

The Effect of Leader-Member Exchange Quality on Unethical Behaviors: The Mediating Role of Followers' Moral Emotions

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Abstract

This study examines the mediating influence of ethical emotions in the relationship between the leader-member exchange (LMX) and unethical behaviors. The survey of this study is conducted on 208 middle-level employees in Istanbul, Turkey. Our results reveals that the most frequent emotions that employees encounter are empathy, joy, pride and gratitude which shows us positive emotions are more common at workplace. Our results revealed that LMX has a negative significant effect on unethical behavior. By testing our hypothesis we found that empathy and joy mediate the relationship between LMX and unethical behaviors while pride and gratitude found to have no statistically significant effect on this relationship.

1. Introduction

A leader's attitude seems to have a great influence on several work related outcomes. Mardanov (2008) suggest that positive attitude of leader toward their members improves employee attitudes toward work, leader, and the organization. On the contrary a poor relationship between leader and member may give harm to organizational commitment or job satisfaction. Therefore leader-member exchange quality is being recognized as a critical component for organizational success.

While most of the leadership theories focus on traits of the individual leader, LMX theory considers both parties and defines the quality of the relationships between leaders and followers. Leadership theories imply that a leader displays the same style to all subordinates; LMX approach argues that leaders develop relationships with different qualities and this situation effects individual and organizational outcome (Martin et al.2005). Dansereau et.al (1973) called this different approach "the vertical dyad linkage (VDL) theory" and later was renamed as leader member exchange theory by Graen et al. (1982) (Dienesch and Liden, 1986). This theory mainly deals with the quality of the exchange relationship between a leader and members (Breukelen et al., 2006). Research results revealed that personality (Bernerth et al., 2008) and locus of control (Martin 2005) effect LMX quality. Bernerth et al. (2008) conclude that personality similarities facilitate higher quality LMX. However; most of the studies focus on organizational outcomes of LMX such as job satisfaction (Mardanov et al., 2008), organizational citizenship behavior (Deluga, 1994; Greguras and Ford, 2010), satisfaction with supervisor, organizational commitment, job involvement, in-role job performance (Greguras and Ford, 2010), employee involvement (Brandes et al.2004) and work-related well-being (Martin et al., 2005).

Recently, there has been lots of empirical research seeking to understand the influence of leaders on building ethical work practices and employee behaviors. Some researchers have attempted to explain with the concept of ethical leadership (such as Brown et al., 2005; Brown and Treviño, 2006; Brown and Mitchell, 2010). Others tried to explain the relationship between organizational life and unethical behavior (Posner and Schmidt, 1987). Some examples of unethical behavior is to try to hide own mistakes, to claim others' success, (Zey-Ferrell et al., 1979), personal usage of office material, taking office material home, making personal calls via office phone, using office car for personal trips (1990), to act contrary to customer interest in order to save supervisor, obeying supervisor's command even if he or she thinks they're unethical, avoiding coordination in order to prevent co-worker from success (Wahn, 1993), disregarding rules willfully, to criticize or argue with colleagues, hurting colleagues on purpose, to give harm to supervisor's property or goods (Robinson and O'leary-Kelly, 1998).

In order to explain unethical behaviors antecedents some researchers discuss the role of moral emotions. Tangney et al. (2007) assumed that guilt and shame are painful emotions in order to motivate people to avoid doing wrong. Embarrassment is mentioned to be less relevant to moral behavior but then again he states that to avoid it people will be prone to adhere to accepted moral standards.

Moral emotions are defined by Haidt (2003) as "...those emotions that are linked to the interests or welfare either of society as a whole or at least of persons other than the judge or agent." According to Haidt (2003) the key word for moral emotions is "going beyond the direct interests of the self" and the more an emotion tends to be triggered by disinterested elicitors (such as tragedies, and transgressions that do not directly touch the self) the more it can be considered a prototypical moral emotion. To explain it more clearly Haidt (2003) creates a mythical Homo economicus. This creature is defined as *someone who cares only about her own well-being and who cooperates with others only to the extent that she expects a positive net payoff from the transaction. Homo economicus would retaliate only if she thought that the benefits of retaliation outweighed the*

costs. And she would have no affective reactions when good or bad things happened to other people. So Haidt (2003) makes an alternative definition of moral emotions as “...the difference between the emotional life of *Homo sapiens* and the emotional life of *Homo economicus*.”

