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## **Being A Witness or A Victim of Unethical Behaviour Diminishes Employee's Trust in Organisations**

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### **Abstract**

The objective of the paper was to explore the relation between unethical behaviour in organisations and the level of trust in these organisations on the part of witnesses and victims of an unethical action in Polish companies. The study was based on a survey conducted on a group of 309 respondents in Poland. We hypothesized that employees who were being either a victim or a witness of unethical actions had lower trust in the organisation. Our research showed that there are unethical practices in Polish companies that are either experienced or witnessed, most likely driven by humiliation and depreciation and the demonstrating of the power position by people in charge. In large part, the results confirmed the hypothesis, especially in the cases of victims; however, in the case of witnesses, these results differed from expected, showing the increase of trust in organisations in some aspects.

**Keywords:** Trust, Trust Management, Organisations, Unethical Behaviour, Business Ethics.

### **Introduction**

The questions of both trust in organisations and unethical behaviour within them have been foci of many studies and have become subjects of various theoretical conceptualizations. The two concepts have obviously been regarded as having a mutual impact on each other and as empirically related (Yip, Schweitzer 2015; Hill, Eckerd, Willson, Greer 2009; Lewicki, Tomlinson 2014). Yet, it seems that in many studies both trust (e.g. Zand 1972; Dietz and Den Hartog 2006; Shockley-Zalabak and Ellis 2006; McKnight, Cummings, Chervany 1998; Żółtawska 2014) and un/ethical behaviour have been, principally, treated, separately (e.g. Peterson 2002; Phillips, Margolis 1999; Wimbush, Shephard 1994; Kvalnes 2019; Chudzicka-Czupala 2013). The aim of the present study was to empirically examine the relation between unethical behaviour within Polish companies and the levels of trust in them, on the part of witnesses or victims of an unethical action.

### ***Trust and unethical behaviour***

For the purpose of our study, we have accepted Rawling's (2008) general definition of trust: „Therefore, the operational definition of trust for this study is the following: Trust is one party's willingness to be vulnerable to

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another party based on the confidence that the latter party is competent and dependable, has integrity, and acts with goodwill” (Rawlins, 2008, p. 5). We also agreed with Paine (2003), Dietz and Den Hartog (2006) and Shockley-Zalabak and Ellis (2006) that trust as a complex concept has five overall characteristic features: (1) it can be understood as a multi-level relation (between workmates, teams, organisations, the public); (2) it is culturally rooted and (3) communication-based; (4) it is dynamic (changing depending on the situations, e.g. after being a victim or a witness of un/ethical actions); and (5) it is multi-dimensional, which means that it comprises cognitive, emotional and behavioural aspects. After Paine (2003, pp. 5-6) we assumed that operationalizable domains of trust covered a series of particular concepts such as competence, integrity, dependability/reliability, openness and honesty, vulnerability, concern for employees, identification, control mutuality, satisfaction and commitment (see Szczepanowski, Zarębski, Pieńkowska 2020).

Particular constructs of ethical and unethical behaviour may depend on several individual and supra-individual factors including individual's beliefs, his or her social role's requirements and expectations, personality traits, but also on the type of culture which a person lives in, organisational/ethical climate or having a particular ethical code in a company (Chudzicka-Czupala 2013, pp. 15-85; De Cremer, Vandekerckhove 2017). Having taken that into account, we refrain from stipulating the particular forms of ethical/unethical sphere in objective terms and, instead, accept the view of the unethical as actions that deviate from multifoci organisational justice (e.g. Rupp, Cropanzano 2002, p. 926-928) as perceived by individuals inside an organisation. Against this background we followed Chudzicka-Czupala (2013) in distinguishing five categories of unethical experiences as respondents perceived them: (1) discrimination, (2) isolation and ignorance, (3) violation of dignity and integrity, (4) humiliation and depreciation of employees, and (5) demonstration of power position by a superior. After the Chudzicka-Czupala's account, we have also considered a framework of a threefold perspective on an act to be virtually perceived as unethical, i.e. the perspective of a victim, of a witness and of a perpetrator (2013, pp. 114-121). The present research focuses on the perspectives of a victim and of a witness, while the perspective of a perpetrator was not relevant for this study.

