

UNIVERSITY OF TARTU

Faculty of Social Sciences

School of Economics and Business Administration

Giorgi Gioshvili

ETHICAL ORGANIZATIONAL CULTURE AND EMPLOYEE DISHONEST
BEHAVIOUR

Bachelor Thesis

Supervisor: Rf. Krista Jaakson

Tartu 2021

This paper conforms to the requirements for a Bachelor Thesis

.....

(signature of the supervisor)

Admitted for defence “ “..... (date)

I have written this Bachelor Thesis independently. Any ideas or data taken from other authors or other sources have been fully referenced.

.....

(signature of the author and date)

Table of Contents

Introduction.....	4
1. The theoretical framework of ethical organizational culture and employee dishonest behavior.....	6
1.1 Definitions and factors determining ethical organizational culture	6
1.2 Definitions and manifestations of employee dishonest behavior.....	10
1.3 Review of previous studies regarding ethical organizational culture and employee dishonest behaviors	16
2. Empirical analysis on patterns between ethical organizational culture and employee dishonest behavior	21
2.1. Methodology and data.....	21
2.2. Analysis of patterns between ethical organizational culture and employee dishonest behavior.....	25
Conclusion	40
References.....	42
Appendices.....	47
Appendix A	47
Appendix B	49
Appendix C	50
Appendix D	51
Appendix E.....	52
Appendix F.....	53
Appendix G	54

Appendix H	55
Appendix I.....	56
Appendix J.....	57
Appendix K	58
Appendix L.....	59
Appendix M.....	60
Appendix N	61

Introduction

It can be argued that ethical organizational culture has been one of the main priorities for the corporations in modern era. According to Stan Mack (2019), the influence of company's culture is significant on ethical behavior of employees. Therefore, it has a major impact on worker's sense of responsibility and correctness of actions, which results in better collaboration in team, which also means better overall performance (Mack, 2019).

According to Sandford (2015), one thing to be taken into account after lots of scandals and organizational crises which have been happening since 2000s is that the corporations are putting themselves in high risks without an ethical culture, which has specific definition, can be measured and improved. Additionally, the author of the paper observes in National Business Ethics Survey (In stronger ethical cultures, 2009), that stronger ethical environment has a better meaning for the functionality of businesses for the variety of reasons. For instance, in stronger ethical cultures there are more workers who are observing misconduct of others and in case of one, there is a very high chance that they will report it. Hence, the reporters face a very low risk of being retaliated from anyone in the company. This provides a very firm structure which most likely decreases the number failures resulted from internal misconduct and rule violation (In stronger ethical cultures, 2009).

Moreover, according to CRISP report, around 40% to 50% of losses of the corporations can be related to the ethical misconduct (Hayes, 2008). Another research by Hollinger and Adams refers that managers in retail sector think that the employees are responsible for 47% of their inventory losses (Hollinger & Adams, 2007). This numbers might seem unrealistically big, but taken into consideration that the staff has all the information about company's system, it's assets locations, money sources, passwords and alarm codes, doing something unethical becomes just a matter of opportunity (Hayes, 2007). Furthermore, the statistical data might not include the indirect costs which occur as an

outcome of unethical behavior. These indirect costs include decreased reputation of the company, lowered motivation and increased stress from employees (Mitchell, Reynolds & Trevino, 2019). This is why it is so important for the companies to have strategies for creating ethical working atmosphere where hard and fair work will be rewarded and unethical acts will not be tolerated (Hayes, 2008).

All of the above-mentioned sources tell the readers how relevant the topic is in terms of company's success and performance and why further study of the subject will bring compelling value to it. There have been various studies which examined the two subjects of ethical culture and staff dishonesty separately or in relation to other phenomena. However, not much has been done towards researching the relationship between these two and how one affects the other.

The aim of the paper is to identify the patterns of relationships between the ethical organizational culture and employee dishonest behavior. With the information displayed in the paper, the supervisors and top management of companies will have another source of what main factors to take into consideration when setting up or improving ethical organizational culture of their companies. Above-mentioned goal will be achieved through the completion of following tasks:

- To describe theoretical background of ethical organizational culture and dishonest behavior of employees
- To analyze previous studies conducted about the patterns between ethical organizational culture and employee dishonesty
- To accommodate the questionnaire and collect primary data by conducting the survey.
- To analyze the data and draw a parallel between findings from analysis of literature and results gathered from the empirical study of the paper.

The first part of the paper displays theoretical overview of the topic. Primarily, the definitions of the ethical organizational culture and examples of dishonest actions from the employees will be provided. Additionally, the author will present the viewpoints from different scientific journals which analyze various empirical studies about the topic and will point out peculiarities between the ethical organizational culture and employee dishonest behavior.

The second part of the paper will be focusing on describing the methodology of empirical analysis and describing the gathered data from the surveys. The measurements for the indicators will also be discussed and addressed. The paper will also provide the comparison between the assumptions made by the author of this paper and findings from previously reviewed literature. With all of this completed, the author will try to fill the gap which currently exists between company's ethical culture and worker's dishonest actions.

Key words: Ethics, Dishonesty, Organizational Culture, Services

1. The theoretical framework of ethical organizational culture and employee dishonest behavior

1.1 Definitions and factors determining ethical organizational culture

As already emphasized in introduction part, the organizational culture plays a significant role in the effectiveness of company's overall performance and achievements. As the organizational culture and dishonest behavior are main concepts of the paper, it is crucial for the readers have a specific overview of what these terms actually mean.

Schein (2004, p. 17) provides arguably the most widely accepted definition of organizational culture, as he addresses it as "a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration". He also refers that lots of other variables are involved into the defining process of company's

culture, such as values, control system, missions, structures and symbols. Additionally, Trevino (1986, p. 611) provides the readers with the definition of ethical organizational culture as a “mixture of shared values, norms and beliefs about ethics that are upheld in an organization and which can promote ethical conduct.” A bit wider and more modern definition is offered by Trevino and Nelson (2014, p. 153), who suggest that “ethical organizational culture represents subset of company’s broader culture and is maintained through complex interplay of formal and informal organizational systems” like executive leader communications, selection systems, orientation and training programs, rules, policies and codes, performance management systems, organizational structures, and formal decision-making processes. They also state that in order to bring these values to the employee behavior, the workers have to either feel like they are required to act accordingly (socialization) or adopt the ethical norms as their own (internalization) (Trevino & Nelson, 2014). Jones (1991) offered this definition: “An ethical decision is a decision that is both legally and morally acceptable to the larger community. Conversely, an unethical decision is a decision that is either illegal or morally unacceptable to the larger community”.

From the essence of different definitions, the author of this paper can state that Schein’s and Trevino’s definitions of ethical organizational culture, or organizational culture in general, emphasize more the importance of common values beliefs in the team, whereas Trevino and Nelson (2014) see it as a part of much bigger culture of an organization, which accordingly is formed by different organizational establishments. It can be assumed that unlike Schein (2004) and Trevino (1986), this definition gives the readers more insights into the meanings of ethical organizational culture and ways of implementing them into everyday work.

After disclosing the definitions, it would be interesting to several studies which reveal new methodologies of studying the phenomena of Ethical organizational culture:

Table 1

Overview of empirical studies on Ethical Organizational culture and their methodologies

Author (s) & year	Methods & models used	Research subjects
Kaptein (2008)	<ul style="list-style-type: none"> • Questionnaires • CEVMS model 	<ul style="list-style-type: none"> • Identifying factors that define Ethical culture in organization
DeBode et.al (2013)	<ul style="list-style-type: none"> • CEVMS–Short Form 	<ul style="list-style-type: none"> • Validation of CEVMS–SF for studying Ethical Culture
Victor, B., & Cullen, J. B. (1988).	<ul style="list-style-type: none"> • Multidimensional approach 	<ul style="list-style-type: none"> • Multi-dimensional structure of ethical climate at organizations

Source: Compiled by the author based on authors mentioned in the table

As seen on table 1, Kaptein (2008) suggests the measures which evaluate the ethical culture within the organization. His study was conducted mainly with the questionnaire, reflecting different items regarding ethical conduct, role modeling of top management and implementation of ethics code. The researcher came up with Corporate Ethical Virtues Model Scale (CEVMS), which includes eight key dimensions of ethical culture. These dimensions are as follows: clarity, congruency of supervisors, congruency of management, feasibility, supportability, transparency, discussability and sanctionability (Kaptein, 2008). After completion of questionnaires by more than 300 employees, the researchers run the correlation tests which clarified the high significance of all the factors listed above towards ethicality. (Kaptein, 2008). The author of the paper adopted shortened version of Kaptein's CEVMS model, which was recreated by DeBode et.al (2013). The researchers offered shortened (32 item) questionnaire for simplifying the studies of ethical culture and giving the diagnosticians more flexibility for facilitating deeper analysis by combining it with other questionnaires. The paper also shows that CEVMS-SF is successfully assessing same ethicality conducts as original questionnaire and argues that it might even be doing this more efficiently (DeBode et.al, 2013). Moreover, it turns out that even during the presence of contextual differences between the tested samples, the shortened version measures the eight dimensions of ethical

organizational virtues as intended (Huhtala et.al, 2018). The author will discuss the function of CEVMS-SF in this paper more in detail in Empirical part.

To evaluate the diversity of ethical climate at the workplace, Victor & Cullen offer multi-dimensional approach to the study where the authors intend to examine five ethical climate types in four different organizations. This study, in contrast to previously mentioned ones, offer bigger picture about ethicality in general and the subject of the search is also broader. The authors identified at least three distinct sources of ethical climate such as sociocultural, bureaucratic-structural and firm-specific.

It is also quite interesting to point out the effect of different individual factors on moral decision-making, which also corresponds to ethical organizational culture in general. It turns out that individual factor such as gender does not always correlate positively or negatively with moral judgement or moral decision-making, meaning that the results are mixed. Nevertheless, most studies still argue about females being more ethically behaving gender than males (Tenbrunsel & Smith-Crowe, 2008). Moreover, several studies have been focused on determining if the culture and nationality has any connection with the ethicality of people. It can be stated that connection between the nationality and behavior is stronger than nationality and judgement in general. Also, Jaakson et.al (2018) echoes the idea of dishonest behavior being in connection with person's own perception of individual values regarding honesty and responsibility which at some degree can be influenced by the nationality or cultural origins of a person. The paper argues more connection with person's perceptions with other workers, rather than themselves, which is explained by the socially constructed nature of ethicality (Jaakson et.al, 2018). Nevertheless, there is not enough evidence to prove that there is a clear connection between culture and moral awareness. (Tenbrunsel & Smith-Crowe, 2008). Furthermore, to understand the ethical organizational culture better, it should be very helpful to define and discuss its antipode-employee dishonesty.