In organizations, leaders are said to be responsible of controlling employees’ unethical behaviors and emotions (Trevino and Brown, 2004). As such the aim of this study is to investigate the effect of LMX on unethical behaviors and the mediating effect of moral emotions on this relationship.

Therefore, the main contribution of this study is to increase our understanding in terms of role of emotions in organizations. Also we aim to reveal the factors that lead to unethical behavior through the feelings caused by LMX. Accordingly the effect of LMX on coworkers' emotions and behaviors is examined. The research model can be seen below in figure 1;

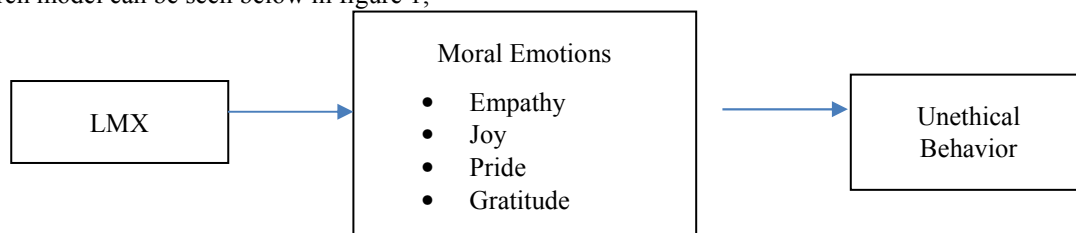


Figure 1. Research Model

The article proceeds in the following manner; first literature review is presented and then the method and the analytical procedures are explained. Finally, we provide the research findings and discuss their managerial and theoretical implications.

2. Leader-Member Exchange Theory and Unethical Behaviors

The theoretical foundation of LMX has been built using role theory. (Graen, 1976 in Liden and Maslyn 1998). Graen (1976) points that “organizational members accomplish their works through roles.” Therefore Dienesch and Liden (1986) conclude that it is necessary to understand nature of roles and their development and definition process. According to them supervisor is the key element in role definition process due to the hierarchical structure of organizations and formal sanctions. Graen (1976) also suggest that interpersonal exchange relationship between member and leader modifies the roles. The role of subordinate is determined through this “interpersonal exchange relationship” (Dienesch and Liden, 1986).

The LMX is operationalization of the described role making process. LMX suggests that role defining process will end up with differentiated roles that are primarily result of time limitation of leaders. Because of time pressures leaders will be able to develop close relationships with only a few subordinates (Graen, 1976 in Dienesch and Liden and 1986). Some leaders develop high-quality relationships with some subordinates (high LMX differentiation), while other leaders tend to enjoy more steady relationships across multiple members (low LMX differentiation) (Liden et al., 2006; Ma and Qu, 2010).

LMX is also considered as one of the two major social exchange relationships. First of the social exchange relationship is considered as the one with the leader that is LMX and the other is the employee’s relationship with organization which is called perceived organizational support (Brandes et al.2004). Leader-Member Exchange (LMX) theory indicates that a leader has a unique relationship with each member and will employ different styles in interacting with them (Liden and Maslyn 1998). These different interactions fall under two main categories: in-group and out-group. Leaders’ relationships with those who are members of out-group are based strictly on employment contracts. Conversely leader’s relationship with in-group members is based on mutual trust, respect, liking and reciprocal influence (Dansereau, et al., 1975). In terms of theory, it is argued that although role theory has provided the framework for LMX research, much can be gained by introducing concepts from social exchange theory. Social exchange relationships developed from interactions between leaders and their subordinates. In this relationship there is mutual benefits derived from the exchanges between these parties (Blau, 1964).

