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Abstract:	Leaders have been shown to sometimes act self-servingly. Yet, leaders do not act in isolation and the perceptions of the ethical climate in which leaders operate is expected to contribute to employees taking counteractive measures against their leader (that is, employees' desire for retaliation, and supervisor-directed deviance). We contend that in an ethical climate employees feel better equipped to stand up and take retaliation measures. Moreover, we argue that this is explained by employees' feelings of trust. In two studies using different methods (an experimental study and a multi-source study), we predict and find evidence that the relationship between self-serving leader behavior and employees' desire for retaliation and supervisor-directed deviance is stronger when the ethical climate is high rather than low. Moreover, we show that trust in the leader mediates these relationships.
Suggested Reviewers:	Mayowa Babalola, PhD Assistant Professor, UAEU mayowa.babalola@uaeu.ac.ae This author has published on destructive leadership topics (abusive supervision, bottom-line mentality,...) before in top journals (JOM, JAP, Journal of Business Ethics). There is no conflict of interest.
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When Employees Retaliate Against Self-Serving Leaders:
The Influence of the Ethical Climate

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Conflict of Interest

The authors declare that they have no conflict of interest.

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Abstract

Leaders have been shown to sometimes act self-servingly. Yet, leaders do not act in isolation and the perceptions of the ethical climate in which leaders operate is expected to contribute to employees taking counteractive measures against their leader (that is, employees' desire for retaliation, and supervisor-directed deviance). We contend that in an ethical climate employees feel better equipped to stand up and take retaliation measures. Moreover, we argue that this is explained by employees' feelings of trust. In two studies using different methods (an experimental study and a multi-source study), we predict and find evidence that the relationship between self-serving leader behavior and employees' desire for retaliation and supervisor-directed deviance is stronger when the ethical climate is high rather than low. Moreover, we show that trust in the leader mediates these relationships.

Keywords: self-serving leader behavior, ethical climate, social exchange, social information processing theory, supervisor-directed deviance, desire for retaliation.

When Employees Retaliate Against Self-Serving Leaders:

The Influence of the Organization's Ethical Climate

Media reports have drawn the attention to self-serving leaders who engage themselves in acts of theft and corruption, thereby benefiting themselves at the expense of the organization. For example, John Thain, former CEO of Merrill Lynch, spent \$ 1.2 Million on redecorating his office while his company was on the brink of bankruptcy (Rus, van Knippenberg, & Wisse, 2010). More generally, leaders sometimes seem to be willing to misuse corporate funds for their own greed or self-interest (Brown & Treviño, 2006; Brown, Treviño, & Harrison, 2005; Haynes, Josefy, & Hitt, 2015; Kellerman, 2004). Indeed, various organizational scandals indicate that leaders may not always act for the best of the collective interest. For example, Dennis Kozwalski of Tyco and Kenneth Lay of Enron benefited themselves at the expense of their company. More recently, a senior manager of Microsoft was arrested for stealing more than 9 million USD from his organization to pay for an extravagant lifestyle. We define such self-serving leaders as “leaders who place their own well-being and interests above both their followers’ needs and the goals of the organization” (Camps, Decoster, & Stouten, 2012, p. 49).

In spite of these examples, research specifically focusing on self-serving leader behavior is fairly understudied. However, some provisional conclusions can be drawn (e.g., Krasikova, Green, & LeBreton, 2013; Schyns & Schilling, 2013). First, previous research supports that employees often respond in a negative way to leaders who behave self-servingly (e.g., Schyns & Schilling, 2013). Self-serving leaders, for example, reduce employees’ affective commitment, job satisfaction, team creativity, and organizational citizenship behaviors (OCB) (e.g., Decoster, Stouten, & Tripp, 2014b; Liu, Chiang, Fehr, Xu, & Wang, 2017; Peng et al., 2018). Moreover, self-serving leader behaviors are also linked to negative outcomes, such as workplace deviance including employees’ desire for retaliation and

1 supervisor-directed deviance (e.g., Schyns & Schilling, 2013). Hence, employees sometimes
2 are encouraged to stand up to self-serving leaders by retaliating and giving leaders their just
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5 desert.
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7 Yet, the when and why employees may stand up against self-serving leadership is
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9 currently not well understood. Here, we aim to examine this more closely and contend that an
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11 important aspect of the motivation to retaliate self-serving leadership is how employees
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13 perceive the context in which they work as containing signals of what is appropriate or ethical
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15 behavior (Kellerman, 2004; Padilla, Hogan, & Kaiser, 2007). In this research, we examine
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17 employees' desire for retaliation and supervisor-directed deviance, and we expect these
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19 reactions to depend on the specific context in which the self-serving behavior occurs. For
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21 instance, even though employees may react to self-serving leaders, they may remain silent if
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23 they do not perceive an ethical climate, that is, if self-serving behavior is deemed to be more
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25 'acceptable' (Stouten, Tripp, Bies, & De Cremer, in press). Research indeed shows that
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27 employees do not *necessarily* react negatively to leaders who behave self-servingly (Decoster
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29 et al., 2014b; Stouten & Tripp, 2009).
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36 Companies inherently create specific contexts by, for example, signaling and
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38 communicating corporate values, which are a marker for employees' behavior with their
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40 coworkers but also with other stakeholders. By communicating their corporate values,
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42 organizations often aim to foster values of respect, consideration, and maintaining
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44 professional standards building a climate of morality and ethics. Such instances nurture
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46 employees' perceptions of an ethical climate as entailing norms that guide employees'
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48 behaviors (Cullen, Parboteeah, & Victor, 2003). Therefore, an ethical climate is an important
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50 filter through which employees make sense of their work situation: employees' perception of
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52 the ethical climate (i.e., their psychological ethical climate) will reflect their ideas about the
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54 ethical character of their organization or work unit (Victor & Cullen, 1987). Despite the
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1 importance of employees' perceptions of the ethical context, little is known about how ethical
2 climates influence employees' reactions to self-serving leader behaviors and whether
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4 employees would be more reactive or less reactive towards the leaders' actions (Brown &
5
6 Treviño, 2006; Martinko, Harvey, Brees, & Mackey, 2013).
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9 In this paper, we argue that employees' perceptions of ethical climate moderate the
10 relation between self-serving leader behavior and supervisor-directed deviance. Specifically,
11
12 we argue that in a high ethical climate – when strong norms of ethically appropriate behavior
13
14 exist – a self-serving leader's behavior disconfirms employees' expectations and therefore
15
16 violates their trust. Because of this trust violation, ironically, we contend that employees will
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18 turn to retaliatory mechanisms. Furthermore, we expect that employees' lack of trust and
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20 desire for retaliation mediate the relationship with supervisor-directed deviance (Bies &
21
22 Tripp, 1996).
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28 This study contributes to the existing literature on several fronts. First, despite the
29 severe impact self-serving leaders can have on the entire organization (e.g., the misuse of
30 corporate funds), the topic of self-serving leaders has not received much attention in the
31 management and psychological literature (for exceptions see Rus et al., 2010a, 2010b, 2012;
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33 Williams, 2014; Wisse & Rus, 2012). Indeed, in contrast to studies contributing to our
34 understanding of abusive supervision (Tepper, Simon, & Park, 2017), a specific focus on self-
35 serving leader behaviors is still lacking. This is surprising, because as it has been argued,
36 self-serving leader behaviors occur more frequently than the hostile and aggressive behaviors
37 that are related to abusive supervision (Schmid, Verdorfer, & Peus, 2017).
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51 Second, whereas previous studies on self-serving leader behaviors focused on the
52 emergence of self-serving leaders (Decoster et al., 2014a), or on outcomes such as employees'
53 negative emotions (Camps et al., 2012), organizational commitment (Decoster et al., 2014b),
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55 prosocial behavior (Liu et al., 2017), and creativity (Peng et al., 2018), we still know little
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about employees' reactions that are directed towards their leader. Yet, employees' reactions may affect the leader's future self-serving behavior: the leader may interpret employees' silence as approval of his/her self-serving behavior, thereby reinforcing it and even creating a negative escalation spiral (Bies, 2013; Klaussner, 2014). Therefore, it is important to examine employees' reactions to self-serving leaders.