According to Paine's model, it is claimed that an important component of promoting trust in the organisations consists of various interactions between associates, teams, and alliances on the multiple levels (Paine, 2003). Thus, apart from trust-building factors that are culturally rooted (i.e. norms and values), the model primarily points to the importance of connections between an employee and the organisation. Given this standpoint, Paine argues that there are several communicative behaviours and openness strategies that can potentially boost the establishments of trust (Paine, 2003, p. 5). The specific dimensions describing how connections can positively affect employee's trust are: (i) control mutuality, (ii) satisfaction, (iii) commitment, (iv) exchange relationship, and (v) social relations. In terms of control mutuality, this factor describes the degree to which both parties agree to influence each other by taking into account the imbalance of authority. For example, unjustified attempts by one party to gain control over the other party can decline trust in other's competence and satisfaction. On the other hand, it is believed that consent to exercise mutual control ensures the stability of the organisation. Another dimension is satisfaction, which describes positive feelings towards other partner based on the expectations directed to that party. Positive feelings of satisfaction arise from the fact that benefits prevail over costs and the satisfied employee holds beliefs that positive behaviours of the other partner will be maintained in the future. The subscale of engagement refers to individual's beliefs about confidence in one's own actions and investments into the organisation. Having these beliefs, an individual feels emotional stability within the organisation and has feelings of continuity, both of which are behaviourally expressed in maintaining and promoting the relationship with the organisation. The next dimension of exchange relationship is based on the concept of marketing theory (Bagozzi, Richard P. 1974, p. 77), which assumes that each party should provide the other one with benefits. Such beliefs imply that also the employee is obligated to benefit the partner (the organisation). As the exchange between partners is being reinforced and matured, the building of trust improves and a positive orientation towards maintaining the relationship with the organisation appears. The last dimension of social relationship is a cornerstone of the development and reinforcement of trust in an organisation. This subscale describes beliefs that people should care about each other and provide each other with benefits, even if they receive nothing in return. Pains (2003) suggests that maintaining such beliefs also significantly reduces the likelihood of negative behaviour from stakeholders.

Considering the results of previous studies by Hough et al. (2015), the relationship between unethical behaviours in organisation and trust seems to be crucial for employee's engagement. It was shown that organisational trust fully mediates the relationship of ethical environment on employee's engagement. That means that an ethics environment leads to organisational trust which in turn enhances employee engagement (Hough et al., 2015). In fact,

ethical/unethical behavior in organisations is related to individual and context-specific characteristics, in particular organisational culture (Ardichvili et al., 2009; Cohen, 1993; Meyers, 2004; Trevino, 1986). Therefore, in this study we investigated the relationship between unethical behaviours from victim and witness standpoints and trust in organisation.

## Objective of the study

In our study, it was expected that being a victim or a witness of unethical behaviour would be a predictor of decrease in trust in organisations. The hypothesis has been examined through a series of multiple-regression analyses as set out below.

## Method

### *Respondents*

Three hundred nine part-time graduate students of University of Lower Silesia participated in the study. A total of 309 usable surveys was further analysed (262 women and 47 men). Participants were aged from 19 to 50 ( $M = 26.65$ ,  $SD = 7.24$ ). All participants completed informed consent forms before participating in the study. The study was approved by the Research Ethics Committee at the University of Lower Silesia, Wrocław, Poland. The survey was conducted in 2020.

### *The Questionnaires*

The *Trust Measurement Questionnaire* (TMQ) (Paine 2003) was used to assess multidimensional trust within the organisation. The survey comprises six subscales, i.e. overall trust, control mutuality, commitment, satisfaction, communal relationships, exchange relationship. Although the subscale of overall trust measured beliefs concerning dimensions of integrity, competence and dependability. In this study, the reliability of the entire questionnaire, assessed using Cronbach's alpha rating was 0.937, while reliabilities of the subscales ranged from .738 to .873 (see Table 1).

