidance for an individual’s decision-making and behavior (Wimbush & Shepard, 1994). Individuals in a rules EWC are expected to follow the rules and procedures set forth by the organization, regardless of whether following these rules and procedures is in the best interest of the organization, the customer, or coworkers. Furthermore, one’s success is tied to an individual’s ability to follow such rules, leaving little room for one’s own decision to deviate (Victor & Cullen, 1988).

Prior studies have found that such a climate highly discourages organizational rule breaking of any kind and individuals working in such a climate engage in fewer deviant behaviors (e.g., Bulutlar & Oz, 2009; Parboteeah & Kapp, 2007). The social and normative pressures to obey rules have likely established a climate with clearly defined “right” and “wrong” behaviors. In the example of the sales associate, a rules climate might discourage the salesperson from breaking the outlined rules and policies regarding offering a discount to a client, even though not doing so could result in a significant loss of profit for the organization and commission for him/herself. This suggests that a rules EWC may suppress PSRB, even when not engaging in PSRB could produce negative consequences. A rules climate could create an environment where breaking any rules, regardless of the intention to aid the organization, a co-worker, or a customer is unacceptable. Thus, we hypothesize that a rules EWC will negatively influence PSRB.

*Hypothesis 3: Rules climate is negatively associated with PSRB.*

**Independence Climate.** Organizations with an independence climate encourage individuals to engage in decision-making and behaviors that reflect their own set of moral standards rather than relying solely upon those set forth by the organization (Martin & Cullen, 2006). From an ethical decision-making perspective, independence climates encourage employees to use their own internal principles when faced with moral dilemmas. Individuals within this EWC are expected to follow their own personal ethical code, deciding what constitutes as right versus wrong, and decisions regarding ethical behavior should reflect one’s
own beliefs regarding the most appropriate way to handle each ethical dilemma (Victor & Cullen, 1988).

Consequently, hypothesizing the role of an independence climate in the execution of PSRB behavior is difficult, as such an environment encourages the individual to behave at his or her own volition and is therefore dependent on the unique proclivities of the individual. However, the generally freeing nature of an independence climate should foster increased PSRB, as this freeing environment could allow for those willing to break rules the leeway to do so. Thus, perceptions of an independence climate should be associated with an increase in PSRB.

**Hypothesis 4a: Independence climate is positively associated with PSRB.**

Rather than driving PSRB alone, independence climate represents an environment that allows individuals who are predisposed to engage in pro-social behavior to do so. In the context of such a climate, individuals are given the freedom to engage in behaviors and decision-making that reflects their own willingness to break organizational rules. In order to further assess independence climate’s impact, we examined its interaction with moral disengagement. Moral disengagement is based on the notion that individuals have personal standards that regulate their behaviors. These standards guide behavior that is deemed “good,” and deter behavior that is deemed “bad” (Bandura, 1999). The theory suggests individuals use their personal standards to monitor and judge their own actions. As such, people admonish themselves when they engage in “bad behavior.” Thus, people tend to behave in ways that are consistent with their internal standards in order to avoid the guilt associated with these internal admonishments. However, individuals who are morally disengaged are unconstrained by these self-admonishments. Since they engage in behaviors that are congruent with their beliefs, they are spared from the accompanying guilt that may follow when behaviors goes against one’s internal standards, and are thus more likely to follow their own proclivities when faced with an ethical quandary. Therefore, we hypothesize that moral disengagement will interact with independence climate to influence PSRB.

**Hypothesis 4b: Moral disengagement moderates the relationship between independence climate and PSRB, such that morally disengaged individuals are more likely to engage in PSRB.**