Third, we add to the ethical climate literature. Although previous research shows that leaders have the opportunity to shape an ethical climate (Mayer, Kuenzi, & Greenbaum, 2010; Schminke, Ambrose, & Neubaum, 2005), little research has yet focused on the impact of the ethical climate on employees' reactions towards negative leader behavior. We add to the ethical climate literature by showing that employees' reactions to self-serving leaders depend on the level of the ethical climate. Moreover, we also show that organizational members in an ethical climate do not necessarily refrain from reacting in a deviant way, despite the norm to act ethically. Indeed, we argue that people react more *strongly* (i.e., more retaliatory) towards leader behavior that is inconsistent with the ethical climate, even though deviant reactions are commonly perceived as negative. That is, we contend that a high ethical climate can facilitate, rather than hinder, employees' retaliation towards their leader.

Self-Serving Behaviors

Leaders sometimes tend to focus on their own wellbeing without showing much consideration for their employees' needs or for the goals of the organization, for example, when they misuse the organization's budget for personal gain (Wade, O'Reilly, & Pollock, 2006). In spite of this observation, research that specifically focuses on self-serving leader behavior is fairly understudied. However, many different – partly overlapping – concepts are used for different types of self-serving leadership such as, for example, destructive leadership (Einarsen, Aasland, & Skogstad, 2007), or narcissistic leadership (Rosenthal & Pittinsky,

2006). Though, the construct that received the most attention in the literature is abusive supervision (Tepper, 2000), which refers to “subordinates' perceptions of the extent to which supervisors engage in the sustained display of hostile verbal and nonverbal behaviors, excluding physical contact” (Tepper, 2000, p. 178). Although self-serving leader behaviors and abusive supervision are positively related to each other (Camps et al., 2012), they are distinct from one another when we compare them along Tepper’s (2007) dimensions. First, abusive supervision is directed downwards towards the employees, in contrast to self-serving leadership, which is directed at enhancing one’s own wellbeing, without much concern for others’ wellbeing (Haynes et al., 2015). Indeed, in contrast to a self-serving leader, who is only focused on satisfying personal interests (the behavior is self-directed), an abusive supervisor usually has clear targets (the behavior is employee-targeted) who are directly and overtly harmed (Peng, Wang, & Cheng, 2018). Second, while abusive supervision excludes hostile physical behaviors, such behaviors could be part of self-serving leaders’ actions when displayed in order to enhance the leader’s personal outcomes. Third, whereas abusive supervision is characterized by high hostility, self-serving leader behavior is not necessarily perceived as hostile (e.g., a leader who overloads employees by delegating them additional tasks in an overtly friendly way). Finally, whereas the definition of abusive supervision does not imply a reference to one’s intended outcomes, self-serving leaders place their personal goals first.

Employees’ Reactions to Self-Serving Leaders

How would employees react to self-serving leaders? To answer this question, we draw on social exchange theory (Blau, 1964; Gouldner, 1960). Employees perceive their relationship with their leader as a social exchange in which each party seeks to reciprocate the costs and benefits received to maintain balanced contributions. When employees feel their personal interests are being taken care of, they are motivated to reciprocate in a constructive

1 way. In contrast, when confronted with a leader who puts his/her own interests first,
2 employees may feel an imbalance between their efforts and the expected benefits, and they
3 may wish to retaliate to restore the balance (Carlsmith, 2002). Hence, social exchange theory,
4 and by extension the norm of reciprocity, suggest that individuals who are harmed reciprocate
5 in a negative way to restore the balance (Blau, 1964; Gouldner, 1960).
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11 We already defined self-serving leaders as leaders who place their own wellbeing and
12 interests above both their followers' needs (Camps et al., 2012). Whether the leader's self-
13 serving behavior actually harms employees or not is theoretically orthogonal to the definition
14 (de Dreu & Nauta, 2009; Williams, 2014). However, previous research showed that, *in*
15 *general*, high concern for one's self-interest correlates with low concern for others and vice
16 versa (Peng et al., 2018). That is, often there is a trade-off between self-interest and the
17 interests of others, which means the self-interested behavior is often *at the expense of* others
18 (DeCelles, DeRue, Margolis, & Ceranic, 2012). Indeed, generally, self-serving leadership
19 worsens employees' outcomes and results in harmful, long-term ramifications for the
20 organization (Haynes et al., 2015; Schyns & Schilling, 2013). This is in line with Williams'
21 (2014) suggestion "that regardless of whether the direct and immediate impact of leaders'
22 behaviors on others is positive, negative, or neutral, leaders who regularly prioritize their own
23 needs and goals ultimately will have a negative long-term net impact on their organization"
24 (p. 1366). In sum, even if the leader's self-serving behavior is not immediately damaging,
25 eventually (i.e., long-term), in most cases it is expected to have a negative impact on
26 employees or the organization (Thoroughgood, Tate, Sawyer, & Jacobs, 2012).
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51 This reasoning, suggesting that employees will try to reciprocate in a negative way to
52 a leader's self-serving behavior, is in line with previous research showing that individuals
53 often seek revenge against those who harm them, and that they especially direct their
54 responses toward the perceived source of harm, to restore a sense of justice and to prevent
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1 further acts of mistreatment (Aquino & Thau, 2009; Bies & Tripp, 1996; Jones, 2009; Thau,
2 Bennett, Mitchell, & Marrs, 2009). More specifically, when employees are harmed by their
3 leader, they are fed with a desire for retaliation (Mitchell & Ambrose, 2007). We define
4 employees' desire for retaliation as the wish to bring harm upon their leader because of the
5 perceived harm that was caused by the leader (Stuckless & Goranson, 1992). Because the
6 desire to retaliate is a motivational force that encourages deviant acts (El Akremi,
7 Vandenberghe, & Camerman, 2010; Jones, 2009), we also expect employees to show
8 supervisor-directed deviance towards a self-serving leader. Supervisor-directed deviance
9 consists of "deviant acts that are directly targeted against the supervisor" (Thau et al., 2009, p.
10 86), such as acting rudely or publicly embarrassing one's supervisor. These predictions are in
11 line with previous research showing that self-serving types of leader behaviors are linked to
12 employees' supervisor-directed deviance (Hershcovis et al., 2007; Inness et al., 2005; Mayer,
13 Thau, Workman, Van Dijke, & De Cremer, 2012; Mitchell & Ambrose, 2007, 2012;
14 Restubog, Scott, Zagenczyk, 2011). To summarize, we predict that self-serving leader
15 behaviors increase employees' desire for retaliation and their supervisor-directed deviance.
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41 *Hypothesis 1a:* Self-serving leader behavior will be positively related to employees'
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43 desire for retaliation.
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45 *Hypothesis 1b:* Self-serving leader behavior will be positively related to employees'
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47 supervisor-directed deviance.
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53 **Trust in the Leader**

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55 Drawing on social exchange theory, we propose that the relation of self-serving leader
56 behavior to employees' supervisor-directed deviance is explained by employees' trust in their
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1 leader. Trust is an important process in the supervisor-employee relationship and leaders are
2 expected to act in a trustworthy manner (Podsakoff, Mackenzie, Moorman, & Fetter, 1990;
3 Yukl, 1998). Rousseau, Sitkin, Burt, & Camerer (1998, p. 395) define trust as “a
4 psychological state comprising the intention to accept vulnerability based upon positive
5 expectations of the intentions or behavior of another.” Two components are incorporated in
6 this definition: a person’s willingness to accept vulnerability and the expectation for positive
7 outcomes (Colquitt, Scott, & LePine, 2007). Trust is important because “it is the most direct,
8 economical and effective way for leaders to improve the effectiveness of organizations” (Ding
9 et al., 2012, p. 258).

21 According to social exchange theory, employees who perceive their relationship with
22 their leader going beyond the standard economic contract expect the leader-employee
23 relationship to operate based on trust, goodwill, and the perception of mutual obligations
24 (Blau, 1964; Dirks & Ferrin, 2002). Leadership interactions that are characterized by these
25 higher-quality exchanges are linked to employees’ trust and support (e.g., Dirks & Ferrin,
26 2002; Liden & Graen, 1980; Podsakoff et al., 1990). For example, employees show more
27 trust in their leader when (s)he demonstrates interest in his/her employees’ ideas (De Cremer,
28 van Dijke, Schminke, De Schutter, & Stouten, 2018; Korsgaard, Schweiger, & Sapienza,
29 1995) and has benevolent motives towards the employees (Mayer, Davis, & Schoorman,
30 1995). In contrast, when confronted with a leader who is perceived to be less concerned in
31 his/her employees’ goals and interests (i.e., a self-serving leader), employees question the
32 leader’s willingness to engage in a mutually beneficial social exchange. That is, when leaders
33 act in a self-serving way, employees are unsure whether they can expect positive exchanges,
34 and – following the definition of trust – they will have less trust in the leader. Indeed, as the
35 leader’s self-serving behavior is not *necessarily* detrimental for employees, his/her behavior
36 will leave employees with additional uncertainty whether they can trust the leader or not.