1.2 Definitions and manifestations of employee dishonest behavior

When it comes to employee dishonest behavior, also various definitions can be searched and gathered (see table 2).

Table 2

Definitions of dishonest behavior

Authors	Definitions
Jaakson, Vadi, Baumene-Vitolina & Sumilo (2017, p. 169)	<ul style="list-style-type: none"> • “Deliberate conduct that breaks accepted norms in the society, organization or any other social group, with an objective to make a material or immaterial benefit, as a result of which harm has been caused or may be caused to a third party”
Greve, Palmer, & Pozner (2010, p. 56)	<ul style="list-style-type: none"> • “behavior that a social-control agent judges to transgress a line separating right from wrong, where such a line can separate legal, ethical, and socially responsible behavior from its antithesis”.
Scott and Jehn (1999, p. 296)	<ul style="list-style-type: none"> • “Dishonesty occurs when a responsible actor voluntarily and intentionally violates some convention of the transfer of property or information and, in so doing, potentially harms a valued being”.
Lewicki and Stark (1996)	<ul style="list-style-type: none"> • Since the definition of honesty must include concern for truth-telling, rule-adherence, and respect for property, authors propose three dimensions of dishonesty: <ul style="list-style-type: none"> ▪ Lying ▪ Cheating ▪ Stealing
Hollinger and Clark (1983, p.400)	<ul style="list-style-type: none"> • “the unauthorized taking, control, or transfer of money and/or property of the formal work organization perpetrated by an employee during the course of occupational activity which is related to his or her employment”.

Source: composed by the author based on authors mentioned in the table

According to Jaakson, Vadi, Baumane-Vitolina & Sumilo (2017), employee dishonest behavior is defined as an act from an individual, which does not comply with the previously established norms in organization or social group and results in some kind of harm for that social entity. Similar description is given by Scott and Jehn (1999, p. 296), who underline intentional or The authors also provide the examples of behavior which are

considered as dishonest. They have divided it into three categories which represent property deviance such as theft, misuse of facilities, damaging property. Secondly, production deviance like shrinking, and lastly deception which includes lying, concealment and cheating (Scott & Jehn, 1999). Moreover, Hollinger and Clark (1983) provide one of the most widely accepted definitions of employee theft, which, similarly to Scott and Jehn, differentiates the forms of dishonesty, which are property deviance and production deviance, but unlikely from previous authors, does not include deception part. Different kind of understanding is provided by Greve, Palmer & Pozner (2010), which overviews the employee wrongdoing in legal, ethical and social points of view. In his definition key takeaway is considered to be existing differentiative line which will separate right from wrong.

The author of this paper also wants to present the definition from Lewicki and Stark (1996), who argue about three-dimensional character of dishonesty. They state that while defining the dishonesty, it is crucial to indicate three dimensions of lying, cheating and stealing, which accordingly represent the anti-themes of truth-telling, rule-adherence and respect for property. Also, article by Wang & Kleiner focuses on three major types of employee dishonesty, which are fraud, lying and theft. It turns out that major causes for these types of misconducts are loose control system and self-interest. To be more precise, the employees might find that they are underpaid, they deserve much more than what they're receiving and their unethical actions is the reaction from the frustration possibly caused by the company (Wang & Kleiner, 2005). In addition, Crossen (1993) provides wider list of examples of what exactly the dishonest actions might be. These examples include employee theft, disclosure of confidential information, on the job drug or alcohol abuse, falsifying documents, employee discrimination, misrepresentation of product of the company and misuse of company funds. (Crossen, 1993)

It became clear that the similarities of some definitions can be noticed. For instance, the definitions by Scott and Jehn (1999), Hollinger and Clark (1983) and Lewicki and Stark (1996) all include some kind of list of actions that are considered as wrongdoings. In this case Scott & Jehn, Lewicki & Stark and Wang & Kleiner represent almost the same behavioral misconducts with lying, cheating and stealing as property deviance and deception. Besides, Crossen brought several more, specific examples of behavioral misconducts which should be taken into account by the managers and treated in a correct manner. Overall, dishonesty is a term connected to honesty and vice-versa, therefore, it will always be relevant to take into consideration what the society is like and what honesty/ethicality norms are adopted by people within this society. Therefore, personal values and sociodemographic characteristics always need to be analyzed before making any legitimate conclusion on this specific subject (Vadi & Vissak, 2015). Nevertheless, it can also be addressed that all the studies refer to the fact that a person intentionally makes unethical decisions, which in all terms results in some type of damage for the system that they are part of.

Before proceeding with the analysis, it is worth mentioning that dishonesty and unethicity might sound as the synonyms, which in fact they are, but there also can be pointed out major difference between these two terms that unethical actions have to do more with morally approved norms, whereas dishonesty focuses more on what can be perceived as honest actions on personal level. (Carpenter et.al, 2004)

There also have been various methods of study of dishonesty phenomena which display different methodology and specific subjects of study.(see table 3)

Table 3

Overview of empirical studies on dishonest behavior and their methodologies

Author (s) & year	Methods & models used	Research subjects
De Vries & Van Gelder (2015)	<ul style="list-style-type: none"> • Questionnaires • HEXACO model 	<ul style="list-style-type: none"> • Personality and organizational traits that have an effect on dishonesty
Jaakson et.al (2017)	<ul style="list-style-type: none"> • Questionnaires 	<ul style="list-style-type: none"> • Organizational factors associated with employee dishonest behavior in the retail sector
Cabana & Keptein (2019),	<ul style="list-style-type: none"> • Questoinnaire 	<ul style="list-style-type: none"> • Yes/No question to dishonesty cases at workplace and intention to report it

Source: Compiled by the author based on the authors mentioned in the table

Firstly, the study was conducted by De Vries and Van Gelder (2015), who explore delinquency at workplace. The authors used HEXACO model which differentiates six dimensions of personality traits that might have an effect on organizational dishonest behavior. (De Vries & Van Gelder, 2015). Except the personality traits, the authors also examined organizational variables such as ethical culture and employee surveillance. To study the ethical culture, authors used Kaptein's 58-item questionnaire, unlike Cabana & Keptein (2019), who identified dishonesty by respondent's own perception of the phenomenon by yes/no questions to the dishonesty cases at workplace. The authors implied that that workplace delinquency can be properly identified with the dimensions of honesty-humility, consciousness from personality variables and ethical culture and employee surveillance from organizational variables.

Secondly, Jaakson et al (2017) provides the readers with another empirical study, which in this case stresses the factors affecting the dishonest behavior in retail sector. The author uses the questionnaire as a method for gathering the data and highlights three types of employee dishonesty: Theft, Deception and Sabotage. With the results the author reckons that shrinking and misuse of employer facilities have been the most common forms of

organizational misconduct. Additionally, foreign ownership and location of the stores turned out to be significant factors which play a big role in the intensity of such kind of wrongdoings (Jaakson et al, 2017). Similar hypothesis about location was tested by Vranka, Frollova, Pour, Novakova & Houdek (2019), who examined the level of cheating by cashiers in different locations of Prague. The results showed that the cashiers cheated in 21% of the cases but no significant connection was found in terms of location of the store and cheating behavior (Vranka, Frollova, Pour, Novakova & Houdek, 2019). This was somewhat expected since the observations were conducted within different locations of one city, and not between different cities or countries. The study also showed that the employees don't steal to the fullest extent possible. Moreover, the authors did not find any correlation between the gender of cashiers and cheating habitat. The authors of the article point out that the negative sides of such employee misconduct might damage the reputation of not only the company but the city as well.

To follow up the topic, several studies revealed different ways and recommendations on avoiding unethical behaviors at the workplace. For example, Crossen (1993) suggests that whistle blowing, ethics committees, management involvement and ongoing ethical education should be the prioritized actions by the corporations if they want to avoid misbehaving employees at the workplace. The source also implies that the role of top management is strongly influential since the level of satisfaction from the employees is affected by the linkage of ethical behavior and success. If the top management is highly supportive towards fair employees, the efficiency of the workforce also increases (Crossen, 1993). Interestingly enough, it also has been argued regarding the whistle-blowing, that females, more tenured employees, higher performers and those with higher job levels are more likely to blow the whistle (Trevino et. al, 2006). This means that whistle-blowing might only be effective in cases where previously mentioned factors are in place. If that's not the case, it would

arguably be management's responsibility to put in place all the other resources that could minimize unethical conduct, but this seems to be the topic of another research and discussion. Similar suggestions are given out by Wang & Kleiner, who also emphasize the role of top management to better communicate the understanding of dishonesty to diminish the atmosphere of intimidation and reprisal. Also, peer pressure turns out to be effective method to establish a social norm at a workplace and let the employees know "how the things are done within the specific organization" (Wang & Kleiner, 2015). The role of communication from the management seems crucial for proper resolution of possible unethical conduct. Even in case of ethical codes, it is suggested that the desired message is modeled by the management and passed down to the employees as a personal document that they have the ownership of. The employees should be aware of the insights of the ethical code by discussing it with the supervisors and also have a good idea what kind of sanctions occur if the code is violated (Stevens, 2007). Specificity can also play important role here here since it has been argued that specific rules have much better effect on decreasing unethical behavior than the general ones (Mulder et.al 2020). It also should be mentioned that personal gain has a lot to do with the effectiveness of the rules, meaning that when the reward from the unethical behavior is too high, specific rules tend to be more effective than the general ones. Moreover, Tenbrunsel and Smith-Crowe (2008) present the ethical decision-making with 3 main components: moral awareness, moral decision-making and amoral decision making. It can be figured that being morally aware of the subject drives the ethical decision-making, which brings us to the same point once again that communication by the management can be the key for better ethical environment at the workplace.

Another effective practice on minimizing unethical conduct is Formal Ethics Training. Warren, Gaspar and Laufer (2014) found out that conducting this kind of training improves worker's ethical behavior in terms of willing to behave correctly, attitudes towards

organizational efficacy in management and company's normative structure. It also has been argued that there are three types of dishonest employees out there: the ones who are in the need of funds, the ones who take advantage of the opportunity and the ones who are opportunity seekers and repeat the misconduct continuously. Despite these differences of the intentions, it was also suggested to the managers that anti-theft measures, background checks and encouragement of whistleblowing can be most effective ways of avoiding unethical behaviors from workers in the organizations (Near, 2008).

To broaden the viewpoints of two subjects of employee dishonesty and ethical organizational culture, further analysis needs to be observed.