**Law and Code Climate.** Individuals ensconced in organizations with a law and code climate are influenced heavily by laws and standards set forth beyond the confines of the organization. Individuals are encouraged to engage in decision-making and behavior that coincides with existing legal, religious, and professional standards. Strict adherence to professional and legal codes and standards is of the utmost importance, above and beyond those established by the organization itself or one’s own moral standards (Victor & Cullen, 1988). Consequently, considerations of engaging in PSRB do not arise until an incongruity between organizational and societal rules occurs. This type of incongruence occurs when an organizational rule fails to match the external behavioral codes upon which one relies for decision-making and behavioral guidance. Until such dissimilarity occurs, PSRB behavior should be minimal as individuals are unlikely to go against rules set forth by both the organization and any external codes established by religious or professional entities. However, if the rules and standards fail to support one another, a behavioral response to re-establish this congruence may
be elicited. Hypothesizing the impact of law and code climate is difficult because the idiosyncratic rules of each organization make generalizing challenging. However, in a broad sense, organizational rules rarely defy societal convention. Organizations seek legitimacy in their respective organizational field, and therefore often follow convention (Elsbach, 1994). Organizations with law and code climates should generally have codes of conduct that are consistent with societal norms. Thus, while societal rules may at times conflict with organizational ones, it is expected that is a relatively rare phenomenon, suggesting that the presence of a law and code climate should generally suppress PSRB.

Hypothesis 5: Law and code EWC is negatively associated with PSRB.

Methods

Sample and Procedures

Study participants were recruited from a professional HR group in the southwestern United States. An e-mail was sent to members inviting their organization’s employees to participate for a chance to win a gift card by following a link to the online survey. All participants had tenure of at least one year in their current organization, ensuring that our sample consisted of individuals who could perceive PSRB. All participants also indicated they were at least 18 years of age and worked 20 hours per week or more. A total of 275 working individuals representing a diverse variety of workplace backgrounds, including retail, oil and gas services, and government participated in this study. One person failed to provide complete data, and was excluded from the study, leaving 274 participants. A large plurality (48%) of study participants were between the ages of 26-34, 80.7% of the sample was Caucasian, and 52.7% were female. A majority (72.7%) of participants worked between 20 and 39 hours per week, with 27.3% working 40 or more hours per week. Forty-nine percent worked in the public sector, with 49.5% being paid hourly, and 70.2% currently working in non-supervisory positions.

Measures

Ethical Climate. Victor and Cullen’s (1988) ethical climate questionnaire (ECQ) was adapted to assess individual perceptions of EWC. The questionnaire consisted of 22 items for the five EWC types. Respondents were asked to indicate how accurately each of the items described their organization’s climate on a six-point, Likert-type scale ranging from 0 = “completely false” to 5 = “completely true.” Instrumental climate consisted of six items (α = .85). A sample item was “In this company, people are mostly out for themselves.” Caring climate consisted of four items (α = .88). A sample item was “What is best for everyone in the company is the major consideration here.” Rules climate consisted of four items (α = .86). A sample item was “It is very important to follow the company's rules and procedures here.” Independence climate consisted of four items (α = .85). A sample item was “Each person in this company decides for themselves what is right and wrong.” Law and code climate consisted of four items (α = .86). A sample item was “In this company, people are expected to strictly follow legal or professional standards.”

Moral disengagement. Moral disengagement was measured with an eight-item measure
developed by Moore and colleagues (2012), using a seven-point scale ranging from strongly disagree to strongly agree ($\alpha = .90$). A sample item is “It is okay to spread rumors to defend those you care about.”

**Pro-social rule breaking.** We adopted three items from Dahling and colleagues (2012) to measure PSRB. Participants were asked to indicate the extent that they engaged in this behavior in the last year using a seven-point scale ranging from 1 (never), 2 (once a year), 3 (twice a year), 4 (several times a year), 5 (monthly), 6 (weekly), and 7 (daily). The PSRB items were “deliberately bent or broke a rule to perform one’s responsibilities more efficiently”, “deliberately bent or broke a rule to help a colleague”, and “deliberately bent or broke a rule to provide good customer service.” We chose these three items to tap into the content domain of PSRB while maintaining a parsimonious survey instrument. The items displayed excellent reliability ($\alpha = .96$).

**Controls.** Age and position level were included in our analysis to rule out alternative explanations for PSRB. We included age as more seasoned individuals might be more comfortable breaking rules, and position level because those with higher positions might be more able to avoid the consequences of rule breaking. Position level was coded 1 for managerial and 2 for non-managerial.