LMX relationships theoretically develop and operate in nearly the same way that social exchange relationships do, such that successful LMX relationships develop first from basic economic exchanges characterized by little trust to advanced social exchange relationships characterized by trust (Gerstner and Day, 1997; Hansen, 2011). Leader decision whether a member will be an in-group or out-group member is based on role making process where performance of the member will be decisive. If member is able to establish a trust based relationship with leader than leader in turn will provide member with more information, challenging task assignments, and autonomy, which means being an in-group member (Graen and Scandura, 1987 in Liden and Maslyn 1998). As such in-group membership is preferred by members; due to provided privileges and preferential treatment (Gerstner and Day, 1997). In contrast it is possible that feelings of unfairness and second-class status are likely to be aroused among lower-quality exchange subordinates who are out-group members

(Bass 1990; Yukl, 1994 in Deluga 1994). However Deluga's (1994) research findings revealed no support for relationship between perceived fairness and LMX quality. Despite this finding the researcher concludes that envy is likely to emerge between lower-quality LMX subordinates.

Although empirical research has demonstrated that strong social exchange relationship between leaders and their subordinates result in numerous positive subordinate attitudinal and behavioral outcomes (i.e. Shore et al., 2006; Hansen, 2011; Chernyak-Hai and Tziner, 2012; Ilies et al., 2007; Podsakoff et al., 2000), however there is also some negative outcomes such as unethical behaviors (Liu, Lin, and Hu, 2013) and counterproductive work behavior (Chernyak-Hai and Tziner, 2014).

Terms such as unethical behavior (Jones, 1990), deviant behavior (Robinson and Bennett, 1995), dysfunctional behavior (Griffin et al., 1998), counterproductive work behavior (e.g., Fox and Spector, 1999), anti-social behavior (e.g., Robinson et al., 1998) or organizational misbehavior (e.g., Vardi and Wiener, 1996) have been used the concepts of unethical behavior.

Based on the above discussion, we suggest that LMX due to social exchange theory will have a negative effect on unethical behavior. That means when an employee has a good interaction with supervisor he or she is prone to act ethically to pay back. Therefore we put forward our first hypothesis:

Hypothesis 1: Leader-member exchange quality will be negatively related to employees' unethical behaviors.

3. Leader-Member Exchange Theory and Moral Emotions

It is important that we understand the moral emotions because they have an important influence on moral behavior and decisions (Tangney et al., 2007; Bracht and Regner 2013; Vitell et al., 2013).

Haidt (2003) divides emotions into two large and two small families. The large families are called "other-condemning" family which contain emotions such as contempt, anger and disgust (and more such as indignation and loathing), and the "self-conscious" family that involve emotions like shame, embarrassment and guilt. Two smaller families are "other-suffering" family (compassion) and the "other-praising" family (gratitude and elevation).

Tangney et al. (2007) also classifies moral emotions as self-conscious (shame, guilt, pride and embarrassment) and other oriented emotions that are positive (elevation, gratitude and empathy) and negative (anger, contempt and disgust). He states that self-conscious emotions are evoked by self-reflection and self-evaluation. He explains that these emotions function as an emotional moral barometer, and they provide us with immediate and salient feedback on our social and moral acceptability. For example when one sins feelings of shame, guilt, or embarrassment are likely to be felt. Conversely if one "does the right thing," results are likely to be positive feelings of pride and self-approval. The last self-conscious moral emotion that is pride is also said to have a positive effect on moral behaviors for doing so will result with enhanced self-worth. Negative emotions that are anger, contempt and disgust that are named as other-focused emotions are expected to affect moral emotions with anger to have the strongest effect. Lastly positive emotions like elevation, gratitude and empathy are also discussed with regard to their impact in moral behaviors (Tangney et al., 2007). For example it is found that subordinates who experienced low-quality LMX perceived less distributive and procedural fairness and justice than those who experienced high-quality LMX (Scandura, 1999; Lee, 2001; Schminke, Cropanzano and Rupp 2002).

Previous research has demonstrated that LMX has strong implications for employees' work attitudes and behaviors (see Gerstner and Day, 1997; Ilies, Nahrgang and Morgeson, 2007; Rockstuhl, Dulebohn, Ang and Shore, 2012). Leaders are also capable of triggering negative or positive emotions among their followers. In particular, employees recall more negative than positive events of their leaders, and also the negative memories associated with the feelings are more intense than those experienced with positive memories (Dasborough, 2006; Brown and Mitchell, 2010). Based on the above discussion, we put forward our second hypothesis:

Hypothesis 2: LMX will have a positive effect on positive moral emotions.

