

Abstract

Unethical behavior is a widespread phenomenon, with high financial costs to organizations and society at large. Acts such as shoplifting, using company resources for personal use, tax evasion, and insurance fraud are some examples of acts that ordinary people commit regularly and that, eventually, result in significant economic impact. Research on unethical behavior has focused mainly on the antecedents of such acts and how they can be mitigated. However, research has typically overlooked the possible impact of unethical behavior on subsequent judgments of the target of the transgression. For example, if self-employed underreport their income for taxes, would it influence their judgment of tax-related authorities? If asked, would they provide a more positive or negative evaluation of the government? Current theories suggest conflicting predictions for such questions. On the one hand, people have been shown to experience high degrees of guilt following unethical acts, which could lead to reparative actions and prosocial behavior, suggesting that perpetrators of unethical behavior would judge the target of their transgression more favorably. On the other hand, when people find it difficult to deny or dismiss their wrongdoing, they may distance themselves from the act by criticizing others to restore their moral self-image. This suggests that perpetrators of unethical behavior might judge the target of their transgression more negatively.

In this research, I contrast these opposing predictions to better understand the important downstream consequence of dishonesty—namely, people’s judgment and reviews of those they have cheated. Also, I explore whether and how subsequent judgment is affected by the ability to justify unethical behavior. Lastly, I also examine the impact of unethical behavior on written review's nature and sentiments and the possible influence they have on other people's behaviors and willingness to engage with the victim. The phenomenon was examined in different settings, with both real-life cases and online performance. Findings suggest that when people behave unethically, they judge the victim more harshly, presumably to distance themselves, and thus justify their transgression. The results were consistent so that employees judged their employers less favorably after recalling unethical behaviors in the workplace, and self-employed judged tax-related government authorities more negatively after recalling their false tax reports. Similarly, in marketing settings, participants who tested a new app judged it more negatively the more they cheated. Also, demonstrating an important boundary condition, I found that unethical behavior does not influence judgments when cheating was blatantly obvious and hard to justify. This finding supports a distancing-based process as the underlying mechanism driving the effect. Finally, I found that when people behave unethically, they tend

to use more negative sentiments in their written reviews and reduce readers' willingness to engage with the target of the transgression. However, reviews generated by participants who were given the opportunity to cheat, but curbed their dishonesty despite the temptation, increased readers' willingness to use the product compared to reviews generated by participants who could not cheat.

The research has a significant theoretical contribution since it highlights an unexplored aspect of unethical behavior. The research considers the impact unethical behavior has on subsequent judgments and evaluations rather than focus on antecedents and ways to mitigate it. That is, the research considers unethical behavior as the cause rather than the effect. Additionally, the research contributes to the growing field of word of mouth by revealing a novel factor that can systematically sway ratings and written reviews. Since unethical behavior is prevalent, many online reviews likely originate from unethical behavior. Findings suggest that these reviews may be biased due to the tendency of people who behave immorally to harshly judge the victim of their transgression.

In addition, the research has important implications for organizations, policymakers, and marketers because of the lingering negative effects unethical behavior has. Since organizations are subject to public opinion, negative judgments of unethical people may influence their image in the public's eyes, affect business results, and consequently their ability to recruit good employees, provide quality services, or keep the stakeholders' interests. Findings also emphasize the importance of policies that aim to deter people from behaving unethically, since firms that use lenient policies may expose themselves to more negative online reviews. Lastly, the research suggests implications concerning consumer protection and fair-trade policies. Since unethical behavior has significant consequences in terms of word of mouth, people should be informed about possible biases that may influence their decision-making while considering a product or interacting with organizations. Lastly, policymakers should also consider policies that aim to protect organizations' interests due to the negative consequences of unethical behaviors.