**Analysis**

We began our analysis by performing a confirmatory factor analysis (CFA) to confirm the factor structure of our EWC and PSRB variables. We followed Bollen’s (1990) recommendation to interpret multiple indexes of model fit. We reviewed the $\chi^2$ test, Root Mean Square Error of Approximation (RMSEA; Steiger & Lind, 1980), and the Comparative Fit Index (CFI; Bentler, 1990). The CFA assessed our measurement model on whether all items in a given scale represented the same latent factor. Beyond fit indices, we also assessed the quality of our measurement model by searching for cross loadings of the indicator variables. We then used linear regression to test the hypotheses. The model was constructed with PSRB as the dependent variable. Control variables are entered in step 1. These include age and position level. Study independent variables, the five climate types, are entered in step 2. For Hypothesis 4b, the interaction term is entered in step 3.

**Results**

The measurement model with 22 items for EWC and three for PSRB fit the data relatively well ($\chi^2 = 579.18$, df = 258, $p < .01$; RMSEA = .068, Confidence Interval RMSEA = .063 - .075; CFI = .93). Inspection of the modification indices revealed no cross-loadings. Each indicator variable loaded significantly on its model construct. Thus, the measurement model provided good fit. Item-level results of the CFA are presented in Table 1.

The means, standard deviations, and correlations among study variables can be found in Table 2. Hypothesis 1 suggests that an instrumental EWC is positively associated with PSRB. Results in Table 3 demonstrate that instrumental climate is positively and significantly associated with PSRB. Thus, Hypothesis 1 is supported. Hypothesis 2 suggests that a caring EWC is positively associated with PSRB. Results from Table 3 show that counter to this proposition, caring climate is significantly and negatively associated with PSRB. Thus, Hypothesis 2 is not supported, and in fact the relationship is significant in the opposite direction than hypothesized.
Hypothesis 3 proposes that a rules climate is negatively associated with PSRB. Table 3 reveals that rules climate is significantly and negatively associated with PSRB. Thus, Hypothesis 3 is supported.

Table 1

Results of Confirmatory Factor Analysis

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<tr>
<th>Variable/Item</th>
<th>Instrumental EWC</th>
<th>Caring EWC</th>
<th>Rules EWC</th>
<th>Independence EWC</th>
<th>Law/Code EWC</th>
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<td>.99</td>
<td></td>
</tr>
<tr>
<td>PSRB2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.92</td>
<td></td>
</tr>
<tr>
<td>PSRB3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.91</td>
<td></td>
</tr>
</tbody>
</table>

Note: N = 274; $\chi^2 = 579.18$, $p < .01$; RMSEA = .068; Confidence interval RMSEA = (.063 -.075); CFI = .93
Hypothesis 4a proposes that an independence climate is positively associated with PSRB, and Hypothesis 4b proposed that moral disengagement would moderate this relationship such that an independence climate in concert with higher moral disengagement would foster PSRB. Results in Table 3 demonstrate that independence climate is not significantly tied to PSRB, failing to support Hypothesis 4a. The interaction of independence climate and moral disengagement is significant for PSRB however, supporting Hypothesis 4b. Further supporting Hypothesis 4b, simple slope analyses using the PROCESS macro (Hayes, 2013) shed more light on the moderating effect, as the slope for those highly morally disengaged is significant ($\beta = .48; p < .02$), but the slope for those with low moral disengagement is not ($\beta = -.12; p = NS$). Thus, Hypothesis 4b is supported.