Hypothesis 2a: LMX will have a positive effect on empathy.

Hypothesis 2b: LMX will have a positive effect on joy.

Hypothesis 2c: LMX will have a positive effect on pride.

Hypothesis 2d: LMX will have a positive effect on gratitude.

4. Moral Emotions and Unethical Behavior

Emotions are a critical component of any decision (Schwarz, 2000). Moral emotions provide ethical behavior because they support people behave according to the acceptable standards of right and wrong (Cohen et al., 2011). Within the past decade, the important role of moral emotions play in the moral decision-making process has gained appreciation. Moral emotions provide the motivational force to do good and to avoid doing bad (Kroll and Egan 2004 in Tangney et al. 2007). However little is known about the effect of emotions on ethical behaviors or emotions that prevent or promote ethical behaviors (Gaudine and Thorne, 2001).

Unethical behavior is harmful behavior that is considered illegal or unacceptable by the public (Jones,

1991). There are various reasons for behaving in an unethical manner, such as referent others, working pressure, goal setting, and role conflict (Liu, Liu and Hu, 2013) or organizational culture (e.g. Gray and Saks, 2005) and also organizational climate (Zey-Ferrell, Weaver and Ferrell, 1979; Trevino, 1986 Wahn, 1993; Denison, 1996; Collier and Esteban, 2007).

In this study we investigate a new variable as an antecedent of unethical behavior that is moral emotions. Considering all of the before mentioned emotions, the most studied moral emotions are guilt and shame (Tangney et al. 2007). For example Bracht and Regner (2013) have found a correlation between guilt proneness and pro-social behavior while shame had no significant effect on pro-social behavior. Another study that investigated anger and fear as moral emotions found that anger inhibited ethical decision making and fear facilitated ethical decisions compared to anger. Researchers conclude that ethical decision making process is not a rational process and it is influenced by emotions (Klignyte et al., 2013).

Research on unethical behavior in organizations has shown that employees may engage in unethical acts to benefit themselves, to retaliate against the organization or to harm co-workers (Wilks, 2011). Some studies have found that perceptions of unfairness are related to negative outcomes such as theft or using company property for personal purposes, (e.g., Tomlinson and Greenberg, 2006). Research findings have also found a positive association between frustration, anger and deviance (Fox and Spector, 1999), guilt proneness (Cohen et al., 2011)

Scholars in social psychology agree that the process from moral standards/norms to actual behavior is influenced in important ways by moral emotions (see, among others, Eisenberg, 2000; Tangney and Dearing, 2002; Tangney et al., 2007; Othman, Ee and Shi, 2010; Bracht and Regner, 2013). When a subordinate feels positively about his or her supervisor, he or she will increase affirmative behaviors, such as organizational citizenship behavior (OCB; Dirks and Ferrin, 2002), and decrease his/her negative behaviors such as revenge (Liden et al, 1997; Liu, Liu and Hu, 2013). Unethical behavior triggers negative feelings, such as guilt, shame, and anxiety (DePalma, Madey and Bornschein, 1995; Eisenberg, 2000; Massi, 2005). In addition, individuals tend to both mispredict and misremember unethical behavior (Tenbrunsel et al., 2010; Ruedy et al., 2013). Only the limited studies have been conducted to understand how moral emotions are related to unethical behaviors (Gaudine and Thorne, 2001; Klignyte et al., 2013; Vitell, 2013; Sias, 2014). Based on the above discussion, we put forward our third hypothesis and our sub-hypothesis of 3.

Hypothesis 3: Moral emotions will mediate the relationship between LMX and unethical behavior.

Hypothesis 3a: Empathy will mediate the relationship between LMX and unethical behavior.

Hypothesis 3b: Joy will mediate the relationship between LMX and unethical behavior.

Hypothesis 3c: Pride will mediate the relationship between LMX and unethical behavior.