**Table 1: The reliability coefficients of Trust Measurement Questionnaire (TMQ)**

Dimension	Cronbach's alpha	Number of items
Overall trust	.859	11
Control mutuality	.828	8
Commitment	.805	8
Social relations	.804	8
Communal relationships	.873	7
Exchange relationship	.738	4
Total	.937	46

The *Unethical Behavior in Organization Questionnaire* developed by Chudzicka-Czupala (2013) was used to measure the frequency of experiencing unethical behaviours at work from the perspectives of victim and witness. The inventory distinguishes five categories of unethical behaviour: (i) discrimination, (ii) isolation and ignorance, (iii) violation of dignity and integrity, (iv) humiliation and depreciation of employees, and (v) demonstrating the position of power by people in charge (superiors). The respondents were asked to determine the frequency of victimization and witness of unethical behaviour in their workplace. In total, the questionnaire measured 10 dimensions of unethical behaviours. The reliability of the questionnaire, assessed with the Cronbach's alpha rating, was 0.88, while the reliabilities of subscales ranged from 0.78 to 0.89 (Chudzicka-Czupala, 2013).

## Statistical Analyses

Multiple regression analysis was performed based on the entry method to verify the possibility of predicting the trust based on the experiences of being a victim or witness of unethical behaviour at work. All independent variables were entered into the equation simultaneously. The following variables related to unethical behaviours were introduced to the regression models: (i) discrimination; (ii) isolation and ignorance; (iii) violation of dignity and integrity; (iv) humiliation and depreciation of employees; and (v) demonstrating position of power by a superior. The global score of trust and its relevant aspects, i.e. control mutuality, commitment, satisfaction, communal relationships, and exchange relationships were dependent variables. The same predictors related to unethical behaviours at work either from the witness' or victim's perspectives were entered into the regression models. Finally, the designed models included predictors of unethical behaviours at work from either the victim's or witness perspective to assess contributions of these factors to explaining the variance in each dimension of trust. In order to identify the multicollinearity between predictors in regression analysis, the variance inflation factors (VIFs) were calculated. Since the maximum value of VIF was 2.827, no issue of multicollinearity among the predictors was identified. All statistical analyses were done with SPSS version 25 for Windows (IBM, 2016). The level of significance was set at  $p < 0.05$  in all statistical tests.

## Results

### Prediction of trust in organisation (dependent variable)

Based on the enter method, it was found out that severity of experiences of being the victim of unethical behaviour at work significantly predicted the level of trust in organisation,  $F(5,216) = 5.30$ ;  $p < 0.001$ , and this predictor explained a significant amount of the variance (11% ) in the variable of trust ( $R^2 = .109$ ). The results showed that only the predictor of being a victim of humiliation and depreciation significantly contributed to the levels of trust ( $b = -.245$ ,  $t(216) = -2.429$ ,  $p = .016$ ). This implicated that employees who had been more often victimized and humiliated had lower levels of trust into organisation (see Table 2).

**Table 2: Summary of Multiple Regression Analysis for trust based on the experiences of being a victim of unethical behaviour at work**

Predictor	<i>B</i>	<i>SE</i>	$\beta$	<i>t</i>	<i>p</i> -value	95% CI	VIF
<b>DV: Trust</b>							
(constant)	39.819	2.448		16.264	.000	34.993-44.644	
Discrimination	0.063	0.579	0.010	0.108	.914	-1.078-1.203	2.103
Isolation and ignorance	-0.255	0.544	-0.051	-0.469	.640	-1.327-0.817	2.827
Violation of dignity and integrity	0.952	0.691	0.138	1.379	.169	-0.409-2.313	2.437
Humiliation and depreciation of employees	-10.208	0.497	-0.245	-2.429	.016*	-2.189-0.228	2.458
Demonstrating position of power by a superior	-0.962	0.612	-0.158	-1.571	.118	-2.169-0.245	2.437
$R^2 = 0.109$ , $\text{adj}R^2 = 0.089$ , $SE = 8.06$ , $F(5,216) = 5.30$ , $p < .001$							

The results also indicated that the levels of trust are significantly predicted by the severity of unethical behaviour that were witnessed at work,  $F(5, 180) = 4.607$ ;  $p = 0.001$ . The predictor of witnessing unethical behaviour explained 11% of the variance in the variable of trust ( $R^2 = .113$ ). The results showed that the predictor of witnessing humiliation and depreciation significantly predicted the risk of decreasing trust in organisation ( $b = -.213$ ,  $t(180) = -1.977$ ,  $p = .050$ ). This indicated that only the predictor of witnessing humiliation and depreciation of employees in organisation contributed to the risk of decreasing trust in organisation (see Table 3).