Table 2

Correlations and Descriptive Statistics for Study Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Age</td>
<td>3.34</td>
<td>1.11</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2. Position Level</td>
<td>1.70</td>
<td>0.46</td>
<td>-.11</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3. Moral Disengagement</td>
<td>1.80</td>
<td>0.63</td>
<td>-.15*</td>
<td>.13*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4. Instrumental Climate</td>
<td>3.24</td>
<td>1.09</td>
<td>.02</td>
<td>.01</td>
<td>.29**</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5. Caring Climate</td>
<td>4.23</td>
<td>0.87</td>
<td>-.02</td>
<td>-.04</td>
<td>-.20**</td>
<td>-.41**</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6. Rules Climate</td>
<td>4.91</td>
<td>0.95</td>
<td>.01</td>
<td>-.08</td>
<td>-.15*</td>
<td>-.30**</td>
<td>-.50**</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7. Independence Climate</td>
<td>4.76</td>
<td>0.92</td>
<td>.01</td>
<td>-.08</td>
<td>-.14*</td>
<td>-.10</td>
<td>.43**</td>
<td>.60**</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>8. Law and Code Climate</td>
<td>3.13</td>
<td>1.07</td>
<td>-.15*</td>
<td>.01</td>
<td>.12</td>
<td>-.15*</td>
<td>.29**</td>
<td>.08</td>
<td>-.07</td>
<td>-</td>
</tr>
<tr>
<td>9. PSRB</td>
<td>2.59</td>
<td>1.89</td>
<td>.05</td>
<td>-.05</td>
<td>.11</td>
<td>.33**</td>
<td>-.37**</td>
<td>-.31**</td>
<td>-.14*</td>
<td>-.15*</td>
</tr>
</tbody>
</table>

Note: N = 274
* $p < .05$
** $p < .01$

In order to illustrate the nature of the interactions described in Hypothesis 4b, we plotted the PSRB regression lines for those that were one standard deviation above and below the mean for moral disengagement (Dawson, 2013). Figure 2 demonstrates that the regression line is steep and positive for those exhibiting high moral disengagement, but much flatter and negative for low moral disengagement individuals. Finally, Hypothesis 5 proposed that law and code climates would be negatively associated with all forms of PSRB. Results from Table 3 demonstrate that law and code was not significant for PSRB. Thus, Hypothesis 5 is not supported.
### Table 3

**Results of PSRB regression model**

<table>
<thead>
<tr>
<th>Step</th>
<th>Variable</th>
<th>β</th>
<th>SE</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td>Age</td>
<td>.05</td>
<td>.10</td>
<td>1.01</td>
</tr>
<tr>
<td></td>
<td>Position Level</td>
<td>-.04</td>
<td>.25</td>
<td>1.01</td>
</tr>
<tr>
<td>Step 2</td>
<td>Instrumental Climate</td>
<td>.17**</td>
<td>.11</td>
<td>1.33</td>
</tr>
<tr>
<td></td>
<td>Caring Climate</td>
<td>-.22**</td>
<td>.16</td>
<td>1.71</td>
</tr>
<tr>
<td></td>
<td>Rules Climate</td>
<td>-.20**</td>
<td>.15</td>
<td>1.82</td>
</tr>
<tr>
<td></td>
<td>Independence Climate</td>
<td>.09</td>
<td>.15</td>
<td>1.74</td>
</tr>
<tr>
<td></td>
<td>Law and Code Climate</td>
<td>-.03</td>
<td>.11</td>
<td>1.33</td>
</tr>
<tr>
<td></td>
<td>Moral Disengagement</td>
<td>.02</td>
<td>.18</td>
<td>1.18</td>
</tr>
<tr>
<td>Step 3</td>
<td>Independence X Moral Disengagement</td>
<td>.77*</td>
<td>.18</td>
<td>-</td>
</tr>
</tbody>
</table>

*Note:* N = 274; β= Standardized coefficients

- R² = .01; R² = .19, ΔR² = .18; c R² = .22; ΔR² = .03.
- *p < .05
- **p < .01

![Figure 2. Interaction of independence climate and moral disengagement on PSRB.](image-url)
Discussion

The study of PSRB is in a nascent state, and much of the research has focused on the influence of individual differences such as autonomy, risk taking propensity (Morrison, 2006), and personality traits (Dahling et al., 2012) on PSRB behavior. The goal of this study was to build upon this prior work by expanding the focus from individual traits to perceptions of the EWC in the organization. Pro-social rule breaking is an ethical decision, and empirically exploring the impact of EWCs is an important extension. Results from our study suggest that PSRB is impacted by perceptions of EWC.