1.3 Review of previous studies regarding ethical organizational culture and employee dishonest behaviors

Various empirical studies have been conducted regarding the ethical organizational culture and dishonest behavior. Some of these academic works contain the analysis of these two terms separately whereas some of them include the study in relation to each other. Overall, the correlating factors can be observed and analyzed for both subjects.

Kuen et.al (2019) provides the recent study about the relationship between the ethical organizational climate and unethical behavior. It should be mentioned that ethical climate is a different phenomenon than ethical culture, but the results are very much significant to author's further conclusions. The researchers used 16-item questionnaire to measure the Ethical Climate and 17-item questionnaire for measuring the unethical behavior. The researchers made 2 separate studies with slight difference of methodology, meaning that they infiltrated their own measures for unethical behavior in the second one. The study showed a significant negative correlation between the ethical climate and unethical behavior. Moreover, negative relationship between ethical organizational climate and dishonesty came up highest when high collective moral identity is in place at the organization. This hypothesis

comes in somewhat of an opposition with results of De Vries & Van Gelder (2015) argument that workplace delinquency is more likely to take place when people low in Honesty-Humility are part of the workplace that lacks employee surveillance and ethical culture. It turned out that the hypothesis was not supported by the results, which means that organizational and personal factors have separate effects on delinquency. It is worth to be noted that the correlation results exclusively between workplace delinquency and ethical culture was significant and negative (De Vries & Van Gelder, 2015). That's why at some degree these two studies address the same idea of ethical culture having negative effect on employee dishonesty, but at the same time portray opposing idea that there might be some aspects of phenomena of ethicality which could have significantly different effects.

Another relevant study conducted by Cabana & Kaptein (2019), research on the ethical culture differences between different teams within one organization. In total 180 teams were tested and frequency of unethical behavior and employee response to unethical behavior were set as outcome variables. This study relates to the current paper by the choice of methodology for studying the ethical organizational culture, as Cabana & Kaptein also used shortened version of Kaptein's (2008) CEV model developed by DeBode et.al (2013). The authors showed that in preliminary analysis, all dimensions of ethical culture were negatively correlated to observed unethical behavior and positively related to intent for reporting such behavior. Nevertheless, the authors divided the data into two, high and low ethical team cultures and performed logistic regression analysis on each of them separately. The test showed that only the three out of the eight dimensions were significant for both clusters, where clarity was positively correlated to unethical behavior and congruency of management and sanctionability were negatively related to observed unethical behavior. Analysis also argues that units with higher ethical cultures are most likely to report about experienced unethical behavior. The authors reckon that the team ethical cultures exist and

they can form different clusters depending on the similarities and differences between the teams. In case of examined organization, the authors were able to detect at least two different ethical cultures with their distinctive relationships with observed unethical behavior and intention to report. Furthermore, it is very interesting to discuss the reasons why the clarity could be in positive correlation with the dishonest behavior. In Kaptein's (2011) research on unethical behavior, the author found that clarity of ethical standards was not significantly correlated to visibility of unethical behavior at all. Nevertheless, all the other dimensions of ethical culture were negatively correlated to the frequency of unethical behavior. It also should be mentioned that compared to Cabana & Keptein (2019), Keptein (2011) uses different methodology for studying each phenomenon of dishonest behavior and ethical culture. For example, Cabana & Keptein (2019) assumes the presence of dishonesty by simply asking yes or no question to the participants about existence of dishonest cases. This might create a bias in terms of employee's different understandings of what dishonesty might be. That's why the author of this paper thinks that questionnaire with more detailed questions about dishonesty should give more realistic picture. Nevertheless, overall results of these studies can be still compared. It can be argued that positive relationship between clarity in teams and observed unethical behavior could be because the clearer the norms are at the workplace, it is more defined for the employees what unethical behavior means, therefore more respondents would label the actions as unethical.

Another relevant study has been done by Kakavand, Neveu & Teimourzadeh. The aim of the experiment was to point out the factors which affect workplace corruption. The authors used the questionnaires to gather the information from 575 workers in public sector in France. Four measures of Powerlessness, Sense of Mastery, Distributive Justice and Procedural Justice were being used and implemented into the questions. After gathering the results, the examiners figured that powerlessness has a positive correlation towards employee

misconduct, which means that if the workers lose the motivation, the chance of wrongdoings increases (Kakavand, Neveu & Teimourzadeh, 2019). Secondly, the analysis showed that the sense of mastery has a negative correlation towards the corruption, meaning that the chances of workplace dishonesty is lower if the workers have higher sense of self-mastery. Lastly, both distributive justice and procedural justice showed strong negative correlation towards corruption which states that it is crucial for the organizations to have strong justice systems in order to avoid rule violations and unproductive behaviors from employees. (Kakavand, Neveu & Teimourzadeh, 2019)

The study about the relationship between the ethical context in organization and its influence on employee behaviors has been conducted by Trevino, Butterfield and McCabe (1998). The authors got the survey results from 318 college graduates who already worked in different fields and organizations, out of which, only the half of them had ethical code integrated into their structure. The authors initiated the measures of independent variables like ethical climate, ethical culture, organizational policies and rules. Moreover, as a dependent variable, they set and measured organizational commitments and unethical behavior. The results showed that two factors play a significant role for predicting unethical behavior of employees both in code integrated and non-code integrated organizations. These factors are Overall Ethical Environment and Obedience to Authority. Self-interest was another factor which, in case of integration in company's climate, will cause the initiation of ethical misconduct and will harm overall organizational commitment. It also should be mentioned that authors perceive ethical climate and ethical culture as two different terms and test them separately in relation to unethical conduct. Nevertheless, they use results from both terms together and make the assumptions that they create ethical environment together. Additionally, the results showed that in the companies where there was no ethical code present, excessive dedication to laws and professional standards, also caused actions related

to dishonest behavior, which means that managers should differentiate the methods of approaches towards introduction of ethical conduct in code and non-code organizations.

(Trevino, Butterfield and McCabe, 1998)

For better understanding of the measures of ethical dysfunctionality at a firm, the study by Carole, Jurkiewicz and Giacalone (2014) can be reviewed. In their research the authors point out the factors which might emphasize the level of wrongdoings at the workplace. Three major factors are represented as Cultural Dysfunction, Leadership disfunction and Dysfunctional Dozen. In the dysfunctional dozen, the authors of the paper displayed more specific characteristics which have equal value towards unethical behaviors in the firms. These characteristics are as follows: Deception, Dependency, Distrust, Egoism, Immediacy, Impiety, Impunity, Inequality, inhumanity, invariance, Narcissism and obduracy. (Carole, Jurkiewicz & Giacalone, 2014).

It can be asserted that almost all the authors use the questionnaires in their empirical studies which means they use quantitative data to work with. Also, these authors have used the questionnaires several times with different groups of people, which increases sample size and results in more realistic data. Additionally, Kaptein (2008) and De Vries & Van Gelder (2015) use specific models for formulating their research questionnaires, while Jaakson et al (2017) refers to own formulation of factors that have a potential to be in significance with dishonesty at organizations specifically in retail sector. Similarly to Jaakson et.al (2017), the research by Vranka, Frollova, Pour, Novakova & Houdek (2019) also points out the negative effects of dishonesty at retail units as a potential threat to the reputation not only the company and the store but the city itself. When it comes to the factors affecting the dishonesty of the employees, the studies by Kakavand, Neveu & Teimourzadeh , Trevino, Butterfield & McCabe and Carole, Jurkiewicz & Giacalone have been provided. These sources pointed out dozens of characteristics which are in positive correlation towards the wrong behavior at the

workplace and offered several recommendations which are very useful for managers in order to decrease dishonest actions at their firms.

2. Empirical analysis on patterns between ethical organizational culture and employee dishonest behavior

2.1. Methodology and data

The research was started by adopting two separate surveys by DeBode et.al (2013) and Jaakson et.al (2017) which includes the questions for evaluating the ethical organizational culture and employee dishonesty at the workplace. When it comes to measuring the Ethical Organizational Culture, the original questionnaire belongs to Muel Kaptein (2008) who created the Corporate Ethical Virtues Model Scale (CEVMS). The scale consisted of 58 items(questions) and its main aim was to measure eight corporate virtues at the workplace: clarity, congruency of supervisors, congruency of senior management, feasibility, supportability, transparency, discussability, and sanctionability. In 2013, Jason DeBode published a paper where he tested his own variation of Kaptein's model, called CEVMS–Short Form. The difference was that DeBode's version was measuring 8 corporate virtues with only 32 items in the questionnaire. Unlike Kaptein's model, DeBode included only four items per ethical dimension which made the total amount of questions 32. This is the questionnaire the author of this paper chose as an instrument for his current empirical research (See appendix A). The respondents were asked to evaluate each statement from “1”-strong disagreement to “6”-strong agreement. Therefore, Likert scale was chosen as a rating scale.

Moreover, in terms of studying dishonest behavior, the author of this paper used the questions that is described in Jaakson et al (2017). The respondents were asked to evaluate the likeliness of occurrence of the following actions at their workplace: stealing, shrinking, misuse of facilities, lying, damaging property, behaving disloyally, cheating financially and

impolite behavior (See appendix B). Similarly to ethical organizational culture study, likert scale was used for evaluation the scenarios, but a slight difference is that in this case, 7 point scale was used, meaning that “1” represented a total unlikeliness, whereas “7” represented total likeliness.

The author of the paper used snowball method as a sampling method and shared the survey among those who are employed in Estonia or abroad. The results were gathered during the month of March,2020. The total sample size is 103, which is the amount of number that gives the researcher the ability to compare groups and make the appropriate assumptions as well. Since snowball sampling was used, the author had the ability to get connected to the acquaintances who are residing in Estonia as well as in foreign countries. Table 4 shows all the main characteristics of the sample such as gender, age, tenure and working location. It should also be mentioned that originally, in case of age and tenure categories, there were more than two options for the participants to choose from. For the age group, the minimum and maximum values were “24 or younger” and “65 or older”, whereas for the tenure group it was “less than 1 year” and “more than 5 years”. Since the number of some observations was too little for certain groups, the author decided to merge those answers with larger observations. For example, in “Age” category there were only three participants who were between 35 to 45 years old. Accordingly, this group was merged to larger group and the name was changed to “25 and older”. (See table 4)

Table 4

Sample Characteristics

		Frequency	Percent
Location	Estonia	49	47.6%
	Outside of Estonia	54	52.4%
Age	24 or younger	57	55.3 %
	25 or older	46	44.7 %
Gender	Male	46	44.7%
	Female	57	55.3%
Tenure	Less than 1 year	53	51.5%
	More than a year	50	48.5%
Total		103	100%

Source: Compiled by the author

From the table it can be observed that the location of employment turned out to be almost equal between Estonia and foreign countries. In terms of foreign countries, the results were collected mainly from the republic of Georgia, Estonia, Germany and the United States. These are the countries where the author has studied and lived in, so getting the information from people with diverse backgrounds was a priority. Hence, it will be interesting to compare the results between the sub-groups of younger and older employees who have been working in their companies for less or more than 1 year and reside in Estonia or abroad.