**Table 3: Summary of Multiple Regression Analysis for trust based on the experiences of being a witness of unethical behaviour at work**

Predictor	<i>B</i>	<i>SE</i>	$\beta$	<i>t</i>	<i>p</i> -value	95% CI	VIF
<b>DV: Trust</b>							
(constant)	37.837	2.789		13.568	.000	32.334-43.340	
Discrimination	0.506	0.520	0.083	0.974	.331	-0.519-1.532	1.487
Isolation and ignorance	-0.981	0.530	-0.211	-1.851	.066	-2.026-0.065	2.649
Violation of dignity and integrity	0.812	0.507	0.140	1.601	.111	-0.189-1.813	1.564
Humiliation and depreciation of employees	-0.960	0.486	<b>-0.213</b>	-1.977	<b>.050*</b>	-1.919-0.002	2.363
Demonstrating position of power by a superior	-0.236	0.610	-0.045	-0.387	.699	-1.439-0.967	2.700
$R^2 = 0.113$ , $_{adj}R^2 = 0.089$ , $SE = 7.95$ , $F(5,180) = 4.607$ , $p = .001$							

***The Prediction of Control Mutuality (Dependent Variable)***

The regression model predicting dependency of control mutuality on the severity of experiencing unethical behaviour on the part of a victim at work was significant,  $F(5, 216) = 4.53$ ;  $p = 0.001$ . The predictor explained the 10% of variance in the variance of control mutuality, ( $R^2_{adj} = .095$ ). The coefficients in the regression model were not significant (see Table 4).

**Table 4: Summary of Multiple Regression Analysis for Control mutuality based on the experiences of being a victim of unethical behaviour at work**

Predictor	<i>B</i>	<i>SE</i>	$\beta$	<i>t</i>	<i>p</i> -value	95% CI	VIF
<b>DV: Control mutuality</b>							
(constant)	31.374	1.885		16.647	.000	27.66-35.08	
Discrimination	0.064	0.444	0.013	0.143	.886	-0.812-0.939	2.098
Isolation and ignorance	-0.550	0.415	-0.143	-1.324	.187	-1.369-0.269	2.791
Violation of dignity and integrity	0.417	0.531	0.079	0.785	.433	-0.630-1.463	2.435
Humiliation and depreciation of employees	-0.347	0.380	-0.092	-0.914	.362	-1.095-0.401	2.419
Demonstrating position of power by a superior	-0.785	0.470	-0.168	-1.670	.096	-1.711-0.142	2.426
$R^2 = 0.095$ , $_{adj}R^2 = 0.074$ , $SE = 6.19$ , $F(5,216) = 4.533$ , $p = .001$							

The prediction of dependency of control mutuality on the severity of witnessing unethical behaviour at work was significant,  $F(5, 181) = 4.185$ ;  $p = 0.001$ . The predictor of witnessing unethical behaviours explained 10% of the variance in control mutuality ( $R^2_{adj} = .104$ ). The coefficients in the regression model were not significant (see Table 5).