Hypothesis 3d: Gratitude will mediate the relationship between LMX and unethical behavior.

5. Methodology

5.1. Sample

The purpose of this study is to examine the mediating influence of ethical emotions in the relationship between the leader-member exchange and unethical behaviors. In order to analyze the hypotheses, the survey using questionnaires was conducted on middle-level employees in Istanbul, Turkey. 208 middle-level employees from private sector participated in the study, 38 of which was found to be invalid, as a result 170 questionnaires were included in the analysis (n=170). We used an online anonymous survey method. Participants included 89 men and 81 women, whose average age was 28 and average work experience was 3 years. With respect to tenure, approximately 55% had been working for their organization for over one year but less than three years, 20% for between three and six years, and 10% for over six years. Only % 15 of the participants had been working with their present supervisors for less than one year. % 53.5 of participants is from small and medium sized firms and %46.5 from large sized firms. Data obtained from questionnaires was analyzed through the SPSS statistical packet software (v.16) and proposed relations were tested through analyses.

5.2. Scales

Leader-Member Exchange Quality (LMX): The measure developed by Graen, Liden & Hoel (1982) is used to determine the perception of employees about leader-member exchange quality. 12-item leader member exchange scale developed by Liden and Maslyn's (1998) was used to measure participants perceived relationship quality with their managers. Participants used a 5-point scale from 1 (completely disagree) to 5 (completely agree). The Cronbach's alpha for the scale in this study was 0.909. For leader member exchange quality Keiser-Meyer-Olkin (KMO) value was 0.843 exceeding the recommended value of .50 and Bartlett's test of sphericity correlation matrix was significant at 1,202E3. The scale was reliable and valid.

Unethical behaviors. A 23-item unethical behaviors in workplace scale was developed for this research that gathered 7 items from Zey-Ferrell et al.'s (1979), 4 items from Jones' (1990), 5 items from Bennett & Robinson's (2000) and Spencer et al.'s (2006), and 7 items from Robinson & O'leary-Kelly's (1998) scales. For

each item, respondents reported how often they engaged in each behavior (1 completely disagree to 5 completely agree). The Cronbach's alpha for the scale in this study was 0.812. For unethical behaviors Keiser-Meyer-Olkin (KMO) value was 0,727 and Bartlett's test of sphericity correlation matrix was significant at 552,896. The scale was reliable and valid.

Ethical Emotions. In this study ethical emotions defined by Haidt (2003) as contempt, anger, disgust, shame, guilt, compassion, gratitude, elevation and ethical emotions defined by Lewis (2011) as fear, joy, empathy and pride are included. Except these emotions injustice, disappointment and regret were also added. Participants were asked to rate each emotion they felt in the workplace to the extent of its density by a 6-point rating scales (from 0: Never felt this emotion to 5: Felt this emotion so intense). However; we excluded most of the emotions due to very low frequencies meaning they were very rarely felt at workplace. Thus, only empathy, joy, pride and gratitude were included in the analysis.

6. Results

Table 1 summarizes the means, standard deviations, and correlations among the study variables. The constructs showed meaningful patterns of correlations. Leader member exchange was correlated negatively with unethical behaviors and positively with empathy, joy, pride and gratitude. Unethical behavior was negatively correlated with empathy and joy and was not significantly correlated with pride and gratitude. All the ethical emotions were found to be positively correlated with each other.

Table 1: Means, Deviations and Correlations among the Variables

<i>Variables</i>	<i>Mean</i>	<i>SD</i>	<i>LMX</i>	<i>Empathy</i>	<i>Joy</i>	<i>Pride</i>	<i>Gratitude</i>	<i>Unethical Behaviors</i>
LMX	3,67	,69	1					
Empathy	2,88	1,54	,503**	1				
Joy	3,24	1,42	,550**	,401**	1			
Pride	2,21	1,73	,268**	,279**	,235**	1		
Gratitude	2,45	1,68	,419**	,332**	,360**	,200**	1	
Unethical behaviors	1,78	,51	-,243**	-,268**	-,295**	-,030	,097	1

Note. N = 170. LMX=Leader Member Exchange * Significant at $p < .05$. **Significant at $p < .01$.