Moreover, it was really interesting to observe the sectors which the respondents are employed at. It turned out that there is a wide variety of professions participants are specializing at but some of them can be highlighted as the most frequent ones, such as Business, Finance, IT, Marketing and Education sectors. Similarly to the other groups, the Sector group initially contained the categories which had too few respondents. Such categories included Retail, Public Sector, Medicine, Human Resources, Tourism, Agriculture, Energy and utilities, Creative Arts and Design. All of these categories had combined 17 responses so the author of the paper decided to merge them together into one group called “Others”. For clearer view the readers can observe the list below:

Table 5

Sector of employment

	Frequency	Percent
Accountancy, Banking & Finance	13	12.6
Business, Consulting & Law	18	17,5
Information Technology	19	18.4
Marketing & Sales	15	14,6
Teaching & Education	18	17.5
Others	17	16,6
Total	100	97.1
Missing	3	2.9
Total	103	100.0

Source: Compiled by the author

Here also needs to be mentioned that like in the previous categories, the “sector” category also had the groups with very low amount of respondents. Author also decided to merge those groups together. For example, “Marketing” respondent’s data was united with “Sales” respondents, “Consulting” was merged with “law” and the rest of the groups with very low frequencies were collected in the group of “Others”.

Regarding the analysis, various tests were conducted by the author in order to indicate the ethical factors that might be affecting the behavior of the employees at the workplace. First of all, Cronbach’s alphas were calculated for each dimension of ethical culture and dishonesty in order to ensure the internal consistency and closeness of items as a group. Secondly, the author of the paper will present the descriptions of different dimensions, providing the descriptive statistics for each of them. The normal distribution of the data will be checked and if it holds, there will be additional parametric analysis of variance (ANOVA). If the normal distribution of the data does not hold, the author will use non-parametric tests (Kruskal-Willis in case of multiple samples and Mann-Whitney in case of two samples). Lastly, the author of the paper will make a correlation table with eight ethical organizational

culture dimensions and dishonest behavior dimension where all the dishonesty behavior responses will be united for each respondent and average scores will be indicated. It will be interesting to observe significant (negative) relationships to argue that certain ethical dimensions may be related to dishonest behavior at the workplace.

2.2. Analysis of patterns between ethical organizational culture and employee dishonest behavior

To proceed with further analysis, author of the paper wants to have the proof of the internal consistency of the represented dimensions of ethical organizational culture and dishonest behavior. For this reason Cronbach's alphas are being calculated for each dimension separately and determined if the questions all reliably measure the same latent variable (See table 6).

Table 6

Cronbach's alphas for different dimensions

	Dimensions	Cronbach's Alpha
Ethical Organizational Culture	Clarity	0.853
	Congruency of Supervisors	0.883
	Congruency of Management	0.811
	Feasibility	0.784
	Supportability	0.774
	Transparency	0.829
	Discussability	0.895
	Sanctionability	0.725
Employee Dishonest Behavior	Dishonest behavior	0.876

Source: Compiled by the author

As it can be assumed from the table, that the dimensions can be considered as coherent since all the Cronbach's alphas are higher than 0.7. This shows that the questions

measure their objectives quite well and further analysis can be conducted with using broader category.

The next step for the analysis would be providing the descriptive statistics for the eight dimensions of the Ethical Organizational Culture. (See table 7). As the readers can observe, from the scale of 1 to 6, one being the total disagreement and six being total agreement with the statements, the minimum statistics of eight ethical dimensions vary from 1,25 to 2,7. When it comes to the maximum statistic, there is the result of 6 in each and every dimension. As expected, the minimum and the maximum results are quite different on the rating scale. Next thing that would be interesting to observe is the frequency of this kind of diverse and dispersed responses. Is it typical for current data to have large amounts of respondents who have different ethical experiences at their workplace? As the readers can see, the mean statistics of dimensions are generally quite high, ranging from 4.4(Transparency, Sanctionability) to 5 (Feasibility). Nevertheless, to measure the variability of individual responses from sample means, it is necessary to take a look at the std. deviation results. It can be observed that all eight EOC dimensions tend to have more or less closely dispersed data. To be more specific the table shows that “Feasibility” and “Transparency” categories are the most concentrated ones around the mean (std. dev = 0.8), whereas “Congruency of Supervisors and “Discussability” categories have more dispersed responses (std. dev = 1.1). This means that in general, the majority of respondents feel the same way about the ethical organizational culture at their workplaces. Nevertheless, “Congruency of Supervisors” and “Discussability” seem to be the areas where sample representatives have slightly more diversified views than in case of the other categories.

Table 7

Descriptive statistics for EOC dimensions

	N	Minimm	Maximm	Mean		Std.
	Statistic	Statistic	Statistic	Statistic	Std. Error	Deviation
						Statistic
Clarity	103	1.25	6.00	4.9345	.09345	.94840
Congruency of Supervisors	103	1.00	6.00	4.8107	.11233	1.14000
Congruency of Management	103	2.25	6.00	4.6966	.09058	.91933
Feasibility	103	2.25	6.00	5.0704	.08681	.88105
Supportability	103	2.750	6.000	4.8276	.082858	.840918
Transparency	103	1.50	6.00	4.4296	.10235	1.03872
Discussability	103	1.50	6.00	4.6626	.11009	1.11733
Sanctionability	103	1.75	6.00	4.4053	.09745	.98898

Source: Compiled by the author

To check the variability of the mean statistics as well, it would be interesting to take a look at the results of std. error. It can be addressed that in case of all areas, the std. errors are relatively small, ranging from 0.08 to 0.11. This means that the current sample mean statistic is very close to the true population mean, which ensures that the responses reflect the population characteristics quite well also.

Before proceeding with the comparison of the means of different groups, the author needs to check the normal distribution of the data and depending on this choose the parametric or non-parametric analysis. For this, the normality test has been conducted for the dimensions of ethical organizational culture. As it can be seen from the Appendix C, the significance level of each dimension is below 0.05, which indicates that the data is not normally distributed. Therefore, for comparison of medians across different categories, the author will be using non-parametric Kruskal-Wallis and Mann-Whitney tests.

The author of the paper will be presenting the results of non-parametric tests for each dimension of Ethical Organizational Culture, which will show if the medians/rankings of

different categories in a group are the same or different from each other. When there are only two group samples present, such as gender (male, female), working location (Estonia, Outside of Estonia), Age (24 or younger, 25 or older) and Tenure(Less than 1 year, more than 1 year) the author will be using Mann-Whitney U-test. Accordingly, in case of Working Sector group, since there are more than two samples present, the author will be testing the median similarities across groups with Kruskal-Wallis test. The first group that will be discussed is the age of the respondents.

The null hypothesis for Mann-Whitney U test is that the distribution of two groups are the same and there is 50% chance probability that an observation from a value randomly selected from one population exceeds an observation randomly selected from the other population. This test compares the distributions of ranks in two groups. The categories were listed as “24 or younger”, “25 and older”. From the test result it turns out that none of the categories rejected the null hypothesis (See appendix E). This does not mean that the mean ranks were the same for each dimension of EOC, but since the p values are not low enough, there is no compelling evidence to argue that they differ. For example, “Congruency of Management” (sig=0.052) was the dimension with lowest significance level and it can be observed that mean rank of group “24 and younger” is 57.10 whereas for group “25 and older” it is 45.68. Nevertheless, since the sig value is not below 0.05, it can’t be argued that there is any difference between how age affects employee’s Congruency of Management experiences.

Moving to the Gender group, it turns out that all the dimensions retain the null hypothesis except “Clarity”(sig=0.043) (See appendix F). This means that it can be argued that males and females from the sample have had different experiences in terms of clarity when it comes to measuring the Ethical Organizational Culture at their workplaces. To be more precise, females have much higher mean rank (57,32) than males (45,41)(Appendix F),

which means that according to the results from this sample, women have much better ethical experiences at their workplaces in terms of appropriate conduct towards internal and external people, as well as dealing with confidential information responsibly. This could also mean that male employees need more direct communication from the management about what is expected from them and what is disallowed.

Regarding the tenure, respondents with longer and shorter tenure did not differ in their perception of ethical organizational culture (see Appendix G), and so did the group “Location”, which did not have any EOC dimension which rejected the hypothesis. This means that the participants employed in Estonia have similar EOC experiences at workplace as the ones who are employed abroad (See appendix H).

When it comes to the Working Sector category, the author of the paper used the Kruskal-Wallis non-parametric test, since there are more than two samples in the category. The test determines whether the medians of two or more groups are different. The hypothesis are also the following:

H0: Population medians are equal.

H1: Population medians are not equal.

It turns out that the only dimension which rejects the hypothesis is “Clarity”(See appendix I). It will be more interesting to observe which groups have higher medians.

Table 8

Working Sector group medians

	Accountancy, Banking&Finance	Business, Consulting& Law	IT	Marketing& Sales	Teaching& Educaiton	Others
Medians	5.5	5.0	5.0	5.0	5.5	5.0

It turns out that Accountancy, Banking&Finance and Teaching&Education samples have higher medians than the rest of the groups. Moreover, according to the appendix I, it is

visible that these are the only two groups out of six, which have more “higher than median” responses than “less than the median” ones. This also proves that employees in these areas have better experiences in terms of clarity at their workplaces. Nonetheless, it is hard to talk about specific reasons why the workers in these two different areas could have different views on their experiences at workplace, because of the lack of studies about this specific matter.

The next process of data analysis will be conducted around Dishonest behavior. First step would be providing the descriptive statistics for 9 Dishonest behavior dimensions.