**Table 5: Summary of Multiple Regression Analysis for Control mutuality based on the experiences of being a witness of unethical behaviour at work**

Predictor	<i>B</i>	<i>SE</i>	$\beta$	<i>t</i>	<i>p</i> -value	95%CI	VIF
<b>DV: Control mutuality</b>							
(constant)	28.947	2.164		13.379	.000	24.678-33.216	
Discrimination	0.669	0.403	0.143	1.660	.099	-0.126-1.464	1.503
Isolation and ignorance	-0.672	0.413	-0.185	-1.627	.106	-1.487-0.143	2.611
Violation of dignity and integrity	0.233	0.398	0.052	0.585	.559	-0.553-1.019	1.582
Humiliation and deprecation of employees	-0.571	0.381	-0.161	-1.499	.136	-1.322-0.181	2.322
Demonstrating position of power by a superior	-0.397	0.481	-0.095	-0.825	.411	-1.347-0.553	2.703
$R^2 = 0.104$ , $\text{adj}R^2 = 0.079$ , $SE = 6.28$ , $F(5,181) = 4.185$ , $p = .001$							

***The prediction of commitment (dependent variable)***

The results suggested that the variable of being a victim of an unethical behaviour at work was significant in predicting levels of commitment,  $F(5, 216) = 4.374$ ;  $p = 0.001$ , and the variable explained the 9% of variance ( $R^2 = .092$ ). The results showed that only the predictor of being a victim of humiliation and deprecation significantly contributed to the decrease in levels of engagement, ( $b = -.270$ ,  $t(216) = -2.684$ ,  $p = .008$ ). This implicated that an employee who is more often victimized and humiliated shows lower commitment to organisation (see Table 6).

**Table 6: Summary of Multiple Regression Analysis for Commitment based on the experiences of being a victim of unethical behaviour at work**

Predictor	<i>B</i>	<i>SE</i>	$\beta$	<i>t</i>	<i>p</i> -value	95%CI	VIF
<b>DV: Commitment</b>							
(constant)	33.939	1.750		19.391	.000	30.49-37.3	
Discrimination	-0.583	0.413	-0.133	-1.414	.159	-1.396-0.230	2.097
Isolation and ignorance	0.014	0.386	0.004	0.035	.972	-0.747-0.774	2.783
Violation of dignity and integrity	0.762	0.493	0.156	1.546	.123	-0.209-1.733	2.435
Humiliation and deprecation of employees	-0.946	0.352	<b>-0.270</b>	-2.684	<b>.008*</b>	-1.641-0.251	2.414
Demonstrating position of power by a superior	-0.249	0.436	-0.058	-0.571	.568	-1.109-0.611	2.419
$R^2 = 0.092$ , $\text{adj}R^2 = 0.071$ , $SE = 5.75$ , $F(5,216) = 4.374$ , $p = .001$							

The results indicated that the dependency between levels of engagement and severity of witnessing different types of unethical behaviour at work was negligible,  $F(5, 182) = 1.619$ ;  $p = 0.157$ . The results are presented at Table 7.

**Table 7: Summary of Multiple Regression Analysis for Commitment based on the experiences of being a witness of unethical behaviour at work**

Predictor	<i>B</i>	<i>SE</i>	$\beta$	<i>t</i>	<i>p</i> -value	95%CI	VIF
<b>DV: Commitment</b>							
(constant)	30.439	1.913		15.915	.000	26.665-34.213	
Discrimination	0.223	0.356	0.056	0.626	.532	-0.480-0.926	1.504
Isolation and ignorance	-0.147	0.366	-0.047	-0.402	.688	-0.868-0.574	2.611

Violation of dignity and integrity	0.352	0.353	0.091	0.999	.319	-0.343-1.048	1.582
Humiliation and depreciation of employees	-0.476	0.337	-0.156	-1.411	.160	-1.140-0.189	2.321
Demonstrating position of power by a superior	-0.308	0.426	-0.086	-0.724	.470	-1.149-0.532	2.704
$R^2 = 0.043$ , $_{adj}R^2 = 0.016$ , $SE = 5.56$ , $F(5,182) = 1.619$ , $p = .157$							

### *The prediction of satisfaction (dependent variable)*

The results indicated that dependency of satisfaction levels based on experiences of being the victim of an unethical behaviour at work was significant,  $F(5, 217) = 6.870$ ;  $p < 0.001$ . This predictor explained 14% of variance in the variable of satisfaction ( $R^2 = .137$ ). The coefficients in the regression model indicated that none of the factors significantly predicted satisfaction levels (see Table 8).