1 This is in line with Camps and colleagues (2012), who argued that the extent to which leaders
2 engage in self-serving behavior is closely related to the bias-suppression rule, an aspect of
3 procedural justice that is essential in evaluating whether a leader's decision-making process
4 can be trusted or not (Leventhal, 1980). For example, if employees feel that the leader makes
5 biased decisions in favor of his/her self-interest, they are less likely to trust the leader in
6 comparison with a leader who makes unbiased decisions.
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14 Social exchange theory suggests that for leaders who do not fulfill their end of the
15 contract, employees may compensate by getting even. That is, when employees do not
16 receive their end of the bargain, they will consider seeking a "rebalance" of the contract by,
17 for example, reducing their inputs (e.g., work less hard; "let down" the supervisor), or
18 increasing their outcomes (e.g., stealing office supplies). These theoretical arguments are in
19 line with previous research showing that self-serving leader behaviors negatively relate to
20 employees' trust in their leader (Ding et al., 2012; Duffy & Ferrier, 2003; Schyns & Schilling,
21 2013). In sum, we assume that self-serving leader behavior is related to lower levels of
22 employees' trust.
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36 According to social exchange theory, when employees trust their leaders, they likely
37 have a history of successful exchanges (Blau, 1964). Trust also creates expectations about
38 employees' and leaders' future behaviors. More specifically, both parties expect they can
39 keep operating on the basis of trust, goodwill, and the perception of mutual obligation (Blau,
40 1964). When employees trust their leader, they are motivated to preserve the relationship
41 with their leader as this relationship is accompanied by expectations of possible future
42 benefits. In contrast, employees may become upset when they perceive a loss of trust toward
43 their leader. Employees who do not trust their leader are less likely to continue the
44 relationship because there is a lack of positive expectations and no sense of obligation.
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58 Moreover, a loss of trust can amplify the desire for retaliation (Bies & Tripp, 1996). This is
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1 in line with a meta-analysis (Colquitt et al., 2007) examining the impact of trust on task
2 counterproductive behavior (as well as on performance and citizenship behavior). This meta-
3 analysis showed that individuals who trust their leader show less counterproductive behaviors.
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7 Moreover, when employees experience low trust in their leader and they witness
8 subsequent negative leader behavior of ambiguous intent, employees do not attribute benign
9 motives for the negative behavior (Hollander, 1958). That is, low levels of trust create a form
10 of paranoia, whereby employees are biased to attribute intentional explanations for the
11 leader's every harmful mistake, such as the leader harmed others on purpose, not by accident
12 (Kramer, 1994). As research on revenge shows, inference of harmdoers' motives matter, such
13 that the greater the perceived intentionality for the harm, the higher the desire for retaliation
14 (Crossley, 2009; Gregoire, Laufer, & Tripp, 2010; Joireman, Gregoire, Devezer, & Tripp,
15 2013; Tripp & Bies, 2009).
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19 Given that self-serving leader behavior is expected to be negatively related to
20 employees' trust, and that employees' trust is expected to be negatively related to employees'
21 desire for retaliation, we argue that employees' trust mediates the relation between self-
22 serving leader behavior and desire for retaliation.
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41 *Hypothesis 2:* Trust in the leader will mediate the relationship between self-serving
42 leader behavior and employees' desire for retaliation.
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48 **Ethical Climate**

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51 The ethical climate refers to the "prevailing perceptions of typical organizational
52 practices and procedures that have ethical content" (Victor & Cullen, 1988, pp. 101). The
53 ethical climate functions as a psychological mechanism through which ethical issues are
54 perceived and acted upon and it provides understanding to what behaviors are valued and
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1 acceptable, which helps individuals to determine the appropriate ways to behave (Martin &
2 Cullen, 2006; Mayer et al., 2010). Therefore, in a high ethical climate, individuals are more
3 inclined to adhere to ethical guidelines and to behave in an ethical way. In contrast, in a low
4 ethical climate, ethical practices are less valued. Ethical climates are typically related to
5 positive outcomes such as job satisfaction, organizational commitment, and more ethical
6 decision-making, whereas low ethical climates are related to negative outcomes such as
7 turnover intentions and unethical behaviors (e.g., Cullen et al., 2003; Martin & Cullen, 2006;
8 Wimbush & Shepard, 1994; for an overview, see Mayer, Kuenzi, & Greenbaum, 2009).

19 Social information processing theory (Salancik & Pfeffer, 1978) helps us explain how
20 ethical climates shape expectations and people's behavior. Social information processing
21 theory states that individuals adapt their attitudes and behaviors to their social context (see
22 also Treviño, 1986). That is, individuals search in their environment for cues to interpret
23 events and to find appropriate ways to behave. More specifically, the organizational
24 environment provides information about norms for appropriate and acceptable conduct.
25 Indeed, the organizational context can influence an individual's expectations about which
26 behaviors to expect and it helps the individual to focus his or her attention on certain
27 information (Mawritz et al., 2012). Therefore, we argue that the ethical climate provides
28 organizational members with information of which behaviors are acceptable (i.e., climate-
29 relevant behavior), and that it may influence employees' reactions to their leader's self-
30 serving behavior.

48 More specifically, a low ethical climate creates a context that does not discourage
49 deviant or self-serving behavior, even to the possible detriment of others (Simha & Cullen,
50 2012; Wimbush & Shepard, 1994). In other words, a low ethical climate may legitimize a
51 leader's self-serving behavior (Cullen et al., 2003). Therefore, employees are expected to

1 react less negatively to a self-serving leader as his/her behavior is consistent with what the
2 climate signals as appropriate (Burgoon, 1993; Rodgers, Sauer, & Proell, 2012).
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4 On the other hand, in a high ethical climate, self-serving behavior is counter-
5 normative and inappropriate (Wimbush & Shepard, 1994). If employees perceive the ethical
6 climate to be high, employees consider that their leader's self-serving behavior may violate
7 organizational norms (Skarlicki, Barclay, & Pugh, 2008). If so, then in a high ethical climate,
8 a leader's self-serving behavior is more salient and thus will have a stronger impact on
9 employees' reactions. This reasoning is in line with norm-focus theory, which states that the
10 presence of social norms (i.e., when the ethical climate is high) heightens individuals'
11 awareness of these norms, and that individuals tend to act in accordance with them (Cialdini,
12 Reno, & Kallgren, 1990; Schultz, Nolan, Cialdini, Goldstein, & Griskevicius, 2007).
13 Moreover, ethical norms will make organizational members more sensitive to violations of
14 these norms. For example, when a leader acts self-servingly in a high ethical climate, his/her
15 behavior violates employees' expectations making the leader's behavior unpredictable, hence
16 lowering employees' trust in comparison with a low self-serving leader (Colquitt et al., 2007;
17 Rodgers et al., 2012). Indeed, because a self-serving leader fails to enforce the expectations
18 that are evoked by a high ethical climate, employees' trust will be diminished (Burke et al.,
19 2007). In sum, we predict that especially in a high ethical climate (as opposed to a low ethical
20 climate) self-serving leader behavior (in comparison with low self-serving leader behavior)
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51 *Hypothesis 3:* The relationship between self-serving leader behavior and employees'
52 trust is moderated by ethical climate such that the relationship is
53 stronger in a high ethical climate than in a low ethical climate.
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1 We argued above that trust in the leader is expected to mediate the relationship
2 between self-serving leader behavior and employees' desire for retaliation (Hypothesis 2).
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4 Following this, we expect that the strength of this mediation will vary over different levels of
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6 the ethical climate. That is, because of a lack of trust, employees are more inclined to desire
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8 retaliation and to enact deviance when they are confronted with a self-serving leader in a high
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10 ethical climate (Thau et al., 2007). This reasoning is in line with previous studies showing
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12 that when an individual observes another individual failing to abide by the prevailing norms,
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14 the observer is expected to react to this inappropriate behavior, especially when the ethicality
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16 of the situation is emphasized more (Barclay, Whiteside, & Aquino, 2014; Greenbaum,
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18 Mawritz, Mayer, & Priesemuth, 2013). More specifically, we propose that the negative
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20 relationship between self-serving leader behavior and employees' trust – which will lead to
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22 higher levels of desire for retaliation and supervisor-directed deviance – will be stronger when
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24 ethical climate is high, rather than low. Thus, we expect that the relationship between self-
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26 serving leader behavior and employees' desire for retaliation, as well as their supervisor-
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28 directed deviance, through trust, is moderated by ethical climate such that these relationships
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30 are stronger in a high ethical climate than in a low ethical climate.
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41 *Hypothesis 4a:* Ethical climate will moderate the indirect effect of self-serving leader
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43 behavior on employees' desire for retaliation through trust.
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45 *Hypothesis 4b:* Ethical climate will moderate the indirect effect of self-serving leader
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47 behavior on employees' supervisor-directed deviance through trust.
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53 We tested these hypotheses in two studies using different research designs. We relied
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55 on an experimental scenario study to be able to infer causality and increase internal validity,
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57 then conducted a cross-sectional field study to ensure mundane realism. Such a mixed-
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method approach has been argued to provide more reliable results. Study 1 is a scenario experiment, which creates the advantage of controlling the predictors of interest, thereby making it possible to draw causal inferences (Greenberg & Folger, 1988). Given the nature of this design, in this study we mainly focused on testing the hypotheses concerned with participants' desire for retaliation, as it is less feasible to test for deviant behavior. In Study 2, we aimed to replicate and expand the findings of Study 1 to a different context with a different sample. More specifically, Study 2 is a field study in an organizational setting, thereby enhancing the external validity and generalizability of the results (Greenberg & Tomlinson, 2004). We used a multi-source design, a method where ratings from multiple sources are assessed. That is, both employees and their coworkers responded to different measures. This procedure is often used to reduce same-source method bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Informed consent was obtained from all individual participants included in both studies.