Table 9

Descriptive statistics for Dishonesty dimensions

	Minimum	Maximum	Mean	Std. Error	Std. Deviation
1. Misusing working time	1	7	3.44	0.174	1.764
2. Using employer facilities for personal use	1	7	4.07	0.197	2.001
3. Hiding truthful information from the customer or giving false information	1	7	2.17	0.154	1.562
4. Hiding truthful information from the employer or giving false information	1	6	2.17	0.142	1.438
5. Stealing employer property	1	7	1.54	0.122	1.243
6. Cheating the customer financially	1	7	1.70	0.126	1.282
7. Intentionally harming or damaging employer property.	1	7	1.50	0.117	1.187
8. Communicating impolitely with the customer	1	7	1.80	0.124	1.255
9. Harming the reputation of the employer	1	7	1.83	0.142	1.442

Source: Compiled by the author

To start analyzing from the mean statistic, it's interesting to see that “Misusing working time” and Using employer facilities for personal use” have the higher mean statistics

than the rest of the dimensions. Thus, from the fact that 1 indicates the total unlikeliness and 7 represents the total unlikeliness of certain behavior occurrence, previously mentioned means underline that participants feel like these behaviors tend to happen with more intensity at their workplaces. It is also interesting to see how diverse the responses were in each category. Looking at std. deviation statistic, it can be indicated that the category with biggest std. deviation is the previously already mentioned “Misusing employer facilities for personal use”(2.0). This means that this dimension caused the most dispersion and diversification in participant’s responses. Taking into consideration the mean statistics as well, all the dimensions have low std. deviation and responses are concentrated more or less closely to the mean.

To observe the deviation across the sample means, it would be interesting to observe the std. error results. As expected, these stats also remain relatively low, ranging from 0.11 to 0.19. This means that sample means are representing true population mean quite well and the responses are delivering the real picture of dishonest behavior characteristics.

Similarly to EOC dimensions, to proceed with comparison of mean ranks and medians across different group categories of dishonesty, the author needs to test the distribution of the data. This will determine if there should be parametric or non-parametric tests conducted. As it can be observed from the Appendix D, all significance levels are below 0.05. This means that the data is not normally distributed and the author will be using non-parametric Mann-Whitney and Kruskal-Wallis tests to compare the categories of Dishonesty.

Similarly to the previous non-parametric tests, the author of the paper will be presenting the results of Mann-Whitney U test for each group category except the “Working Sector”. For this group the author will be using Kruskal-Wallis test to determine the similarities between the medians. The first group that will be discussed is the age of the respondents. From appendix J it is visible that there are three behaviors which have the

significance level less than 0.05 and therefore reject the null hypothesis. These are “Hiding truthful information from the employer or giving false information”, “Stealing employer property” and “Communicating impolitely with the customer”. It can be assessed that for each of three dimensions, the employees who are in “25 and older” category have higher mean ranks than employees who are “24 and younger”. Since the discussion is about dishonesty dimensions, higher rank means that the occurrence of such behaviors is higher. This means that it can be argued that younger employees have better experiences at their workplaces in terms of someone stealing the property, communicating impolitely with the customer or hiding truthful information.

Switching to the Gender category, as the readers can see none of the dimensions had the significance level low enough to reject the null hypothesis (Appendix K). “Hiding truthful information from the customer or giving false information”(sig=0.078) had the lowest result but obviously not enough to argue the differences between the data distribution.

Interesting results were displayed for the “Tenure” group. There were two categories which rejected the null hypothesis. These were “Hiding truthful information from the customer or giving false information”(sig=0.008) and “Intentionally harming or damaging employer property”(sig=0.022). For both cases, the employees who have worked at their companies for more than a year received lower mean ranks (See appendix L). This means that they have better experiences at their workplaces in terms of occurrence of these two dishonest behaviors.

In terms of location category, all the dimensions retained the null hypothesis except one - “Using employer facilities for personal use”. This means that employees in Estonia and abroad have different perception about this specific dimension. To be more precise, mean rank of people outside of Estonia (56.86) is much higher than people employed within Estonia(46.6). Therefore, it can be argued employees outside of Estonian borders have worse

experiences regarding occurrence of usage of employer facilities for personal use. (See appendix M)

The last category for comparing the groups is “Working Sector”, where it’s visible that none of the categories fell into the significance level which is under 0.05. This means that respondents from different working areas did not differ in their perception of employee dishonest behavior (see appendix N).

To summarize the finding from the group comparisons, the author came up with the following table, which shows the categories of ethical organizational culture as well as employee dishonesty, that were perceived differently for different sample groups.

Table 10

Dimensions which rejected H0

	Sample groups	Dimensions	Sub-groups with better experience
Ethical Organizational Culture	Gender	Clarity	Females
	Working Sector	Clarity	Accountancy, Banking&Finance
			Teaching&Education
Employee Dishonest Behavior	Age	“Hiding truthful information from the employer or giving false information”	24 and younger
		“Stealing employer property”	
		“Communicating impolitely with the customer”	
	Tenure	“Hiding truthful information from the customer or giving false information”	More than a year
		“Intentionally harming or damaging employer property”	
	Location	“Using employer facilities for personal use”	Employees in Estonia

Source: Compiled by the author

It can be concluded that differences in two constructs of ethical organizational culture and employee dishonest behavior are not exactly matching for any of the groups, so potential correlations can't be confounded by socio-demographic characteristics.

The most important step of the analysis would be to set up a correlation table between 8 EOC dimensions and Dishonest behavior dimension and see if there are any significant negative relationships, define the strength of each correlation and argue how certain ethical dimensions can be related to dishonesty. Additionally, the author of the paper will be testing the dependent variable (Dishonest behavior) as one joint variable where all 9 behaviors will be included. As seen above, the Cronbach's alpha for employee dishonest behaviors is 0.876 which proves that internal consistency between the items exist and validates them together as a group.

The author decided to use the spearman correlation coefficient as the tool for the analysis. The reason behind is that the data used in the tests is ordinal and spearman test works exactly with the rank-ordered variables.

To start of the correlation analysis, the author puts up the hypothesis depending on the significance levels from the test. The hypothesis is the following:

- H0: There is no correlation between dependent and independent variables.
- H1: Correlation between dependent and independent variables exists.

As it can be observed from the table 11, the significance level of Dishonest behavior is 0.00 with each dimension of EOC. This means that the correlation is significant at the 0.01 level. This means that H0 can be rejected and H1 will be accepted which says that the correlation between dependent and all 8 independent variables exist.

Let's take a closer look at the table to understand the levels of correlation for each EOC dimension with dependent variable:

Table 11

Correlation table with EOC and Employee Dishonesty Behavior dimensions

	Clarity	Congruency of Supervisors	Congruency of Management	Feasibility	Supportability	Transparency	Discussability	Sanctionability	Dishonest Behavior
Clarity	1.000								
Congruency of Supervisors	.450**	1.000							
Congruency of Management	.578**	.587**	1.000						
Feasibility	.506**	.544**	.561**	1.000					
Supportability	.565**	.519**	.702**	.558**	1.000				
Transparency	.514**	.380**	.539**	.456**	.485**	1.000			
Discussability	.438**	.423**	.442**	.521**	.633**	.523**	1.000		
Sanctionability	.408**	.403**	.524**	.406**	.597**	.628**	.658**	1.000	
Dishonest Behavior	-.464**	-.425**	-.543**	-.523**	-.566**	-.295**	-.427**	-.353**	1.000

Source: Compiled by the author

As it can be observed, all the independent variables are negatively correlated with the dependent one. This supports the logical point that higher the Ethical organizational culture at the workplace, the lower the chances of dishonest behavior from employee's side. It should be quite interesting to dig deeper into the coefficients and see the strength of it.

It turns out that the independent variables mostly have average correlation strength with the dependent ones. The only dimension with weak correlation coefficient with dishonest behavior is transparency (-0.295). All the other dimensions have average strength which falls into the coefficient margins of 0.3 to 0.7.

The strongest correlation from the data is shown by 3 EOC dimensions. These are Supportability (-0.566), Congruency of Management (-0.543) and Feasibility (-0.523). It can be argued that these are the factors which have the biggest impact on employee's dishonest behavior at the workplace. The second strongest-correlated list of EOC dimensions are as follows: Clarity (-0.464), Discussability (-0.427) and Congruency of Supervisors (-0.425).

Lastly, the lowest coefficient within the correlations with average strength has the Sancitonability (-0.353) dimension. For better visualization of the results, the author set up table below (see table 12).

It can be summed up that in general all the dimensions are negatively correlated to the dishonesty. Nonetheless, it is worth arguing that Supportability, Congruency of Management and Feasibility are the areas which have the biggest impact on diminishing the dishonesty at the workplace, therefore the aspects that these dimensions portray can be used for making several suggestions against ethical misconduct. Depending on author's sample of examination and the results gained from there, the companies that want to decrease the dishonesty should be focusing on strategies that strengthens the trust between the management and employees. Companies should emphasize the importance of norms and standards that exist in working environment and in case of not having one, work on its development. Treating everyone with respect can be at the top of the list of such norms and standards.

Table 12

Simplified results from correlation table

Correlation Strength	Dimensions	Correlation Coefficient (from highest to lowest)	Rank according to corr. coefficient
Average (0.3 – 0.7)	Supportability	-0.566	1st
	Congruency of Management	-0.543	2nd
	Feasibility	-0.523	3rd
	Clarity	-0.464	4th
	Discussability	-0.427	5th
	Congruency of Supevisors	-0.425	6th
	Sancitonability	-0.353	7th
Weak (0 - 0.3)	transparency	-0.295	8th

Source: Compiled by the author

Secondly, to take into account the importance of congruency of Management, the companies should focus on having shared set of values across the board and supervisors(managers), and work on communicating these clearly to middle and the lower-level workers. It also turns out to be important for the managers to separate the business goals from unethical or illegal conduct and set a good example in terms of ethical behavior.

Moreover, to interpret the feasibility recommendations, the organizations should monitor how confident their employees feel with working on the tasks they are asked to work on. It seems very important for an employee to feel strongly with the vision and mission of the company and to not sacrifice their own personal norms and values in order to be successful in the organization. Additionally, providing the workers with all the adequate resources turns out to be important for executing the tasks responsibly. Great examples of such kind of support would be an access to diverse online or offline courses, workshops, platforms and software. This would arguably put all the employees in the position where they are most comfortable and efficient at their specific jobs.

It is interesting to compare the results gathered from the theoretical part to author's own empirical analysis. For example, in group comparisons, the current study showed significant difference between how males and females perceive clarity at their workplaces. Tenbrunsel & Smith-Crowe (2008), argued that different study results give different perceptions about men or women being more ethically behaved at their workplaces, so the results are mixed. Nevertheless, they still mention females as more ethically behaved gender. Moreover, Vranka et.al (2019), also proposed in the research that there was no significant correlation between the gender and cheating habitat of examined sample. In this paper, it is observed that females have better ethical experiences than the males in clarity dimension of ethicality. Thus, it does not come in opposition with any of the statements from other studies. It should be mentioned that the author of the paper did not study the behavior of respondents,

but their perception of their colleague's behavior. This could be the reason why there was lack of differences in dishonesty part regarding the gender (see table 10). Hence, it can be argued that females still can be considered as ones more ethically behaved and the ones experiencing more ethical environment at their organizations too.