**Table 8: Summary of Multiple Regression Analysis for Satisfaction based on the experiences of being a victim of unethical behaviour at work**

Predictor	<i>B</i>	<i>SE</i>	$\beta$	<i>t</i>	<i>p</i> -value	95%CI	VIF
<b>DV: Satisfaction</b>							
(constant)	35.123	1.843		19.061	.000	.	
Discrimination	-0.106	0.439	-0.022	-0.241	.810	-.972-0.760	2.127
Isolation and ignorance	-0.561	0.407	-0.146	-1.378	.170	-1.364-0.241	2.808
Violation of dignity and integrity	0.662	0.522	0.125	1.268	.206	-.367-1.692	2.457
Humiliation and depreciation of employees	-0.708	0.372	-0.187	-1.904	.058	-1.441-0.025	2.432
Demonstrating position of power by a superior	-0.699	0.461	-0.150	-1.518	.130	-1.607-0.209	2.438
$R^2 = 0.137$ , $_{adj}R^2 = 0.117$ , $SE = 6.07$ , $F(5,217) = 6.87$ , $p < .001$							

The results indicated also that the severity of experiences of witnessing an unethical behaviour at work predicted significantly satisfaction,  $F(5, 182) = 4.114$ ;  $p = 0.001$ , and this predictor explained 10% of variance in the variable of ( $R^2 = .102$ ). The coefficients in the regression model indicated that none of the factors significantly predicted satisfaction levels (see Table 9).

**Table 9: Summary of Multiple Regression Analysis for Satisfaction based on the experiences of being a witness of unethical behaviour at work**

Predictor	<i>B</i>	<i>SE</i>	$\beta$	<i>t</i>	<i>p</i> -value	95%CI	VIF
<b>DV: Satisfaction</b>							
(constant)	33.963	2.044		16.617	.000	29.930-37.996	
Discrimination	0.069	0.382	0.016	0.181	.857	-0.684-0.822	1.506
Isolation and ignorance	-0.638	0.391	-0.186	-1.631	.105	-1.410-0.134	2.624
Violation of dignity and integrity	0.260	0.377	0.061	0.690	.491	-0.484-1.005	1.586
Humiliation and depreciation of employees	-0.410	0.361	-0.122	-1.137	.257	-1.121-0.302	2.334
Demonstrating position of power by a superior	-0.349	0.456	-0.089	-0.766	.445	-1.249-0.550	2.715
$R^2 = 0.102$ , $_{adj}R^2 = 0.077$ , $SE = 5.95$ , $F(5,182) = 4.114$ , $p = .001$							



### *The prediction of social relations*

The results indicated that dependency of social relation based on the experiences of being a victim of an unethical behaviour at work was significant,  $F(5, 216) = 3.878$ ;  $p = 0.002$ , and the model explained 8% of variance in the variable of ( $R^2 = .082$ ). The results showed that only the variable of being a victim of the demonstrating the position of power by superiors significantly predicted the level of trust in social relations ( $b = -.209$ ,  $t(216) = -2.070$ ,  $p = .040$ ). This indicated that an employee who was more often victimized by their superiors, had a lower level of trust in social relations (see Table 10).

**Table 10: Summary of Multiple Regression Analysis for Social relations based on the experiences of being a victim of unethical behaviour at work**

Predictor	B	SE	$\beta$	t	p-value	95%CI	VIF
<b>DV: Social relations</b>							
(constant)	30.329	1.913		15.858	.000	26.559-34.098	
Discrimination	0.033	0.446	0.007	0.073	.942	-0.847-0.913	2.039
Isolation and ignorance	-0.286	0.414	-0.075	-0.690	.491	-1.101-0.530	2.770
Violation of dignity and integrity	0.338	0.531	0.064	0.637	.525	-0.708-1.384	2.373
Humiliation and depreciation of employees	-0.282	0.379	-0.076	-0.743	.458	-1.028-0.465	2.431
Demonstrating position of power by a superior	-0.969	0.468	<b>-0.209</b>	-2.070	<b>.040*</b>	-1.891-0.046	2.410
$R^2 = 0.082$ , $\text{adj}R^2 = 0.061$ , $SE = 6.17$ , $F(5,216) = 3.878$ , $p = .002$							