Theoretical Implications

The results presented here have implications for the PSRB literature, as well as for ethical climate theory. Results from Hypothesis 1 revealed that perceptions of an instrumental climate were significantly associated with pro-social rule breaking. Given that an instrumental climate is characterized by egoist decision-making that should be associated with self-interested decisions, this result suggests self-interest can contribute to organizational interests. From an ethical decision-making perspective, this highlights the importance of associating employee gain with organizational gain. Victor and Cullen (1988) found that instrumental climate was significantly associated with personal gain and company profit, which should both be motivations for engaging in PSRB. Organizations with instrumental climates promote doing what the individual believes is best, both for oneself and the organization (Martin & Cullen, 2006). Thus, this result was largely consistent with ethical climate theory. This result therefore indicates that rule breaking behaviors that reinforce the goals of increasing the profitability and productivity of oneself and/or the organization as a whole are driven by perceptions of an instrumental climate.

Perhaps more interesting was the counterintuitive set of findings from testing the relationship between perceptions of a caring climate and PSRB (Hypothesis 2). A caring ethical climate is characterized by a strong consideration of others when decisions are made or action is being taken, and is rooted in the idea of benevolence. Previous research by Brief & Motowidlo (1986) indicated that employees in caring climates exhibit an increased inclination to engage in pro-social behaviors. In addition, employees perceiving a caring climate have been reported to feel a duty to help others (Parboteeah & Kapp, 2007). Given that the intention of pro-social rule breaking is to help rather than harm we expected those perceiving a high caring climate would report engaging in more PSRB. Contrary to our proposition, we found that perceptions of a caring climate were negatively and significantly associated with PSRB, suggesting the relationship operates in the opposite direction than we hypothesized. This surprising finding may be explained in multiple ways.

First, perceptions of caring climates tend to indicate that the individual believes the organization has high levels of benevolence. Thus, while PSRB is done with the intent of doing “good” by breaking rules, it still involves breaking organizational policy. If the individual believes the organization making the rules is “good”, breaking those rules (even for well-intended reasons) may be considered “bad” behavior. Additionally, employees may perceive a caring climate because organizations policies, practices, and strategies show concern for and consideration of others (Martin & Cullen, 2006). People may be less likely to break rules even in the organization’s interest because they want to express support by not doing so. Second, it is
possible that caring climates simply create positive feelings toward the organization, and make rules seem more just or fair. For instance, perceptions of caring climate have been positively linked to job and supervisor satisfaction (Deshpande, 1996; Goldman & Tabak, 2010), as well as organizational commitment (Filipova, 2011) and increased psychological well-being (Martin & Cullen, 2006). Thus, when people perceive that they are in a caring climate, they might also hold the organization in higher regard and believe the rules are sacrosanct.

This finding is interesting because research on “anti-social” behavior in organizations has shown that a caring climate has the same subduing effect on deviant behaviors such as bullying (Bulutlar & Oz, 2009) and general misbehavior (Vardi, 2001) as it did on “pro-social” behavior in this study. The implications of this are important because, while a caring climate has been shown to foster “good” behavior (Rathert & Fleming, 2008), it could at times stifle pragmatic problem-solving and outside the box solutions. Because PSRB is intended to help the organization, the strong negative relationship we found may indicate employees perceiving a caring climate aren’t willing to engage in any action that runs counter to organizational policy, regardless of the outcome. Hence, it is possible that caring climates may, at times, inadvertently deprive organizations of creative or pragmatic solutions to problems.

These results may be further explained by considering a potentially interactive role of the previously identified antecedents of PSRB. For instance, individuals embedded in caring climates who witness co-workers engage in PSRB may surmise that it is a caring act to break rules with good intentions, thus changing the direction of the relationship we observed here. Future research might consider the moderating effects of variables such as co-worker PSRB, risk propensity, or job autonomy in order to establish potential boundary conditions in relationships between caring (and potentially other climates) and PSRB. Studies have considered variables such as risk propensity as moderators (e.g., Vardaman, Allen, Renn & Moffitt, 2008), and considering these effects in the PSRB context could provide greater insight into the ways in which EWC has influence.