Surprisingly to the author of this paper, none of the previous academic works give assumptions about what role age or tenure might play in ethical behavior of the employees. These subsets are only used by the authors for presenting descriptive statistics of samples. From empirical analysis of this paper, it is visible that 24 years old and younger workers experienced less dishonest cases at their workplaces than those older than 25. (See table 10) Additionally, long-tenured employees also indicated less ethical misconduct at their workplaces. These results of two different sample groups are in opposition with each other at one glance, but since the dimensions are all different throughout the two groups, no assumptions can be made on one affecting the other. Nonetheless, initially it was stated that long-tenured employees were more likely to blow the whistle in case of dishonesty (Trevino et. al, 2006). The results in this paper show otherwise. The employees with more than a year of working experience identified less dishonest cases at their workplaces. This can be explained by the fact that they have not encountered the dishonesty yet or because they are not trusted enough by the colleagues yet to share their misconducts. This could also indicate a lack of role of management at the companies, who is responsible for explaining and integrating ethical values and norms at the organization (Stevens, 2007).

Moving on to the correlation test results, the assumption that ethical organizational culture and employee dishonest behavior would have negative relationship came out correct. Same results were recorded by Kuen et.al (2019) and Kaptein's (2011) in their researches with slight differences. For example, in Kaptein's study, the dimension of clarity was not significantly related to unethical behavior at all, whereas in current paper, all of the ethical

dimensions showed high significance towards dishonesty. Also unexpected results were recorded by Cabana & Kaptein (2019), where the result showed positive relationship between the dimension of clarity and unethical behavior, whereas in this paper, all the ethicality dimensions are negatively correlated. The reason behind this can be considered the fact that the clearer the norms are at the workplace, the higher the chances that employees are aware of ethical misconducts and identify them in the questionnaires as well. This might be why more clarity at the workplace could mean more detection of unethicity, described by the questionnaire. Also, this study identified only 2 ethical dimensions which were significantly negatively related to dishonesty: congruency of management and sanctionability. Congruency of management was also the dimension which was 2nd strongest correlated dimension with dishonesty. From here, it can be assumed once more that the role of managers for diminishing dishonesty at the workplace is crucial.

Conclusion

The aim of this paper was to identify the patterns of relationships between ethical organizational culture and employee dishonesty, in order to identify the most important areas for the companies to focus on. It can be asserted that there can be different variations of ethical organizational culture and how it can be studied. Nonetheless, one is clear that for diminishing dishonesty at the workplace and maximizing shareholder's value of a firm, the corporations need to integrate ethicality in their organizational culture.

The author of the paper reviews previous works done by the researchers who provide different definitions and methodologies for studying the phenomena of Ethicality and Dishonesty. Despite the differences addressed in the scholars works, one could be scrutinized that these two terms have opposing principals, which should translate as negative relationship in the conducted analysis.

Empirical analysis of this paper has shown that there is significant negative relationship between two phenomena of ethical organizational culture and employee dishonesty. Congruency of management, supportability and feasibility turned out to be the dimensions which have the highest value in terms of decreasing the unethical activities at the workplace. Moreover, Congruency of Management was being pointed out as the most important aspect of the ethical culture, since the connections were found between other empirical analysis with same results and recommendations, meaning the role of the management.

The paper also addresses the reasons why the employees might be motivated to misbehave. The common pattern of ethical misconduct is mainly surrounded by theft, cheating, lying and misusing of employer facilities. As already mentioned, it turns out that management plays a decisive role for minimizing this kind of wrongdoings at their workplace. Hence, communicating specific rules to the employees, integrating ethical codes

and formal ethics trainings can create the atmosphere where misconduct is minimized.

Additionally, the recommendations could include encouraging the whistle blowing, creating the committees of ethics and emphasizing team culture.

It can be summed up that in the corporations where the employees are empowered, have a sense of ownership, have been through ethics-specific trainings, have integrated rules and policies which are obeyed, are supervised by qualified leaders and most importantly have integrated ethical code, the misconduct from their side is minimized.

This paper serves as a good manual to display the general relationship between two terms of ethical culture and dishonesty and what aspects to take into account for improvements. Nonetheless, further analysis can be conducted in order to expand the subject and bring additional value to it. Current paper argues that there can be some additional factors which could be affecting how different people perceive or experience dishonesty. Such factors in this paper were gender, tenure and age of the employees. Nevertheless, to argue the validity of such arguments, there needs to be more in-depth analysis conducted, where the aim will be concentrating on how exactly different samples perceive ethical organization and dishonesty at their organizations. For detailed understanding of these factors, it would also be interesting to observe how people's professions affect the extent they are committed to these two opposing subjects.

References

1. Cabana, G.C., Kaptein, M. (2019). Team Ethical Cultures Within an Organization: A Differentiation Perspective on Their Existence and Relevance. *J Bus Ethics* (2019).
2. Carpenter, D.D., Harding, T.S., Finelli, C.J. (2004). Does academic dishonesty relate to unethical behavior in professional practice? An exploratory study. *Science and Engineering Ethics* 10, 311–324
3. Crossen, B. R. (1993). Managing employee unethical behavior without invading individual privacy. *Journal of Business and Psychology*, 8(2), 227–243.
4. DeBode, J. D. et al (2013). Assessing Ethical Organizational Culture: Refinement of a Scale. *The Journal of Applied Behavioral Science*, 49(4), pp.460–484.
5. Greve, H. R., Palmer, D., & Pozner, J. E. (2010). Organizations gone wild: The causes, processes, and consequences of organizational misconduct. *Academy of Management Annals*, 4(1), 53-107.
6. Hayes, R. (2007). *Retail security and loss prevention*, (2nd ed.). London: Palgrave Macmillan.
7. Hayes, R. (2008). Strategies to Detect and Prevent Workplace Dishonesty, *An ASIS International Foundation Research Council CRISP Report*
8. Hollinger, R.C. and Adams, A. (2007). *National retail security survey*. Gainesville, FL: University of Florida.
9. Hollinger, R.C. and Clark, J.P. (1983). Deterrence in the Workplace: Perceived Certainty, Perceived Severity and Employee Theft, *Social Forces*, 62(2), 398–418.

10. Huhtala, M., Kangas, M., Kaptein, M., & Feldt, T. (2018). The shortened Corporate Ethical Virtues scale: Measurement invariance and mean differences across two occupational groups. *Business Ethics: A European Review*, 27(3), 238–247.
11. In stronger ethical cultures (2009). *The Importance of Ethical Culture: Increasing Trust and Driving Down Risks*. Retrieved from:
https://assets.corporatecompliance.org/Portals/1/244_0_1.pdf
12. Jaakson, K. et al (2017). Virtue in small business in small places: Organisational factors associated with employee dishonest behaviour in the retail sector, *Journal of Retailing and Consumer Services*, 34, 168-176
13. Jaakson, K., Vadi, M., Baumene-Vitolina, I & Sumilo, E. (2017). Virtue in small business in small places: Organisational factors associated with employee dishonest behaviour in the retail sector, *Journal of Retailing and Consumer Services*, 34, 168-176
14. Jaakson, K., Vadi, M., & Baumanė-Vitolina, I. (2018). The effect of negative work outcomes and values on the perceived likelihood of employee dishonest behaviour. *Baltic Journal of Management*.
15. Jones, T.M. (1991). Ethical decision making by individuals in organizations: An issuecontingent model. *Academy of Management Review*, 16, 366–395
16. Jurkiewicz, C. L., & Giacalone, R. A. (2014). Organizational Determinants of Ethical Dysfunctionality. *Journal of Business Ethics*, 136(1), 1–12.
17. Kakavand, B., Neveu, J. and Teimourzadeh, A. (2019), Workplace corruption: a resource conservation perspective. *Emerald Publishing Limited*
18. Kaptein, M. (2011). Understanding unethical behavior by unraveling ethical culture. *Human Relations*, 64(6), 843–869.

19. Kaptein, M., (2008), Developing and Testing a Measure for the Ethical Culture of Organizations: The Corporate Ethical Virtues Model, *Journal of Organizational Behavior*, 29 (7), 923-947
20. Lewicki, R. J. and N. Stark, (1996). What is Ethically Appropriate in Negotiations: An Empirical Examination of Bargaining Tactics, *Social Justice Research*, 9(1), 69–95.
21. Mack, S. (2019). *The Effects of Negative Corporate Culture on Ethical Behavior*. Retrieved from: <https://smallbusiness.chron.com/effects-negative-corporate-culture-ethical-behavior-65787.html>
22. Mitchell, M. S., Reynolds, S. J., & Trevino, L. K. (2019). The study of behavioral ethics within organizations: A special issue introduction, *Wiley Periodicals, Inc.*
23. Mulder, L. B., Rink, F., & Jordan, J. (2020). Constraining Temptation: How Specific and General Rules Mitigate the Effect of Personal Gain on Unethical Behavior. *Journal of Economic Psychology*, 102242.
24. Near, J. (2008). Reviewed Work: Dishonest Dollars: The Dynamics of White-Collar Crime by Terry L. Leap. *Administrative Science Quarterly*, 53(1), 185-187.
25. Parboteeah, K.P., Bronson, J.W., & Cullen, J.B. (2005). Does national culture affect willingness to justify ethically suspect behaviors? A focus on the GLOBE national culture scheme. *International Journal of Cross Cultural Management*, 5, 123–138
26. Reinout E. De Vries & Jean-Louis Van Gelder, (2015). Explaining workplace delinquency: The role of Honesty–Humility, ethical culture, and employee surveillance, *The Official Journal of the International Society for the Study of Individual Differences*, 86, 112-116