The model predicting the effects of the experiences of being a victim of an unethical behaviour at work on social relationships was significant,  $F(5, 181) = 4.772$ ;  $p < 0.001$ . The variable explained 12% variance in the variable of social relations ( $R^2 = .116$ ). The results showed that only witnessing a demonstration of power positions significantly predicted the decrease of trust in social relationships ( $b = -.236$ ,  $t(181) = -2.051$ ,  $p = .042$ ). This outcome suggested that a worker who more often witnessed a demonstration of the power positions by their superiors had lower levels of trust in social relations within an organisation (see Table 11).

**Table 11: Summary of Multiple Regression Analysis for Social relations based on the experiences of being a witness of unethical behaviour at work**

Predictor	B	SE	$\beta$	t	p-value	95%CI	VIF
<b>DV: Social relations</b>							
(constant)	30.486	2.067		14.748	.000	26.408-34.565	
Discrimination	0.330	0.385	0.073	0.858	.392	-0.429-1.090	1.503
Isolation and ignorance	-0.470	0.395	-0.135	-1.192	.235	-1.249-0.308	2.611
Violation of dignity and integrity	0.109	0.381	0.025	0.286	.775	-0.642-0.860	1.582
Humiliation and depreciation of employees	-0.181	0.364	-0.053	-0.497	.619	-0.899-0.537	2.322
Demonstrating position of power by a superior	-0.943	0.460	<b>-0.236</b>	-2.051	<b>.042*</b>	-1.851-0.036	2.703
$R^2 = 0.116$ , $\text{adj}R^2 = 0.092$ , $SE = 6.00$ , $F(5,181) = 4.772$ , $p < .001$							

### *The prediction of Exchange Relationship*

The model predicting the effects of being the victim of various types of unethical behaviour at work on the variable of exchange relationship was significant,  $F(5, 217) = 2.690$ ;  $p = 0.022$ . The model explained the 6% variance ( $R^2 = .058$ ). The results showed that predictor of being a victim of a demonstration of the power positions by superiors significantly predicted the increase in exchange relationship ( $b = .241$ ,  $t(217) = 2.353$ ;  $p = .019$ ). Thus, an employee more often victimized by their superiors displayed a higher level on the exchange relationship scale (see Table 12).

**Table 12: Summary of Multiple Regression Analysis for Exchange relations based on the experiences of being a victim of unethical behaviour at work**

Predictor	<i>B</i>	<i>SE</i>	$\beta$	<i>t</i>	<i>p</i> -value	95%CI	VIF
<b>DV: Exchange relations</b>							
(constant)	8.528	1.123		7.591	.000	6.313-10.742	
Discrimination	0.112	0.265	0.040	0.423	.673	-0.410-0.635	2.099
Isolation and ignorance	0.110	0.248	0.049	0.445	.657	-0.378-0.599	2.791
Violation of dignity and integrity	-0.480	0.317	-0.156	-1.517	.131	-1.104-0.144	2.437
Humiliation and depreciation of employees	0.016	0.226	0.007	0.071	.944	-0.430-0.462	2.420
Demonstrating position of power by a superior	0.660	0.280	<b>0.241</b>	2.353	<b>.019*</b>	0.107-1.212	2.425
$R^2 = 0.058$ , $_{adj}R^2 = 0.037$ , $SE = 3.70$ , $F(5,217) = 2.690$ , $p = .022$							

The model predicting dependency of exchange relationships on witnessing an unethical behaviour at work was significant,  $F(5, 180) = 3.056$ ;  $p = 0.011$ . The model explained 8% variance in the variable of exchange relationship ( $R^2 = .078$ ). The coefficients in the regression model were not significant (see Table 13).