Study 1

Method

Participants and Design

One hundred and seven undergraduate university students (35 men and 70 women, 2 participants failed to report their gender) participated voluntarily in the study. Participants were assured that their answers would be processed anonymously. Participants' mean age was 20.51 years ($SD = 2.92$) and they had an average work experience of 9.17 months ($SD = 10.98$). They were randomly assigned to a 2 (ethical climate: low vs. high) x 2 (self-serving leader behavior: low vs. high) between-subjects factorial design.

Procedure

Participants were welcomed in the laboratory and seated in separate cubicles. They were given a scenario and were asked to place themselves as much as possible in the given

1 situation. In this scenario, participants learned that they were a follower in a team of
2 employees. Participants read, “The organization exists of multiple teams and you are a
3 member of one of these teams. To perform your job, you work closely together with the other
4 employees of your team, as well as with the leader of your team.”
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10 After this introduction, the ethical climate was manipulated. The descriptions of the
11 ethical climate were based on Mayer et al.’s (2015) ethical climate questionnaire. Participants
12 in the high (low) ethical climate condition read the following message:
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16 “In this organization, people are (not) very concerned to act in an ethical way. When
17 decisions are made, organizational members (do not) continually strive to maintain high
18 ethical standards. There is (not) a strong focus on respecting the ethical standards.
19 Indeed, success in this organization is defined not just by the results, but also by the way
20 these results are obtained (is only defined by the results, not by the way these results are
21 obtained).”
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31 After the ethical climate manipulation, we introduced the leader-type manipulation. In
32 the high self-serving leader condition, participants read:
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36 “It turns out that the leader behaves in a self-serving way. The leader thinks (s)he is
37 very important and (s)he does not show consideration for his/her employees.”
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41 In the low self-serving leader condition, participants read:

42 “It turns out that the leader does not behave in a self-serving way. The leader does not
43 think (s)he is very important and (s)he shows consideration for his/her employees.”
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48 **Measures**

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51 After participants read the situation, they were asked to rate their trust in the leader
52 and to what extent they would retaliate against the leader. All items were completed on a 7-
53 point Likert scale ranging from 1 (= *strongly disagree*) to 7 (= *strongly agree*).
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Manipulation checks. Our ethical climate manipulation was checked with the following items: “The members of this organization try to work as ethically as possible,” “The employees of this organization strive to maintain high ethical standards,” and “Success in this organization is defined not just by the results, but also the way they are obtained” (Cronbach’s $\alpha = .97$).

We checked the self-serving leader manipulation with these items: “The leader is selfish and thinks (s)he is very important” and “The leader does not show consideration for others, only for him/herself” (Cronbach’s $\alpha = .96$).

Trust. Employees’ trust in their leader was measured with three items (Brockner et al., 1997). Example items are “I can trust my supervisor to do what is good for me” and “I trust my leader to treat me fairly” (Cronbach’s $\alpha = .96$).

Desire for retaliation. Desire for retaliation was assessed with Grégoire and Fisher’s (2006) six-item scale. We modified the scale to have the leader, rather than the organization, as the referent for the scale. Example items are “I want to get even with my leader” and “I want to punish the leader in some way” (Cronbach’s $\alpha = .94$).

Results

Manipulation Checks. A 2 x 2 ANOVA on the manipulation check for ethical climate revealed that high ethical climates were rated as more ethical ($M = 6.25$, $SD = 0.61$) than low ethical climates ($M = 1.43$, $SD = 0.50$), $F(1, 103) = 1966.15$, $p < .001$, $\eta^2 = .95$. No other effects were significant.

A 2 x 2 ANOVA on the manipulation check for self-serving leaders revealed that high self-serving leaders were rated as more self-serving ($M = 6.23$, $SD = 0.66$) than low self-serving leaders ($M = 2.30$, $SD = 1.32$), $F(1, 103) = 393.11$, $p < .001$, $\eta^2 = .79$. No other effects were significant.

Desire for Retaliation. A 2 x 2 ANOVA yielded a significant main effect of self-serving leaders, $F(1, 103) = 66.31, p < .001, \eta^2 = .39$. Specifically, participants showed more desire for retaliation in the high self-serving leader condition ($M = 3.44, SD = 1.38$) than in the low self-serving leader condition ($M = 1.63, SD = 0.94$). These results support Hypothesis 1a. The analysis also yielded a significant interaction effect of self-serving leaders and ethical climate, $F(1, 103) = 9.79, p < .01, \eta^2 = .09$. This interaction effect showed that in the high ethical climate condition participants showed more desire to retaliate to high self-serving leaders ($M = 3.82, SD = 1.49$) than to low self-serving leaders ($M = 1.34, SD = 0.45$), $F(1, 103) = 64.09, p < .001, \eta^2 = .36$. Also, in the low ethical climate condition participants showed more desire to retaliate to high self-serving leaders ($M = 3.02, SD = 1.13$) than to low self-serving leaders ($M = 1.92, SD = 1.18$), $F(1, 103) = 12.46, p < .01, \eta^2 = .07$, however the effect was less pronounced than in the high ethical climate condition (see effect sizes). In sum, these results show that the relationship between self-serving leader behavior and employees' desire for retaliation is moderated by ethical climate such that the relation is stronger in a high ethical climate than in a low ethical climate.

Trust. A 2 x 2 ANOVA yielded a significant main effect of self-serving leaders, $F(1, 103) = 96.39, p < .001, \eta^2 = .48$, as well as for ethical climate, $F(1, 103) = 22.54, p < .001, \eta^2 = .18$. Participants showed lower levels of trust in the high self-serving leader condition ($M = 2.41, SD = 1.11$) than in the low self-serving leader condition ($M = 4.62, SD = 1.63$). We also found that participants showed lower levels of trust when the ethical climate was low ($M = 2.99, SD = 1.41$) rather than high ($M = 4.00, SD = 1.95$). The analysis also yielded a significant interaction effect of self-serving leadership and ethical climate, $F(1, 103) = 21.75, p < .001, \eta^2 = .17$. This interaction effect showed that in the high ethical climate condition participants showed lower levels of trust to high self-serving leaders ($M = 2.42, SD = 1.23$) than to low self-serving leaders ($M = 5.71, SD = 0.79$), $F(1, 103) = 105.78, p < .001, \eta^2 = .44$.