27. Sandford, N. (2015). *Corporate Culture: The Center of Strong Ethics and Compliance*.
Retrieved from: <https://deloitte.wsj.com/riskandcompliance/2015/01/20/corporate-culture-the-center-of-strong-ethics-and-compliance/>
28. Schein, E. H. (2004). *Organizational Culture and Leadership* (3rd ed.) San Francisco: Jossey-Bass
29. Scott, E.D. and Jehn, K.A. (1999), Ranking rank behaviors: a comprehensive situation-based definition of dishonesty, *Business and Society*, 38 (3), 296-325.
30. Stevens, B. (2007). Corporate Ethical Codes: Effective Instruments For Influencing Behavior. *Journal of Business Ethics*, 78(4), 601–609.
31. Tenbrunsel, A. E., & Smith-Crowe, K. (2008). Ethical Decision Making: Where We've Been and Where We're Going. *The Academy of Management Annals*, 2(1), 545–607.
32. Trevino, L. K. (1986). Ethical decision-making in organizations: A person–situation interactionist model. *Academy of Management Review*, 11(3), 601–617.
33. Trevino, L. K., & Nelson, K. A. (2014). *Managing business ethics* (6th ed.). New York: John Wiley.
34. Treviño, L. K., Butterfield, K. D., & McCabe, D. L. (1998). The ethical context in organizations: Influences on employee attitudes and behaviors. *Business Ethics Quarterly*, 8(3), 447-476
35. Treviño, L. K., Weaver, G. R., & Reynolds, S. J. (2006). Behavioral Ethics in Organizations: A Review. *Journal of Management*, 32(6), 951–990.
36. Vadi, M., & Vissak, T. (2013). The Nature of (Dis)Honesty, its Impact Factors and Consequences. *Advanced Series in Management*, 3–18

37. Victor, B., & Cullen, J. B. (1988). The Organizational Bases of Ethical Work Climates. *Administrative Science Quarterly* 33(1)
38. Vranka, M., Frollová, N., Pour, M., Novakova, J., & Houdek, P. (2019). Cheating Customers in Grocery Stores: A Field Study on Dishonesty. *Journal of Behavioral and Experimental Economics*, 83 (1), 1-7
39. Warren, D. E., Gaspar, J. P., & Laufer, W. S. (2014). Is Formal Ethics Training Merely Cosmetic? A Study of Ethics Training and Ethical Organizational Culture. *Business Ethics Quarterly*, 24(01), 85–117.
40. Wang, Y. , Kleiner, B.H., (2005). Defining employee dishonesty. *Management Research News* 28, 11-22.

Appendices

Appendix A

Corporate Ethical Virtues scale short-form items as described in DeBode et.al., 2013

Dimension	Item
Clarity	<p>1.1 The organization makes it sufficient clear to me how I should conduct myself appropriately towards others within the organization.</p> <p>1.2 The organization makes it sufficiently clear to me how I should deal with confidential information responsibly.</p> <p>1.3 The organization makes it sufficiently clear to me how I should deal with external persons and organizations responsibly.</p> <p>1.4 In my immediate working environment, it is sufficiently clear how we are expected to conduct ourselves in a responsible way.</p>
Congruency of Supervisors	<p>2.1 My supervisor sets a good example in terms of ethical behavior.</p> <p>2.2 My supervisor communicates the importance of ethics and integrity clearly and convincingly</p> <p>2.3 My supervisor does as he/she says</p> <p>2.4 My supervisor is honest and reliable</p>
Congruency of Management	<p>3.1 The conduct of the Board and (senior) management reflects a shared set of norms and values</p> <p>3.2 The Board and (senior) management set a good example in terms of ethical behavior.</p> <p>3.3 The Board and (senior) management communicate the importance of ethics and integrity clearly and convincingly.</p> <p>3.4 The Board and (senior) management would never authorize unethical or illegal conduct to meet business goals.</p>
Feasibility	<p>4.4 I am not asked to do things that conflict with my confidence in my immediate working environment.</p> <p>4.5 I do not have to sacrifice my personal norms and values in order to be successful in my organization.</p> <p>4.6 I have adequate resources at my disposal to carry out my tasks responsibly.</p> <p>4.7 I am not put under pressure to break the rules in my job</p>
Supportability	<p>5.1 In my immediate working environment, everyone has the best interests of the organization at heart.</p> <p>5.2 In my immediate working environment, a mutual relationship of trust prevails between employees and management.</p> <p>5.3 In my immediate working environment, everyone takes the existing norms and standards seriously.</p> <p>5.4 In my immediate working environment, everyone treats one another with respect.</p>
Transparency	<p>6.1 If a colleague does something which is not permitted, someone in the organization will find out about it.</p> <p>6.2 If my manager does something which is not permitted, someone in the organization will find out about it.</p> <p>6.3 In my immediate working environment, adequate checks are carried out to detect violations and unethical conduct</p>

	6.4 Management is aware of the type of incidents and unethical conduct that occur in my my immediate working environment
Discussability	<p>7.1 In my immediate working environment, there is adequate opportunity to discuss unethical conduct.</p> <p>7.2 In my immediate working environment, reports of unethical conduct are taken seriously.</p> <p>7.3 In my immediate working environment, there is ample opportunity for discussing moral dilemmas.</p> <p>7.4 In my immediate working environment, there is adequate opportunity to correct unethical conduct.</p>
Sanctionability	<p>8.1 In my immediate working environment, ethical conduct is valued highly.</p> <p>8.2 In my immediate working environment, ethical conduct is rewarded.</p> <p>8.3 In my immediate working environment, employees will be disciplined if they behave unethically.</p> <p>8.4 If I reported unethical conduct to management, I believe those involved would be disciplined fairly regardless of their position.</p>

Source: DeBode et.al (2013)

Appendix B

Dishonest behavior Survey Items as described in Jaakson et.al., 2017

-
1. Misusing working time (being late, taking longer breaks, shirking, etc.).
 2. Using employer facilities for personal use (phone, computer, printer, etc.).
 3. Hiding truthful information from the customer or giving false information (about the quality of products, delivery terms or the like)
 4. Hiding truthful information from the employer or giving false information (not informing about the breach of norms, falsification of data, etc.).
 5. Stealing employer property (e.g. stealing cash from the counter, snatching goods, etc.).
 6. Cheating the customer financially ('forgetting' the discount, miscalculating the change, etc.).
 7. Intentionally harming or damaging employer property.
 8. Communicating impolitely with the customer (careless, bullying, offensive or other similar verbal or non-verbal behaviour).
 9. Harming the reputation of the employer (e.g. discrediting the employer in the presence of customers, friends or acquaintances).
-

Source: Jaakson et.al, 2017

Appendix C

Normality test for EOC dimensions

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Clarity	.161	103	.000	.865	103	.000
Congruency of Supervisors	.168	103	.000	.877	103	.000
Congruency of Management	.173	103	.000	.947	103	.000
Feasibility	.183	103	.000	.882	103	.000
Supportability	.115	103	.002	.952	103	.001
Transparency	.101	103	.011	.963	103	.005
Discussability	.157	103	.000	.925	103	.000
Sanctionability	.085	103	.042	.972	103	.025

Source: compiled by the author

Appendix D

Normality test for Dishonest behavior dimensions

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
1. Misusing working time	.200	103	.000	.907	103	.000
2. Using employer facilities for personal use	.155	103	.000	.911	103	.000
3. Hiding truthful information from the customer or giving false information	.263	103	.000	.758	103	.000
4. Hiding truthful information from the employer or giving false information	.259	103	.000	.787	103	.000
5. Stealing employer property	.436	103	.000	.509	103	.000
6. Cheating the customer financially	.338	103	.000	.596	103	.000
7. Intentionally harming or damaging employer property	.409	103	.000	.472	103	.000
8. Communicating impolitely with the customer	.290	103	.000	.664	103	.000
9. Harming the reputation of the employer	.340	103	.000	.640	103	.000

Source: compiled by the author

Appendix E

Mann-Whitney U Test mean rank comparison for the “Age” group

	Your Age:	N	Mean Rank	Sum of Ranks	Sig.
Clarity	24 or younger	57	52.57	2996.50	0.828
	25 and older	46	51.29	2359.50	
Congruency of Supervisors	24 or younger	57	54.08	3082.50	0.429
	25 and older	46	49.42	2273.50	
Congruency of Management	24 or younger	57	57.10	3254.50	0.052
	25 and older	46	45.68	2101.50	
Feasibility	24 or younger	57	55.89	3186.00	0.137
	25 and older	46	47.17	2170.00	
Supportability	24 or younger	57	54.71	3118.50	0.303
	25 and older	46	48.64	2237.50	
Transparency	24 or younger	57	55.30	3152.00	0.211
	25 and older	46	47.91	2204.00	
Discussability	24 or younger	57	55.49	3163.00	0.185
	25 and older	46	47.67	2193.00	
Sanctionability	24 or younger	57	53.40	3044.00	0.595
	25 and older	46	50.26	2312.00	

Source: compiled by the author

Appendix F

Mann-Whitney U Test mean rank comparison for the “Gender” group

	Your Gender:	N	Mean Rank	Sum of Ranks	Sig.
Clarity	Male	46	45.41	2089.00	0.043
	Female	57	57.32	3267.00	
Congruency of Supervisors	Male	46	50.95	2343.50	0.746
	Female	57	52.85	3012.50	
Congruency of Management	Male	46	46.58	2142.50	0.096
	Female	57	56.38	3213.50	
Feasibility	Male	46	46.99	2161.50	0.123
	Female	57	56.04	3194.50	
Supportability	Male	46	47.77	2197.50	0.195
	Female	57	55.41	3158.50	
Transparency	Male	46	51.33	2361.00	0.837
	Female	57	52.54	2995.00	
Discussability	Male	46	51.73	2379.50	0.934
	Female	57	52.22	2976.50	
Sanctionability	Male	46	50.29	2313.50	0.601
	Female	57	53.38	3042.50	

Source: compiled by the author

Appendix G

Mann-Whitney U Test mean rank comparison for the “Tenure” group

	I have been working for my current company for:	N	Mean Rank	Sum of Ranks	Sig.
Clarity	Less than 1 year	53	48.03	2545.50	0.162
	More than 1 year	50	56.21	2810.50	
Congruency of Supervisors	Less than 1 year	53	51.58	2734.00	0.884
	More than 1 year	50	52.44	2622.00	
Congruency of Management	Less than 1 year	53	49.91	2645.00	0.461
	More than 1 year	50	54.22	2711.00	
Feasibility	Less than 1 year	53	51.82	2746.50	0.950
	More than 1 year	50	52.19	2609.50	
Supportability	Less than 1 year	53	50.48	2675.50	0.593
	More than 1 year	50	53.61	2680.50	
Transparency	Less than 1 year	53	50.46	2674.50	0.589
	More than 1 year	50	53.63	2681.50	
Discussability	Less than 1 year	53	51.26	2717.00	0.796
	More than 1 year	50	52.78	2639.00	
Sanctionability	Less than 1 year	53	49.83	2641.00	0.447
	More than 1 year	50	54.30	2715.00	