**Table 13: Summary of Multiple Regression Analysis for Exchange relations based on the experiences of being a witness of unethical behaviour at work**

Predictor	<i>B</i>	<i>SE</i>	$\beta$	<i>t</i>	<i>p</i> -value	95%CI	VIF
<b>DV: Exchange relations</b>							
(constant)	7.349	1.275		5.764	.000	4.833-9.865	
Discrimination	-0.073	0.236	-0.027	-0.309	.758	-0.539-0.393	1.498
Isolation and ignorance	0.411	0.243	0.195	1.694	.092	-0.068-0.890	2.600
Violation of dignity and integrity	-0.048	0.235	-0.018	-0.203	.839	-0.511-0.415	1.586
Humiliation and depreciation of employees	-0.080	0.231	-0.038	-0.344	.731	-0.535-0.376	2.429
Demonstrating position of power by a superior	0.380	0.285	0.157	1.331	.185	-0.183-0.943	2.733
$R^2 = 0.078$ , $_{adj}R^2 = 0.053$ , $SE = 3.69$ , $F(5,180) = 3.056$ , $p = .011$							

### **Discussion**

The present study investigated the relationship between trust and unethical practices witnessed or experienced by employees in Polish companies. The multiple regression analysis identified unethical behaviours that had an effect on the decrease and also, surprisingly, increase in multidimensional trust in the organisation. We have identified that all dimensions of trust in an organisation are significantly associated with unethical behaviour when

experienced directly by an employee, i.e. in case of being a victim. A similar situation occurred when an employee perceived unethical practices, although there was one exception, since employee's trust dependent on engagement was unchanged. Our research showed that unethical practices either experienced or witnessed include the factor of humiliation and depreciation, which most strongly undermines trust in the organisation, both in the situation of being a witness and a victim. We also found out that the significant effect on trust was exerted by the demonstrating of the position of power by a superior. However, this factor played a twofold role, since the demonstration of the power position either undermined trust on a social level (the significant decrease in trust) or enhanced trust in terms of exchange relations. The latter issue seems to be counter-intuitive and as such requires a tentative explanation. In sketching such an explanation, it is reasonable to resort to cultural factors (e.g. Ratajczak 2007) that influence human behaviour in workplace, accepting Hofstede's view on the dimensions of national cultures (Hofstede, Hofstede, Minkov 2010; Subocz 2012), namely: power distance, collectivism versus individualism, femininity versus masculinity, uncertainty avoidance, long-term versus short-term orientation. The Polish culture is thought to be more oriented towards high uncertainty avoidance, masculinity, short-term orientation, rather large power distance while oscillating between collectivism and individualism. Thus, it is possible that the demonstration of the position of power by a superior, when it is witnessed but not directly experienced by an employee, is perceived by this employee as an expression of certainty masculinity and superior's caring about company as a whole (collectivism); at the same time, the large power distance between the witness and the superior as well as the short term orientation contribute to form a traditional view on one's work and as such might give the impression of safety within strict hierarchy of roles in the organisation. This, in turn, within can result in enhancing the impression of higher level of control mutuality from employee's perspective.

Here, it is worth commenting on the importance of employee-superior relations in Polish organisations. Our study clearly shows that the demonstrating of the power position by superiors diminishes our confidence in the organisation in a social dimension; however, on the other hand, it induces positive feelings linked with expectations of future benefits. It seems that this situation may reflect a certain dependency dilemma of the employee in Poland. When deciding to be associated with an organisation, he or she begins to experience mixed feelings of trust: on the one hand, he or she wants to adapt to the organisational structure (to conform to an external code of ethics, i.e. norms, values) and, on the other hand, hopes to have further profits and benefits resulting from their own work. This study has several limitations. Namely, the research sample was limited to graduate students, mainly women. Therefore, future research should provide a more representative sample.

## Conclusions

To conclude: there will always be ethical problems in organisations where business is involved. Our research shows that unethical practices can primarily relate to factors related to humiliation and depreciation of employees as well as the demonstration of the power position by a superior. Presumably, it is for these reasons that conflicts and injustices can occur in Polish companies, and consequently decreasing trust in organisation. Therefore, further research as well as interventions are needed to find out ways to improve the ethical climate of organisations in Poland in order to counteract these specific unethical practices witnessed or experienced by employees.

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