Also, in the low ethical climate condition participants showed lower levels of trust to high self-serving leaders ($M = 2.40$, $SD = 0.98$) than to low self-serving leaders ($M = 3.57$, $SD = 1.54$), $F(1, 103) = 13.17$, $p < .001$, $\eta^2 = .05$, however the effect was less pronounced than in the high ethical climate condition (see effect sizes). These results support Hypothesis 3.

Mediational analyses. We first regressed desire for retaliation on trust. As predicted, trust in the leader was negatively related with employees' desire for retaliation ($\beta = -.57$, $p < .001$). Trust in the leader explained a significant proportion of variance in employees' desire for retaliation, $R^2 = .47$, $F(1,105) = 91.29$, $p < .001$.

We used bootstrap procedures (5000 replications) described by Hayes (2018) to examine whether trust in the leader mediated the relation between self-serving leaders and employees' desire for retaliation. Bootstrapping treats the sample as a population and then resamples with replacement and computes relevant statistics for each replacement sample (Preacher & Hayes, 2008). Results showed that trust mediates the relationship between self-serving leaders and desire for retaliation (95% CI [0.542, 1.355]). These results support Hypothesis 2.

Results above already revealed an interaction effect of self-serving leaders and ethical climate on desire for retaliation, providing evidence for the direct effect. The results of our moderated-mediation predictions (Hayes, 2018) showed that the indirect effect of self-serving leaders on desire for retaliation through trust was more pronounced in high ethical climates than in low ethical climates (Table 1). These findings support Hypothesis 4a.

In sum, Study 1 showed that employees displayed lower levels of trust and higher levels of desire for retaliation towards self-serving leaders (relative to low self-serving leaders), but especially in a high ethical climate. We conducted this scenario experiment to make it possible to draw causal inferences. However, we also conducted a second study in a field setting to enhance mundane realism and to replicate the findings of the first study.

Moreover, in this study, we aimed to extend the results of Study 1 to an organizational context, and with desire for retaliation as the underlying mechanism for supervisor-directed deviance. As a result, in Study 2, we also test the following hypothesis:

Hypothesis 5: Ethical climate will moderate the serially mediated relationship between self-serving leader behavior and employees' supervisor-directed deviance, such that the relationship is stronger in a high ethical climate than in a low ethical climate.

Study 2

Method

Participants and procedure

Participants were recruited from a variety of different organizations in Belgium, including manufacturing, government, education, technology, and financial organizations. Organizations that agreed to participate provided the researchers with the email addresses of the focal employees. Researchers sent out email invitations via their network of organizations to the focal employees and requested their participation. More specifically, 203 employees were instructed to visit a website to complete a survey, and to send an electronic survey link to one coworker who was familiar with their work. Participation was completely voluntary, and participants were assured that the answers would be processed anonymously (data were matched by using a specific code for each dyad). In no case did a coworker participate with respect to more than one focal employee. Therefore, all dyads were independent of one another. One-hundred fourteen fully matched surveys were returned, yielding an overall response rate of 56.2 percent. One-hundred and eight of the 114 dyads responded to all variables of interest, resulting in a final sample size of 108 dyads.

Focal employees' (50.9 percent were male) mean age was 36.3 years ($SD = 10.45$). Employees had an average job tenure of 6.5 years ($SD = 6.36$). Of the employees, 44.4 % only completed high school, 26.9 % had a bachelor's degree, and 28.7 % had a master's degree.

Coworkers (45.4 percent were male) had an average age of 39.1 years ($SD = 10.76$). Of the coworkers, 42.5 % only completed high school, 30.6 % had a bachelor's degree, and 26.9 % had a master's degree. On average coworkers had a job tenure of 6.9 years ($SD = 8.25$).

Measures

Employees completed measures of self-serving leadership, trust in their leader, and desire for retaliation. Coworkers reported measures of the ethical climate and employees' supervisor-directed deviance. All items were completed on a 5-point Likert scale ranging from 1 (= *never/strongly disagree*) to 5 (= *very often/strongly agree*).

Self-Serving Leadership. Self-serving leadership was assessed with four items (Camps et al., 2012). Example items are "My supervisor is selfish and thinks (s)he is very important" and "My supervisor does not show consideration for his/her employees, only for him/herself" (Cronbach's $\alpha = .87$).

Desire for retaliation. Desire for retaliation was assessed with Grégoire and Fisher's (2006) scale, as in Study 1 (Cronbach's $\alpha = .94$).

Supervisor-directed deviance. Employees' supervisor-directed deviance was measured with seven items from Mitchell and Ambrose (2007). An example item is "My coworker publicly embarrassed my supervisor" and "My coworker acted rudely toward my supervisor" (Cronbach's $\alpha = .93$). We opted for a non-self-report measure of supervisor-directed deviance because employees may feel pressured to not report their own deviance (see also Liu, Kwan, Wu, & Wu, 2010; Stewart, Bing, Davison, Woehr, & McIntyre, 2009). A recent meta-analysis showed that the use of other-reports of deviance is a viable alternative to self-ratings (Berry, Carpenter, & Barratt, 2012). Moreover, we opted to assess supervisor-

1 directed deviance from the coworker's rather than the leader's perspective. Indeed, in this
2 case coworker ratings are preferred over leader ratings of supervisor-directed deviance as
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4 exploring relationships between employee-reported self-serving leadership and leader-
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6 reported evaluations of supervisor-directed deviance may imply assessing the same construct
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8 from different perspectives (see Tepper, Simon, & Park, 2017 for a similar rationale).
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11 ***Trust.*** Trust was assessed with the trust scale we used in the first study (Brockner et
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13 al., 1997). Cronbach's $\alpha = .94$.
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16 ***Ethical climate.*** The ethical climate was assessed with six items (Mayer et al., 2015).
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18 Generally, the ethical climate literature focuses on exploring the effects of ethical climates at
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20 the work group (Kuenzi & Schminke, 2009). Therefore, our items also refer to the work
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22 group. Given that we are particularly interested in exchange relations of individual
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24 employees and their leader, we focus on individual perceptions of ethical climate. An
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26 additional argument for such an approach is showing that employees have a strong agreement
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28 about perceptions of the ethical climate (e.g., Mayer et al., 2010; Schminke et al., 2005), so
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30 we feel confident that measuring the ethical climate from the co-worker's perspective is
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32 appropriate. This approach is in line with previous studies that used single team member's
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34 measures of ethical climate (e.g., Schwepker, 2001). Example items are "In this work group,
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36 employees continually strive to maintain high ethical standards" and "In this work group,
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38 employees have a lot of skill in recognizing ethical issues" (Cronbach's $\alpha = .91$).
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46 ***Control Variables.*** Based on the literature, we identified three demographic variables
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48 that could covary with our criterion variables and that should be controlled for (Becker,
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50 2005). These variables were employees' age, gender, and job tenure, which have been found
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52 to be related to trust and deviant reactions to the supervisor (e.g., Jones, 2009; Lewicki &
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54 Bunker, 1996).
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57 58 **Results** 59 60 61 62 63 64 65

Means, standard deviations, and intercorrelations are presented in Table 2. We analyzed the data by conducting hierarchical regression analyses (see Table 3). In step 1 of the regression analyses, we entered the demographic variables age, gender, and job tenure. In step 2, we entered self-serving leadership and the ethical climate. In step 3, we entered the interactive relationship between self-serving leadership and ethical climate and the dependent variables of interest: employees' trust, desire for retaliation and supervisor-directed deviance. We mean centered the independent variables before conducting the analyses (Aiken & West, 1991). Because the control variables did not alter our findings, we followed Carlson and Wu's (2012) recommendations and reported the results that were obtained without the control variables (see also Becker, 2005; Spector & Brannick, 2011).

The first regression analysis showed that self-serving leadership was positively related to desire for retaliation ($\beta = .43, p < .001$). Self-serving leadership accounted for 19 percent of the variance in employees' desire for retaliation, $R^2 = .19, F(1,106) = 24.362, p < .001$. These findings support Hypothesis 1a.

Regression analyses also showed that self-serving leadership was positively related to supervisor-directed deviance ($\beta = .25, p < .01$). Self-serving leadership explained a significant proportion of variance in supervisor-directed deviance, $R^2 = .06, F(1,106) = 7.18, p < .01$. These findings support Hypothesis 1b.