Source: compiled by the author

Appendix H

Mann-Whitney U Test mean rank comparison for the “Location” group

	I work at the office which is located in:	N	Mean Rank	Sum of Ranks	Sig.
Clarity	Estonia	49	52.22	2559.00	0.942
	Outside of Estonia	54	51.80	2797.00	
Congruency of Supervisors	Estonia	49	57.43	2814.00	0.077
	Outside of Estonia	54	47.07	2542.00	
Congruency of Management	Estonia	49	50.21	2460.50	0.561
	Outside of Estonia	54	53.62	2895.50	
Feasibility	Estonia	49	56.26	2756.50	0.165
	Outside of Estonia	54	48.14	2599.50	
Supportability	Estonia	49	54.32	2661.50	0.451
	Outside of Estonia	54	49.90	2694.50	
Transparency	Estonia	49	50.61	2480.00	0.652
	Outside of Estonia	54	53.26	2876.00	
Discussability	Estonia	49	52.26	2560.50	0.934
	Outside of Estonia	54	51.77	2795.50	
Sanctionability	Estonia	49	50.56	2477.50	0.641
	Outside of Estonia	54	53.31	2878.50	

Source: compiled by the author

Appendix I

Kruskal-Wallis median comparison test for “Working Sector” group

		Accountanc y, Banking & Finance	Business, Consultin g & Law	Informati on Technolo gy	Marketing & Sales	Others	Teaching & Education	Sig.
Clarity	> Median	7	4	8	5	2	12	0.011
	<=	6	14	11	10	15	6	
	Median							
Congruency of Supervisors	> Median	8	8	9	6	7	9	0.883
	<=	5	10	10	9	10	9	
	Median							
Congruency of Management	> Median	4	2	8	6	6	8	0.311
	<=	9	16	11	9	11	10	
	Median							
Feasibility	> Median	6	4	11	6	7	9	0.371
	<=	7	14	8	9	10	9	
	Median							
Supportabilit y	> Median	7	5	9	5	6	9	0.593
	<=	6	13	10	10	11	9	
	Median							
Transparency	> Median	9	6	7	7	8	7	0.430
	<=	4	12	12	8	9	11	
	Median							
Discussabilit y	> Median	7	9	8	6	5	11	0.506
	<=	6	9	11	9	12	7	
	Median							
Sanctionabilit y	> Median	7	7	6	5	8	10	0.608
	<=	6	11	13	10	9	8	
	Median							

Source: compiled by the author

Appendix J

Mann-Whitney U test, mean ranks of Dishonest Behavior dimensions for group "Age"

	Your Age:	N	Mean Rank	Sum of Ranks	Sig
1. Misusing working time	24 or younger	57	48.09	2741.00	0.131
	25 and older	46	56.85	2615.00	
2. Using employer facilities for personal use	24 or younger	57	48.67	2774.00	0.202
	25 and older	46	56.13	2582.00	
3. Hiding truthful information from the customer or giving false information	24 or younger	57	47.93	2732.00	0.100
	25 and older	46	57.04	2624.00	
4. Hiding truthful information from the employer or giving false information	24 or younger	57	45.54	2595.50	0.009
	25 and older	46	60.01	2760.50	
5. Stealing employer property	24 or younger	57	47.05	2682.00	0.011
	25 and older	46	58.13	2674.00	
6. Cheating the customer financially	24 or younger	57	50.28	2866.00	0.449
	25 and older	46	54.13	2490.00	
7. Intentionally harming or damaging employer property	24 or younger	57	48.47	2763.00	0.079
	25 and older	46	56.37	2593.00	
8. Communicating impolitely with the customer	24 or younger	57	46.70	2662.00	0.026
	25 and older	46	58.57	2694.00	
9. Harming the reputation of the employer	24 or younger	57	47.59	2712.50	0.054
	25 and older	46	57.47	2643.50	

Source: compiled by the author

Appendix K

Mann-Whitney U test, mean ranks of Dishonest Behavior dimensions for group "Gender"

	Your Gender:	N	Mean Rank	Sum of Ranks	Sig
1. Misusing working time	Male	46	54.55	2509.50	0.426
	Female	57	49.94	2846.50	
2. Using employer facilities for personal use	Male	46	53.52	2462.00	0.638
	Female	57	50.77	2894.00	
3. Hiding truthful information from the customer or giving false information	Male	46	57.40	2640.50	0.078
	Female	57	47.64	2715.50	
4. Hiding truthful information from the employer or giving false information	Male	46	55.28	2543.00	0.287
	Female	57	49.35	2813.00	
5. Stealing employer property	Male	46	56.10	2580.50	0.091
	Female	57	48.69	2775.50	
6. Cheating the customer financially	Male	46	54.45	2504.50	0.384
	Female	57	50.03	2851.50	
7. Intentionally harming or damaging employer property	Male	46	55.71	2562.50	0.137
	Female	57	49.01	2793.50	
8. Communicating impolitely with the customer	Male	46	56.46	2597.00	0.130
	Female	57	48.40	2759.00	
9. Harming the reputation of the employer	Male	46	52.77	2427.50	0.786
	Female	57	51.38	2928.50	

Source: compiled by the author

Appendix L

Mann-Whitney U test, mean ranks of Dishonest Behavior dimensions for group “Tenure”

	I have been working for my current company for:	N	Mean Rank	Sum of Ranks	Sig.
1. Misusing working time	Less than 1 year	53	51.97	2754.50	0.992
	More than 1 year	50	52.03	2601.50	
2. Using employer facilities for personal use	Less than 1 year	53	50.18	2659.50	0.519
	More than 1 year	50	53.93	2696.50	
3. Hiding truthful information from the customer or giving false information	Less than 1 year	53	59.11	3133.00	0.008
	More than 1 year	50	44.46	2223.00	
4. Hiding truthful information from the employer or giving false information	Less than 1 year	53	54.61	2894.50	0.331
	More than 1 year	50	49.23	2461.50	
5. Stealing employer property	Less than 1 year	53	54.03	2863.50	0.338
	More than 1 year	50	49.85	2492.50	
6. Cheating the customer financially	Less than 1 year	53	55.90	2962.50	0.112
	More than 1 year	50	47.87	2393.50	
7. Intentionally harming or damaging employer property	Less than 1 year	53	56.98	3020.00	0.022
	More than 1 year	50	46.72	2336.00	
8. Communicating impolitely with the customer	Less than 1 year	53	54.08	2866.00	0.419
	More than 1 year	50	49.80	2490.00	
9. Harming the reputation of the employer	Less than 1 year	53	56.66	3003.00	0.060
	More than 1 year	50	47.06	2353.00	

Source: compiled by the author

Appendix M

Mann-Whitney U test, mean ranks of Dishonest Behavior dimensions for group “Location”

	I work at the office which is located in:	N	Mean Rank	Sum of Ranks	Sig.
1. Misusing working time	Estonia	49	49.91	2445.50	0.490
	Outside of Estonia	54	53.90	2910.50	
2. Using employer facilities for personal use	Estonia	49	46.64	2285.50	0.049
	Outside of Estonia	54	56.86	3070.50	
3. Hiding truthful information from the customer or giving false information	Estonia	49	48.88	2395.00	0.280
	Outside of Estonia	54	54.83	2961.00	
4. Hiding truthful information from the employer or giving false information	Estonia	49	49.36	2418.50	0.363
	Outside of Estonia	54	54.40	2937.50	
5. Stealing employer property	Estonia	49	50.00	2450.00	0.382
	Outside of Estonia	54	53.81	2906.00	
6. Cheating the customer financially	Estonia	49	50.85	2491.50	0.664
	Outside of Estonia	54	53.05	2864.50	
7. Intentionally harming or damaging employer property.	Estonia	49	49.60	2430.50	0.307
	Outside of Estonia	54	54.18	2925.50	
8. Communicating impolitely with the customer	Estonia	49	49.01	2401.50	0.281
	Outside of Estonia	54	54.71	2954.50	
9. Harming the reputation of the employer	Estonia	49	49.97	2448.50	0.449
	Outside of Estonia	54	53.84	2907.50	

Source: compiled by the author

Appendix N

Kruskal-Wallis median test comparisons for Dishonest Behavior dimensions, group
“Working Sector”

		Accountancy, Banking & Finance	Business , Consulting & Law	Information Technology	Marketing & Sales	Others	Teaching & Education	Sig.
1. Misusing working time	> Median	7	6	7	5	8	10	0.631
	<= Median	6	12	12	10	9	8	
2. Using employer facilities for personal use	> Median	5	7	9	8	10	8	0.835
	<= Median	8	11	10	7	7	10	
3. Hiding truthful information from the customer or giving false information	> Median	3	7	3	7	6	1	0.066
	<= Median	10	11	16	8	11	17	
4. Hiding truthful information from the employer or giving false information	> Median	5	6	3	7	5	5	0.512
	<= Median	8	12	16	8	12	13	
5. Stealing employer property	> Median	4	5	4	4	3	4	0.961
	<= Median	9	13	15	11	14	14	
6. Cheating the customer financially	> Median	6	11	6	7	3	5	0.107
	<= Median	7	7	13	8	14	13	
7. Intentionally harming or damaging employer property	> Median	3	5	5	6	3	3	0.689
	<= Median	10	13	14	9	14	15	
8. Communicating impolitely with the customer	> Median	8	9	6	9	7	7	0.456
	<= Median	5	9	13	6	10	11	
9. Harming the reputation of the employer	> Median	8	7	6	7	7	4	0.331
	<= Median	5	11	13	8	10	14	

Source: compiled by the author

Non-exclusive licence to reproduce thesis and make thesis public

I, GIORGI GIOSHVILI

1. herewith grant the University of Tartu a free permit (non-exclusive licence) to

reproduce, for the purpose of preservation, including for adding to the DSpace digital archives until the expiry of the term of copyright,

ETHICAL ORGANIZATIONAL CULTURE AND EMPLOYEE DIHONEST BEHAVIOR

supervised by Krista Jaakson

2. I grant the University of Tartu a permit to make the work specified in p. 1 available to the public via the web environment of the University of Tartu, including via the DSpace digital archives, under the Creative Commons licence CC BY NC ND 3.0, which allows, by giving appropriate credit to the author, to reproduce, distribute the work and communicate it to the public, and prohibits the creation of derivative works and any commercial use of the work until the expiry of the term of copyright.
3. I am aware of the fact that the author retains the rights specified in p. 1 and 2.
4. I certify that granting the non-exclusive licence does not infringe other persons' intellectual property rights or rights arising from the personal data protection legislation.

GIORGI GIOSHVILI

01/02/2021