Hypothesis 3 stated that perceptions of rules climate would be negatively associated with PSRB. As expected, rules climate was found to suppress PSRB, supporting Hypothesis 3. Given that rules climates are governed primarily by principle, rather than egoism or benevolence, it is likely that rule breaking of any kind, whether to aid the organization or not, is seen as unethical or deviant. Therefore, a rules climate may be effective in preventing egoistic (self-interested) actions, but also at preventing benevolent ones. Organizations or groups that exhibit a rules climate are likely to have well-defined codes of conduct and are likely to reward or promote based on rule-following. Therefore employees may be more likely to follow rules even if the result is decreased efficiency or lower customer satisfaction (Vardaman et al., 2014). In other words, if employees pursue self-interest in a rules climate, they may avoid PSRB. Overall, the support of this idea suggests that while a rules EWC may decrease the likelihood of engaging in PSRB, the consequences of this EWC may be similar to those of a caring EWC, whereby stringent implementation and execution of rules in an organization may at times hinder pragmatic problem resolution.

Hypothesis 4a predicted that one’s perception of an independence EWC would be significantly associated to PSRB, as one’s decisions to engage in certain behaviors, such as pro-social rule breaking, are made through the lens of individual principles and are not swayed by organizational or external rules or situations. Our tests of Hypothesis 4a revealed that independence climates are not significantly associated with PSRB. This result might be explained by the fact that independence climates merely free individuals to use their own
personal standards in decision-making. In such a climate, it is hard to predict PSRB because individual moral values and engagement vary.

In order to include the individual component, we introduced moral disengagement as an explanatory moderator. We suspected individuals high in moral disengagement might be more likely to break rules in independence climates because they feel no cognitive distress from engaging in behaviors they consider to be a violation of organizational policy. Results revealed that moral disengagement moderated the relationship between independence climate and PSRB (Hypothesis 4b). Furthermore, a simple slope analysis revealed that independence climate was also positively and significantly related to PSRB for high but not low morally disengagement individuals. This analysis provides additional support for Hypothesis 4b and suggests that when an individual perceives an independence climate, it has a freeing effect on the morally disengaged. In other words, they allow individual proclivities to become manifest in ways that other climate types do not.

Finally, Hypothesis 5 predicted that those perceiving a law and code climate would be less likely to engage in PSRB, as individuals ensconced in organizations with a law and code climate are influenced heavily by laws and standards set forth beyond the confines of the organization, such as the law or religion. This notion was not supported. This finding may be explained by limitations in our research design. Given that the locus of analysis in a law and code climate is at the cosmopolitan rather than the organizational or individual level and that PSRB is directed at the individual or organization, it is likely that understanding the content of the law and code climate is necessary for making predictions about its impact on PSRB. Without understanding what the prevailing laws and codes consist of, it is difficult to make global predictions about the ways in which this climate operates in decision-making. Further research is needed explicate how perceptions of law and code influence PSRB.

Limitations and Future Research

Our study is not without limitations. First, we gathered information on our independent and dependent variables at the same time period, bringing questions about common method bias to the fore. We took several steps to address this issue. First, following Podsakoff, MacKenzie, Lee & Podsakoff (2003) we protected the anonymity of study participants, separated items measuring independent and dependent variables with demographic items on the survey instrument, and used different scale anchors for the independent and dependent variable measures. In order to assess the impact of the method, we performed Harman’s one-factor test (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Results demonstrate that no single factor emerged; nor did a general factor account for a majority of the covariance among variables. In fact, the data revealed four factors with eigenvalues greater than one, and another that was greater than .90. These results provide credibility that our findings are not significantly distorted by common method bias (Podsakoff & Organ, 1986). However, future research should consider measuring these effects over time in order to further alleviate any concerns over common method bias.

Another limitation was seen in our test of the effect of perceptions of law and code climate. We failed to account for individual’s assessment of the content of this climate, making any predictions of its effect problematic. Future research that assesses the prevailing societal law and code and how it relates to the organizational context will be necessary to provide a better understanding of law and code climate’s role in PSRB. Finally, our measure of PSRB, while
demonstrating reliability and discriminant validity, consisted of one item from each of Dahling et al.’s three dimensions rather than the full set of items for each. While we believe this measure comprises the content domain of PSRB, future research should use the full measures to ensure comprehensive measurement of PSRB.