To test whether trust mediated the relationship between self-serving leadership and employees' desire for retaliation and supervisor-directed deviance, we relied on the same bootstrap procedure we used in Study 1 (Hayes, 2018). Bootstrap confidence intervals showed that trust in the leader indeed mediates the relationship between self-serving leadership and our two outcomes of interest (Table 4). These results support Hypothesis 2.

Next, hierarchical regression analysis revealed that trust showed a significant interaction effect of self-serving leadership and ethical climate ($\beta = -.33, p < .001$). We

conducted simple slopes analysis to further analyze this interaction (Aiken & West, 1991).

Figure 1 shows the pattern of results. In a high ethical climate, self-serving leadership was more negatively related to trust ($b = -1.01, p < .001$), than in a low ethical climate ($b = -.30, p < .05$). The results show that self-serving leadership has a stronger negative relationship with employees' trust in a high ethical climate, rather than in a low ethical climate. These results support Hypothesis 3.

Regression analysis also showed that the interaction between self-serving leadership and ethical climate for employees' desire for retaliation was significant ($\beta = .21, p < .05$).

Simple slopes analyses showed that in a high ethical climate, self-serving leadership was related to desire for retaliation ($b = .52, p < .001$). In contrast, in low ethical climate, no significant relation between self-serving leadership and desire for retaliation was found ($b = .19, p = .06$). In sum, results show that self-serving leadership is more related to desire for retaliation in high rather than low ethical climates.

Next, the interaction between self-serving leadership and ethical climate for employees' supervisor-directed deviance was also significant ($\beta = .23, p < .05$). Simple slopes analyses showed that when the ethical climate was high, self-serving leadership was related to supervisor-directed deviance ($b = .40, p < .001$). In contrast, when the ethical climate was low, no significant relation between self-serving leadership and supervisor-directed deviance was found ($b = .02, p = .89$). In sum, results show that self-serving leadership is more related to supervisor-directed deviance in high rather than low ethical climates.

Further, as also shown in Table 3, trust was negatively associated with desire for retaliation ($\beta = -.44, p < .001$) and supervisor-directed deviance ($\beta = -.50, p < .001$) when controlling for self-serving leadership and ethical climate. The cross-product term between self-serving leadership and ethical climate was not related to both outcomes when trust was

1 included in the regression model, which suggests moderated mediation. To further verify our
2 moderated-mediation predictions, we used bootstrap procedures (5000 replications) advocated
3 by Hayes (2018). We examined the conditional indirect effect of self-serving leadership on
4 desire for retaliation and supervisor-directed deviance (through trust) for low and high ethical
5 climates. We used Process 3.1 to calculate the index of moderated mediation (Hayes, 2018).
6 The 95% bootstrapped confidence interval of this index did not include zero, which indicates
7 that the indirect effect differs across levels of ethical climate. More specifically, bootstrap
8 confidence intervals showed that the indirect and positive effect of self-serving leadership on
9 desire for retaliation and supervisor-directed deviance through trust was more pronounced in
10 high ethical climates than in low ethical climates (Table 5). Taken together, results of the
11 moderated mediation analysis show that trust is a significant mediator of the relationship
12 between self-serving leadership and desire for retaliation, as well as supervisor-directed
13 deviance, but especially in a high ethical climate. These findings support Hypothesis 4a and
14 4b.

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16 Finally, we also examined the full model, that is, the conditional indirect effect of self-
17 serving leadership on supervisor-directed deviance (through trust and desire for retaliation)
18 for low and high ethical climates (Hayes, 2018). The results showed that the 95%
19 bootstrapped confidence interval of the moderated mediation index did not include zero, and
20 that ethical climate moderates the indirect effect of self-serving leadership on employees'
21 supervisor-directed deviance through trust and desire for retaliation. More specifically, the
22 indirect effect of self-serving leadership on supervisor-directed deviance through trust and
23 desire for retaliation was more pronounced in high ethical climates, compared to low ethical
24 climates (Table 6). These findings support Hypothesis 5.

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26 In sum, the second study shows that ethical climate and self-serving leadership
27 interact such that self-serving leadership leads to decreased trust and increased desire for
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retaliation and supervisor-directed deviance, but especially in a high ethical climate.

Therefore, the findings of Study 2 are consistent with the findings of Study 1.

General Discussion

Despite the detrimental effects self-serving leaders have on employees and the organization, our research found that there are occasions where employees do not react severely to self-serving leaders (see also Stouten & Tripp, 2009), especially when employees perceive the ethical climate to be low. Conversely, other contexts, such as high ethical climates, more easily trigger negative reactions to self-serving behaviors. Specifically, our results showed that when the ethical climate is high rather than low, employees retaliate more against self-serving leaders with supervisor-directed deviance. Moreover, we showed that employees' trust and their desire for retaliation are the underlying mechanisms that explain this relationship.

This research contributes to the literature in several ways. First, it focuses on self-serving leader behaviors, which have received less attention in the management and psychological literature compared to other negative leadership behaviors, such as abusive supervision (for exceptions see Rus et al., 2010a, 2010b, 2012; Williams, 2014; Wisse & Rus, 2012). This is quite surprising, as it has been argued that self-serving leader behaviors occur more frequently than the hostile and aggressive behaviors that are related to abusive supervision (Schmid et al., 2017).

Second, previous research on self-serving leader behavior focused on its emergence, as well as on the negative consequences for employees and the organization (Camps et al., 2012; Decoster et al., 2014a; Rus et al., 2010; Rus, van Knippenberg, & Wisse, 2012). We contribute to this important line of research by adding employees' reactions towards such leaders, and by showing that contextual factors impact the consequences of self-serving leader behavior.

1 Third, we also add to the ethical climate literature. Previous research showed that
2 ethical climates are related to positive outcomes and – more importantly – that such climates
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4 weaken the relationship between negative antecedents and deviant outcomes (e.g., Chen,
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6 Chen, & Liu, 2013). Yet, we show that an ethical climate also can *enable*, rather than hinder,
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8 negative outcomes, such as employees' retaliation towards their leader, which seems
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10 surprising. After all, previous research showed that ethical climate *weakens* employees'
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12 deviance (Chen et al., 2013), but we show that a high ethical climate *strengthens* deviance.
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16 Fourth, to date, research has focused on the negative effects of workplace deviance
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18 (e.g., Robinson & Bennett, 1995). However, we argue that supervisor-directed deviance –
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20 which is a form of workplace deviance directly targeted at the supervisor – might also have
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22 beneficial consequences for the organization, because employees might use these behaviors to
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24 signal their dissatisfaction and to redress the leader's wrongdoing (see also Kelloway, Francis,
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26 Prosser, & Cameron, 2010). Indeed, although committing acts of supervisor-directed
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28 deviance can be viewed as breaking organizational rules, employees sometimes may break
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30 these rules in the best interest of the organization. In fact, supervisor-directed deviance may
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32 be a means to “righting a wrong” (Bies & Tripp, 1996) and to “standing up” to the supervisor.
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34 Such behaviors, where organizational members violate rules with the intention of promoting
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36 the welfare of the organization, are generally described as pro-social rule breaking or
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38 constructive deviance (Dahling, Chau, Mayer, & Gregory, 2012; Morrison, 2006; Vadera,
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40 Pratt, Mishra, 2013). Employees might perform acts of supervisor-directed deviance because
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42 “doing so is normative and just” (Tepper et al., 2009, pp. 164-165). Because supervisor-
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44 directed deviance might inhibit further acts of self-serving behavior, these behaviors might
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46 contribute to the wellbeing of the organization (Bies & Tripp, 2001; Vadera, Pratt, & Mishra,
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48 2013). Indeed, supervisor-directed deviance can be viewed as a form of protest where
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1 employees attempt to draw attention to the leader's behavior (Kelloway, Fancis, Prosser, &
2 Cameron, 2010).
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4 Although it has been suggested that employees sometimes refrain from pro-social rule
5 breaking, such as supervisor-directed deviance, out of fear for counter retaliation (Vadera et
6 al., 2013), this might depend on the specific context. For example, in a high ethical climate,
7 employees may feel they have more power to react to self-serving leaders than in a low
8 ethical climate. Indeed, because organizational members who violate the ethical codes (e.g.,
9 self-serving leaders) will be disciplined, an ethical environment is expected to protect
10 members who signal such behavior. We suggest that future research could address when and
11 why employees show supervisor-directed deviance towards a self-serving leader. Moreover,
12 future research may examine in which situations employees will direct their deviance to the
13 organization instead of to the leader.
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28 On the one hand, in organizations with a high ethical climate, one may expect to see
29 supervisor-directed deviance – rather than organizational deviance – because employees
30 might perceive the self-serving leader as having violated organizational norms, and retaliation
31 is an attempt to restore the order (Christian, Christian, Garza, & Ellis, 2012; Skarlicki,
32 Barclay, & Pugh, 2008). Indeed, previous research showed that individuals tend to direct
33 their deviance toward the source that is held responsible for the perceived harm to restore the
34 situation (Jones, 2009). On the other hand, in organizations with a low ethical climate, one
35 may expect spillover effects because in such situations, employees might hold the
36 organization partly responsible for the leader's behavior (Tepper, Lambert, Henle, Giacalone,
37 & Duffy, 2008). That is, supervisors are viewed as agents of the organization and their
38 behaviors are perceived as a representation of the organization itself (Eisenberger,
39 Stinglhamber, Vandenberghe, Sucharski, & Rhoades, 2002). Moreover, employees may
40 perceive that the organization does not intervene to protect them (Burris, Detert, & Chiaburu,
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2008). Therefore, employees may feel they are not valued by their organization and as a result they may engage in organizational deviance (Lian, Ferris, & Brown, 2012). Moreover, in an organization with a low ethical climate, employees may feel they do not have the power to retaliate to the leader and they might fear further harm from the leader (Mitchell & Ambrose, 2007). Indeed, when employees fear disciplinary actions, they will refrain from responding to the leader with deviant acts (Aquino, Tripp, & Bies, 2006; Tepper, Carr, Breaux, Geider, Hu, & Hua, 2009).