6.1. The Mediating Role of Empathy

Mediating role of emotions were tested accordingly with Baron and Kenny's (1986). In order to test the mediating effect of moral emotions we conducted regression analyses as follows;

-First the effect of LMX on unethical behavior is examined.

-Secondly four independent regression analyses were run to test the effect of LMX on moral emotions that are empathy, joy, pride and gratitude.

-As the last step to test the effect of both LMX and moral emotions on unethical behavior, we conducted four more regression analyses. Results of the two first steps are presented in table 2 and the last step on table 3.

In Hypothesis 1 we predicted that LMX would be negatively related to unethical behavior. As can be seen in Table 2, LMX has a negative effect on unethical behavior ($\beta = -,243$; $p < .01$). Hypothesis 1 was therefore confirmed.

In order to test the mediating role of moral emotions four separated regression analyses were conducted. Results of the analyses are presented on table 2 altogether. As can be seen LMX has a positive effect on empathy ($\beta = ,503$; $p < .001$). This result supports our Hypothesis 2a: LMX will have a positive effect on empathy.

According to results presented in table 2 LMX has a statistically significant positive effect on joy ($\beta = ,550$; $p < .001$). Therefore our Hypothesis 2b: LMX will have a positive effect on joy is also supported. Third regression analysis result also reveal that LMX has a positive significant effect on pride ($\beta = ,268$; $p < .001$). This result supports our Hypothesis 2c: LMX will have a positive effect on pride.

Lastly we can see that LMX has a significantly positive effect on gratitude ($\beta = ,419$; $p < .000$). This findings support our last Hypothesis regarding the effect of LMX on ethical emotions that is: Hypothesis 2d: LMX will have a positive effect on gratitude. When results of regression analysis that examined the effect of LMX on ethical emotions considered together they support our second main hypothesis: Hypothesis 2: LMX will have a positive effect on positive moral emotions.

Table 2: The effect of leader member exchange on unethical behavior and moral emotions

	Unethical Behavior	Empathy	Joy	Pride	Gratitude
	β	β	β	β	β
LMX	-,243**	,503***	,550***	,268***	,419***
R ²	,059	,253	,303	,072	,176
Adj. R ²	,053	,299	,249	,066	,171
F	10,529**	56,908***	73,036***	13,025***	35,831***

* $p < .05$; ** $p < .01$; *** $p < .001$

As the last step of testing the mediating role of moral emotions, effects of both LMX and empathy, joy, pride and gratitude on unethical behavior is investigated. Results are presented on table 3. As can be seen in table 3, results of regression analyses regarding LMX and empathy reveal that LMX's statistical effect on unethical behavior has disappeared ($p > .05$). This result show that empathy has a mediating role between LMX and unethical behavior. This result supports our *Hypothesis 3a: Empathy will mediate the relationship between LMX and unethical behavior.*

The results for the effect of LMX and joy on unethical behavior show that the effect of LMX disappears when joy is added as an independent variable ($p > .05$). Results support our assumption that joy mediates the relationship between LMX, unethical behavior. Therefore our hypothesis that is *Hypothesis 3b: Joy will mediate the relationship between LMX and unethical behavior* supported.

In table 3 it can be seen that when both pride and LMX is added as independent variables, pride is found to have no statistically significant effect on unethical behavior ($p > 0,05$). Therefore pride is found to have no mediating role between LMX and unethical behavior. Therefore our *Hypothesis 3c: Pride will mediate the relationship between LMX and unethical behavior* was rejected.