This research gives rise to a number of other directions for future research. The first direction comes from our contrary finding about caring climate. Caring climates promote acting in accordance with what is for the greatest good of the organization and its stakeholders. We proposed that rule breaking in order to promote good would occur in such an organization, but found the opposite. Based on the results of this study, it seems possible that caring climates work to create more satisfied and committed workers, and such workers are not likely to break rules of an organization they view positively, regardless of the intent of such rule breaking. Future research should further explore the nuanced outcomes of caring climates and the associated positive feelings toward the organization, as well as the unintended consequences like we identified here. Tests of moderators might also shed additional light on these relationships.

As we move toward a better understanding of individual level PSRB, future research might also examine multi-level effects. One possibility is exploring how shared perceptions of PSRB in work groups influence individual PSRB behavior. For example, individuals nested in teams may assess group norms when deciding whether or not to engage in PSRB. Empirically investigating such multi-level questions may shed greater light on the processes individuals and groups go through in making PSRB decisions.

Future research might also consider the general consequences, both intended and unintended, of PSRB. Bryant et al. (2010) offered theory on the potential unintended consequences of managerial PSRB, but little is empirically known about the incidence or likelihood of negative or positive outcomes from such behavior-especially among employees. While PSRB is well-intended, rules and control systems exist for a reason, and future research should examine the tradeoffs and risks for employees and organizations in the context of PSRB.

Finally, future research might consider the impact of both the type of rule in question and employee’s perception of the rule being broken. Organizations typically have two types of rules: written and unwritten. Previous research conducted on rule type has found that written rules are obeyed to a greater extent than unwritten rules (DeHart-Davis, 2007). Given that this study did not specify whether the rules in question were written or unwritten, future research should consider how these different types of rules impact PSRB processes. Another consideration involves rules that are interpreted as unfair or unreasonable (DeHart-Davis, 2007; Morrison, 2006, Verkuyten, Rood-Pijpers, Elfers & Hessing, 1994). Future research should explore whether these perceptions are more likely to lead to PSRB.

**Implications for Practice**

In order to maximize the positive effects of PSRB in the workplace it is imperative that organization have a good grasp of its ethical climate and how to manage it. Since the introduction of Morrison’s (2006) PSRB construct into the literature, it has become apparent that not all rule breaking is deviant nor does it always result in negative outcomes. Consider the following example reported in Viega, Golden and Dechant’s (2004, p. 85) work on “rule bending:”

*An employee worked all weekend on an emergency situation. Our company had a*
policy saying that overtime would not be compensated (either with time off or pay). I told the employee to take two days off at a later time of his own choosing and to mark down 'sick-day’ on his time sheet, and I would sign off on it.

As this passage suggests, rule breaking is often done with good intentions, and can benefit employees. While organizations can benefit from PSRB, employees should also be reminded that legal gray areas should be avoided. Informal mentoring should be encouraged to ensure that PSRB may aid the company (as with Jordan Cohen’s Pfizerworks), but not be taken so far that they violate laws or risk the company’s interests.

A consideration of PSRB's unintended consequences should also drive management practice. Practicing managers might make an effort to clearly communicate the rationale of the most important policies and procedures, as well as the potential outcomes for breaking those particular rules. This could reduce the likelihood of PSRB that leads to negative unintended outcomes. In this vein, managers who have constructed an EWC that supports PSRB might also provide examples of appropriate PSRB. Study findings suggest managers might also conduct regular audit of rules. If rules are continually broken, then the rule may be ineffective and outdated. Alternatively, an audit may highlight the unintended consequences of such rule breaking, demonstrating the need for additional training of employees and additional information on the rationale for the rule.

Conclusion

As research continues to uncover the factors that drive PSRB, results here indicate that EWCs are an important factor in understanding this behavior. Pro-social rule breaking is at its core an ethical decision, and the EWC an individual perceives plays a role in their decision-making process. This research further reveals that EWC’s can have the same effect on pro-social behavior as it does on anti-social, or deviant behavior. This gives rise to new questions about the ethics of PSRB and the unintended consequences of types of EWC. Our hope is that future research moves toward addressing these questions.

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