Nevertheless, more work is needed to understand other conditions that may influence employees' reactions. Therefore, future research should take other factors into account that may determine if the leader's behavior is tolerated. Organizational, work-group, and intrapersonal factors may influence employees' reactions. For example, employees' reactions might depend on their psychological safety. When psychological safety is high, employees are assured that the other members of the team "will not embarrass, reject, or punish someone for speaking up" (Edmondson, 1999, p. 354). Without safety, employees may fear that retaliating against the leader will lead to being ridiculed or penalized (Stouten et al., in press). In contrast, when psychological safety is high, employees feel able to speak up about errors and mistakes (Edmondson, 2004). Therefore, we suggest that when employees experience psychological safety, they are more willing to take the risk to retaliate against the leader. Moreover, high ethical climates might create environments where employees feel more psychologically safe to report self-serving behavior, because such behaviors are disciplined high ethical climates (Mayer et al., 2015). In sum, we suggest that future research explores the existence of additional boundary conditions for employees' reactions towards a self-serving leader.

Practical Implications

1 Leaders, more often than employees, put themselves first and feel entitled to use the
2 company's resources for their own self-benefit (De Cremer & van Dijk, 2005; Stouten, De
3 Cremer, & van Dijk, 2005). The present research demonstrates that employees have stronger
4 reactions to this behavior when the ethical climate is high rather than low. More specifically,
5 employees show lower levels of trust and higher levels of desire to retaliate and of supervisor-
6 directed deviance to a leader who shows self-serving behavior (compared to a leader who
7 shows less self-serving behaviors), and this relationship is stronger in a high ethical climate.
8 Organizations should become aware of the positive (negative) impact of (un)ethical climates
9 on the behavior of organizational members. For example, previous research shows that
10 ethical climates lead to higher levels of ethical reasoning and more ethical decision making
11 (Martin & Cullen, 2006). Indeed, an ethical climate might boost employees to take personal
12 responsibility and report wrongdoing to management (Bazerman & Tenbrunsel, 2011).
13 Therefore, organizations are advised to create and maintain an ethical climate, which gives
14 employees guidelines for how to behave. Organizations may emphasize the benefits and
15 value of behaving in an ethical way. For example, one should not only define success by the
16 results, but also by the way these results are obtained (Mayer et al., 2015). Indeed,
17 overvaluing outcomes might result in accepting unethical behaviors when these (short-term)
18 outcomes are good (Bazerman & Tenbrunsel, 2011). Therefore, organizations are
19 recommended to reward ethical behavior and discourage unethical behavior. Moreover, the
20 ethical practices of an organization must also be clearly noticeable so that employees can
21 learn through others' rewards and punishments (Mayer et al., 2010).

22 Leaders are essential in shaping an ethical climate (e.g., Mayer et al., 2010; Schminke
23 et al., 2005). Therefore, leaders should reflect the desired ethical climate, and they should be
24 actively involved in promoting and maintaining the ethical climate (Appelbaum, Deguire, &
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1 Lay, 2005; Sims, 1992). Moreover, leaders are advised to improve their relationships with
2 employees and try to create an atmosphere of trust in their work group (Ding et al., 2012).
3

4 Given the negative consequences of self-serving leader behavior, organizations should
5 try to prevent their occurrence because employees often do not have sufficient power to stop
6 the leader's behavior (Near & Miceli, 1986; Tepper et al., 2009). Moreover, because leaders
7 act as role models for their employees, when a leader is acting self-servingly, employees
8 might also be tempted to act in the same way (Brown & Treviño, 2006; Padilla et al., 2007).
9 Organizations can create prevention trainings to avoid self-serving behaviors. For example,
10 organizations could organize training programs to explain to leaders the potential negative
11 influences that self-serving behaviors can have on their employees and the organization.
12 These training programs should train leaders to become good role models and learn them that
13 they should also focus on - and give more consideration to - their employees.
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29 Organizations are also recommended to adopt a zero-tolerance policy when it comes to
30 self-serving leader behavior (Decoster et al., 2014a). Ensuring that leaders are held
31 accountable for their decisions will decrease the likelihood of self-serving behavior. This can
32 be done by establishing transparency and visibility of the leader's decisions. For example,
33 leaders should be asked to publicly justify their financial decisions (Decoster et al., 2014b).
34 Moreover, it is important to nip self-serving behaviors in the bud before they get the chance to
35 exert a social influence effect (Robinson & O'Leary-Kelly, 1998). If organizations succeed in
36 quickly redirecting the leaders' unwanted self-serving behavior into more desired ethical
37 behaviors, they may limit the negative consequences. Finally, organizations may discourage
38 self-serving behavior by taking self-serving behavior as one of the indicators for evaluating
39 and rewarding the leader's performance.
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56 **Limitations and Suggestions for Future Research**

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1 Despite the theoretical and practical contributions of our research, it also has certain
2 limitations. First, the cross-sectional design of Study 2 did not allow us to draw causal
3 conclusions regarding the direction of the observed effects. Therefore, we cannot rule out that
4 a higher desire for retaliation or supervisor-directed deviance made employees rate their
5 leaders as more self-serving. However, the findings of Study 2 are consistent with the
6 scenario study (Study 1), which provided evidence for the causal direction of our hypotheses.
7 Moreover, the results of our study are consistent with previous studies that showed that self-
8 serving types of leader behavior are an important antecedent of employees' deviance (e.g.,
9 Schmid et al., 2017). Therefore, we feel confident in the proposed directions of the
10 relationships.

11 A second limitation pertains to the possibility of common-method bias. Even though
12 we used a multi-source design, it is still possible that common-method bias exists. For
13 example, concerns about social desirability might have played a role. Nevertheless, we took
14 care to signal that responses would be treated with anonymity and would never be traced back
15 to respondents. Moreover, in our studies common-method bias is of a lesser concern because
16 our studies are designed to test interaction effects (Podsakoff, MacKenzie, & Podsakoff,
17 2012). Indeed, interaction effects are less likely to be artifacts of common-method bias
18 (Siemsen, Roth, & Olivera, 2010; Evans, 1985). In all, given that we used a design that has
19 been documented to reduce common-method bias and we took the above measures, we feel
20 confident that common-method bias is of lesser concern.