Lastly when we look at the results of effect of LMX and gratitude on unethical behavior we see that the effect of LMX is permanent ($\beta = -,344$; $p < .000$). Therefore gratitude also is not a mediating variable. This result shows that our *Hypothesis 3d: Gratitude will mediate the relationship between LMX and unethical behavior* is also rejected. Considering the results of the analyses regarding mediating role of ethical emotions we may state that our third main hypothesis is partly supported: *Hypothesis 3: Moral emotions will mediate the relationship between LMX and unethical behavior.*

Table 3: The effect of leader member exchange and moral emotions on unethical behavior

	Unethical Behavior			
	β	β	β	β
LMX	-,144			
Empathy	-,196*			
LMX		-,115		
Joy		-,231**		
LMX			-,253**	
Pride			,038	
LMX				-,344***
Gratitude				,241*
R ²	,253	,096	,060	,107
Adj. R ²	,077	,085	,049	,096
F	8,012***	8,899***	5,357**	9,987***

* $p < .05$; ** $p < .01$; *** $p < .001$

7. Conclusion

In this study we aimed to reveal the importance of emotions taken as moral emotions at workplace. We proposed a model in which moral emotions act as mediator in the relationship between LMX and unethical behavior. The first interesting finding of this study is, although we aimed to test several roles of emotions, only few moral emotions were frequently felt in our sample. This results show that the moral emotions should be studied at certain sectors or professions that enables employees to feel and deal with moral emotions frequently. However;

our four moral emotions that are empathy, joy, pride and gratitude are good signs that our sample mostly experiences positive emotions. This study provides us with deeper understanding of the role emotions and its consequences.

Results partly supported our research model and show that all LMX has a significant positive effect on the all four moral emotions. One of the contributions of this study is to verify that the quality of relationship is relevant with experienced feelings. Feelings are important because they may lead to action, which is in this study taken as unethical behavior. Here we put forth that emotions can be aroused by interaction with supervisor. This finding is important because to control the actions and deeds of employees it is important to control their feeling and moods.

The main contribution of this study is to show that the mediating role of ethical emotions in the relationship between LMX and unethical behavior. Our analyses results revealed that empathy and joy mediate the relationship between LMX and unethical behavior. However; pride and gratitude found to have no mediating effect. This result is also important that all the moral emotions are not the same and their consequences vary. This is the reason that there are lots of classifications regarding moral emotions, such as positive and negative.

To compare our findings to the previous literature, firstly the findings regarding the negative relationship between LMX and unethical behavior is in line with Mardanov's (2008) suggestion that positive attitude of leader toward their members will improve employee's attitudes toward work, leader, and the whole organization. Also, this result is similar to Gerstner and Day (1997), Ilies, Nahrgang and Morgeson (2007), Rockstuhl, Dulebohn, Ang and Shore (2012) whose researches findings reveal that LMX has strong implications for employees' work attitudes and behaviors. The finding also supports the social exchange theory that is good interactions will lead those engaged in this interaction to feel obligation to pay back or do good to each other, and in workplace this can be observed in supervisor-subordinate relationship. The effect of this good interaction is put forward by Shore et al. (2006); Hansen, (2011), Chernyak-Hai and Tziner, (2012); Ilies et al. (2007) and Podsakoff et al. (2000). In addition to our findings are in accordance with Liu, Lin, and Hu (2013) who revealed the negative relationship between supervisor-subordinate interaction and unethical behaviors.

Another analyses result of current study shows that empathy and joy have a negative effect on unethical behavior. This result is also congruent with Tangney et al. (2007), Bracht and Regner (2013) and Vitell et al.'s (2013) suggestions that moral emotions have an important influence on moral behavior and decisions. Results of the relationship between moral emotions and unethical behavior partly support Cohen et al. (2011) suggestion that moral emotions provide ethical behaviors. Two of the included moral emotions which are pride and gratitude did not show a positive effect on unethical behavior. By these findings we also add to literature and support Kligyte et al.'s (2013) that ethical decision making process is not a rational process and it is influenced by emotions. Also Eisenberg (2000), Tangney and Dearing (2002), Tangney et al. (2007), Othman, Ee and Shi (2010), Bracht and Regner (2013) who claim that moral emotions influence actual behaviors are supported.

Consequently, our research model is partly supported. There are several limitations as to all studies. First of all we could not observe many moral emotions. Future studies may choose a sample where emotions can be observed frequently and employees experience more these feelings intensely. Second we conducted our study on a small sample that is consisting of 170. Comparative studies can be conducted in order to examine the results in different sectors and firms. In order to examine the consequences of moral emotions, other variables such as dysfunctional behavior or mobbing can be examined.

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