21 Third, the experimental design of Study 1 can elicit concerns about the external
22 validity. That is, in this study participants *imagined* that they were confronted with a self-
23 serving leader, which means they did not engage in real interactions with the leader. The
24 scenario experiment also took place for a limited time, in contrast to organizational settings
25 where employees are confronted with their leader over longer periods of time. However,

1 because our multi-source field study (Study 2) showed a consistent pattern in the results, we
2 feel confident about our findings. Yet, we believe future research should focus on the long-
3 term effects of self-serving leader behavior on employees' supervisor-directed deviance, to
4 explore whether employees' reactions become stronger depending on how long employees are
5 confronted with their leader. Indeed, as self-serving leader behaviors are less hostile than, for
6 example, abusive supervision, it may take more time before these behaviors produce their
7 negative effect on employees and the organization (Schmid et al., 2017).
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10 We already mentioned that whether the leader's behavior actually harms employees or
11 not is theoretically orthogonal to the definition of self-serving leader behavior (de Dreu &
12 Nauta, 2009; Williams, 2014). Indeed, the primary intention of the leader is to benefit
13 him/herself. This means that self-serving leadership is self-directed without necessarily
14 targeting employees or the organization. This is where self-serving leader behaviors differ
15 from exploitative leadership, where the leader shows employee-directed behaviors such as
16 *using* employees for personal gain or *taking credit* for employees' work (Schmid et al., 2017).
17 Indeed, exploitative leadership targets employees directly by exploiting them (Schmid et al.,
18 2017; Schmid, Verdorfer, & Peus, 2018). In contrast, self-serving leaders only focus on
19 themselves, and the outcomes for employees may be an (un)fortunate consequence of these
20 behaviors. In theory, employees' outcomes may be negative, neutral or even positive.
21 However, in general, self-interested leader behavior is *at the expense of* the employees and the
22 organization (DeCelles, DeRue, Margolis, & Ceranic, 2012; Haynes et al., 2015; Schyns &
23 Schilling, 2013). Even if the direct and immediate impact of the self-serving leader on his/her
24 employees is positive, the long-term impact on employees and organization is expected to be
25 negative (Thoroughgood et al., 2012; Williams, 2014). Previous research already shows that
26 employees evaluate leader's self-serving behavior as less severe if they perceive it as less
27 harmful to themselves (Decoster et al., 2014b). This research suggests that employees'

1 judgment of their leader's self-serving behavior is bounded by, or even biased by, the
2 (un)favorable outcomes the behavior creates for the employees. Future research should
3 therefore examine more in depth how employee reactions to a self-serving leader differ
4 depending on whether employees are harmed, not impacted, or even benefit from the leader's
5 behavior. In sum, more research is needed to more precisely characterize what drives
6 employees' reactions towards leaders' self-interested behavior.

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14 Finally, we also suggest that future studies might measure ethical climate not only at
15 the psychological level (individual perceptions of the work environment), but also at an
16 aggregate work-unit level (collective perceptions of the work environment) (Kuenzi &
17 Schminke, 2009). Until now, most of the research has focused on the psychological climate
18 level (Newman, Round, Bhattacharya, & Roy, 2017). Future research could also focus on the
19 unit level and use a multilevel approach and aggregate multiple employees for each leader.
20 Indeed, ethical climate is typically conceptualized at the unit level, and therefore it would be
21 beneficial to also measure it at this level to accomplish a more thorough understanding of how
22 self-serving leader behavior impacts both the individual and team level (see also Markham,
23 2010).

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Leaders sometimes act in a self-serving way. The present research shows that even though self-serving leadership has implications for employees in general, employees do not always respond against their leaders' behavior. Particularly, when employees do not perceive an ethical climate they refrain to react. Yet, when employees perceive their work environment to contain important ethical elements (i.e., a high ethical climate), ironically, they react with retaliatory measures. Hence, even in ethical environments, employees engage in deviant behavior in order to signal their disapproval towards self-serving leaders.

Ethical Approval

All procedures performed in studies involving human participants were in accordance with the ethical standards of the institutional and/or national research committee and with the 1964 Helsinki declaration and its later amendments or comparable ethical standards.

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Figure 1. The Interaction Between Self-Serving Leadership and Ethical Climate on Trust (Study 2).

Table 1
The Mediation of the Relation Between Self-Serving Leadership and Desire for Retaliation by Trust for Different Levels of the Ethical Climate in Study 1

Conditional Effects for Ethical Climate				
Ethical Climate	Indirect Effect	SE	Lower 95% bootstrap CI	Higher 95% bootstrap CI
Low	.484	.165	.201	.865
High	1.359	.310	.827	2.053

Note. CI = confidence interval.

Table 2
Means, Standard Deviations, and Intercorrelations for Study 2

	<i>M</i>	<i>SD</i>	1.	2.	3.	4.	5.	6.	7.
1. Age	36.25	10.45	-						
2. Gender ^a	-	-	.01	-					
3. Job Tenure	6.46	6.36	.53**	-.01	-				
4. Self-serving Leadership	1.61	.74	.01	-.00	.04	-			
5. Ethical Climate	3.47	.82	-.07	-.09	-.03	-.06	-		
6. Trust	4.02	0.86	-.00	.13	-.03	-.59**	.16	-	
7. Desire for Retaliation	1.31	.63	-.15	-.13	-.03	.43**	-.01	-.55**	-
8. Supervisor-Directed Deviance	1.47	.66	-.19*	.03	-.09	.25**	-.19	-.51**	.47**

Note. *N* = 108.

* $p < .05$ ** $p < .01$.

^a 1 = female, 2 = male

Table 3
Summary of the Hierarchical Regression Analyses of Study 2

Variable	Trust		Desire For Retaliation		
	Step 1	Step 2	Step 1	Step 2	Step 3
Self-Serving Leadership	-.58***	-.57***	.43***	.42***	.18
Ethical Climate	.13	.19**	.02	-.02	.06
Self-Serving Leadership x Ethical Climate		-.33***		.21*	.07
Trust					-.44***
ΔR^2		.10***		.04*	.10***
R^2	.37	.47	.19	.23	.33
Adjusted R^2	.35	.46	.17	.21	.30
F	30.33***	30.74***	12.09***	10.29***	12.68***

Note. Standardized beta coefficients are reported.

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

Table 3 (continued)
Summary of the Hierarchical Regression Analyses of Study 2

Variable	Supervisor-Directed Deviance			
	Step 1	Step 2	Step 3	Step 4
Self-serving leadership	.24*	.23*	-.05	-.11
Ethical Climate	-.18	-.22*	-.12	-.14
Self-serving leadership x Ethical Climate		.23*	.07	.05
Trust			-.50***	-.37**
Desire For Retaliation				.31**
ΔR^2		.05*	.13***	.06**
R^2	.09	.14	.28	.34
Adjusted R^2	.08	.12	.25	.31
F	5.44**	5.84**	9.85***	9.59***

Note. Standardized beta coefficients are reported.

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

Table 4

The Mediation of the Relation Between Self-Serving Leadership and Desire for Retaliation and Supervisor-Directed Deviance by Trust (Study 2)

	Estimate of the Indirect Effect	Standard Error	Lower 95% Bootstrap CI	Higher 95% Bootstrap CI
Desire for Retaliation	.224	.097	.086	.494
Supervisor-Directed Deviance	.287	.081	.168	.511

Note. CI = confidence interval.

Table 5
The Mediation of the Relation between Self-Serving Leadership and Desire for Retaliation and Supervisor-Directed Deviance by Trust for Different Levels of the Ethical Climate (Study 2)

		<i>Conditional Effects for Ethical Climate</i>			
	<i>Ethical Climate</i>	<i>Indirect Effect</i>	<i>SE</i>	<i>Lower 95% bootstrap CI</i>	<i>Higher 95% bootstrap CI</i>
<i>Desire for Retaliation</i>					
	Low	.101	.058	.022	.272
	Normal	.219	.090	.070	.441
	High	.337	.139	.108	.662
<i>Supervisor-Directed Deviance</i>					
	Low	.130	.061	.038	.282
	Normal	.281	.071	.157	.436
	High	.434	.109	.240	.660

Note. CI = confidence interval.

Table 6
The Mediation of the Relation between Self-Serving Leadership and Supervisor-Directed Deviance by Trust and Desire for Retaliation for Different Levels of the Ethical Climate (Study 2)

		<i>Conditional Effects for Ethical Climate</i>			
		<i>Ethical Climate</i>	<i>Indirect Effect</i>	<i>SE</i>	
				<i>Lower 95% bootstrap CI</i>	<i>Higher 95% bootstrap CI</i>
<i>Supervisor-Directed Deviance</i>					
		Low	.031	.025	.000 .097
		Normal	.068	.044	.001 .172
		High	.104	.066	.001 .260

Note. CI = confidence interval.