

# Successful Psychopaths: Are They Unethical Decision-Makers and Why?

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**Abstract** Successful psychopaths, defined as individuals in the general population who nevertheless possess some degree of psychopathic traits, are receiving increasing amounts of empirical attention. To date, little is known about such individuals, specifically with regard to how they respond to ethical dilemmas in business contexts. This study investigated this relationship, proposing a mediated model in which the positive relationship between psychopathy and unethical decision-making is explained through the process of moral disengagement, defined as a cognitive orientation that facilitates unethical choice. The results of the study supported this model, and implications for theory and practice are discussed.

**Keywords** Ethical business scenarios · Moral disengagement · Subclinical psychopathy · Successful psychopaths · Unethical decision-making

Although the study of the psychopathic personality has long held the interest of researchers in a number of diverse fields, the majority of this attention has examined issues related to

the criminal justice system and clinical assessment and treatment (cf., Patrick 2007). Researchers have only recently begun to look at this construct in nonforensic contexts, such as community samples (e.g., Mullins-Nelson et al. 2006; Neumann and Hare 2008), and organizations (e.g., Babiak 1995; Babiak and Hare 2006). One of the driving forces of this trend has been the conceptualization of the “successful psychopath,” defined as an individual possessing some level of psychopathic traits who has avoided contact with the justice system, potentially even attaining success in certain domains of life (Lykken 1995). To date, the majority of studies in this area have focused primarily on measurement and factor structure issues (e.g., Babiak et al. 2010; Salekin et al. 2001; Williams et al. 2007). Although such efforts provide important insights in terms of understanding the construct of psychopathy in the general public, there is little in the literature that examines the ways in which successful psychopaths interact with their environments. This study attempts to address this shortcoming by examining how successful psychopaths respond to ethical dilemmas in business settings. As a result, we provide the first empirical test of the assumption that successful psychopaths are more likely to engage in unethical decision-making. Furthermore, we argue that this relationship is mediated by moral disengagement, defined as a set of tactics to selectively disengage internal moral standards, thereby facilitating unethical decision-making or behavior (Bandura 1999).

## Theoretical Background and Hypothesis Development

### Psychopathy and its Measurement

Cleckley (1941) has been widely credited as the first to formally describe the construct of psychopathy, based off

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of his observations working with psychiatric patients. He observed that certain patients did not appear to have symptoms of mental illness at a superficial level; in fact, these individuals could be quite charming and intelligent. However, Cleckley also noted that these individuals were typically unconcerned with the effects of their actions on others, often engaged in deception and manipulation, and in some cases, had violent criminal or antisocial records of behavior. These clinical observations became the foundation for later conceptualizations of psychopathy as a cluster of individual difference variables and behaviors involving a lack of empathy and attachment to others, superficial charisma and charm, a manipulative nature, and a tendency to violate social norms (Hart et al. 1994; Hare 2006). Although there is general agreement on the specific characteristics that comprise psychopathy, the appropriate factor structure to represent those characteristics remains a matter of some debate, both in terms of traditional clinical assessment and of the development of self-report measures to assess psychopathy in the general population.

The development of psychopathy as a theoretical construct coincided with early clinical assessments of the disorder, particularly the Psychopathy Checklist (PCL; Hare 1980) and its subsequent revisions (PCL-R; Hare 1991, 2003), which quickly emerged as a “gold-standard” (Acheson 2005). In the process of developing this instrument, Hare refined and expanded upon Cleckley’s original observations to initially form two intercorrelated factors. The first factor comprised affective and interpersonal traits, such as a lack of empathy and responsibility, superficial charm, deceitfulness, and a sense of egoism. The second factor represented the more behavioral aspects of psychopathy, comprising aspects of impulsivity, antisocial or deviant behavior, or an erratic lifestyle. Several researchers have since critiqued the two-factor model of psychopathy on theoretical grounds. For example, Cooke and Michie (2001) argued instead for a super-ordinate psychopathy factor comprised of three lower-level factors: interpersonal features, affective features, and lifestyle features. They further argued that antisociality should not be included in the construct, as it may reflect more of a correlate or outcome of psychopathy, than a core feature.

Proponents of the four-factor structure, on the other hand, contend that antisociality cannot be theoretically separated from the other dissocial features of psychopathy, such as manipulation and deception (Neumann et al. 2007). In this four-factor formulation, a super-ordinate psychopathy factor is composed of interpersonal, affective, lifestyle, and antisocial components (Hare 2003; Hare and Neumann 2005, 2006). The interpersonal component captures the tendency of psychopathic individuals to be manipulative or deceitful, or to display superficial

charm to achieve desired outcomes. The affective component captures the psychopath’s general lack of empathy or feeling towards others, as well as a tendency to be numb in his or her own emotional expression. The lifestyle component reflects risky behaviors, impulsivity, and general irresponsibility. Finally, the antisocial component captures the tendency to engage in behaviors that are violent or illegal. Although the debate on the inclusion of the antisocial component continues (Skeem and Cooke 2010; also see Blackburn 2007), it remains largely outside the scope of the current study. It should be noted, however, that empirical evidence generally supports the predictive validity of the broader four-factor model over three-factor models (Neumann et al. 2006; Vitacco et al. 2005).

As interest in assessing psychopathy in the general population has increased, researchers have also investigated whether the same structure that has been found in forensic samples may apply to community samples (Williams et al. 2007). In many ways, the trajectory of this debate on factor structure in the general population has roughly mirrored that of the structure found among forensic samples. For example, two of the more commonly used self-report assessments of psychopathy (the Self Report Psychopathy Scale; Hare et al. 1989; and the Levenson Self-Report Psychopathy Scale; Levenson et al. 1995) relied on the two-factor structure suggested by Hare (1980, 1991). However, subsequent research using such measures has generally failed to find support for a two-factor structure of psychopathy (Lynam et al. 1999; Williams and Paulhus 2004). Given the support for four-factor structures among clinical assessments, recent research by Williams et al. (2007) using a revised self-report measure has found support for a four-factor solution, comprised of interpersonal manipulation, criminal tendencies, callous affect, and an erratic lifestyle—subsumed by a super-ordinate factor representing psychopathy. Furthermore, the authors found evidence of predictive validity regarding various forms of misconduct (e.g., bullying, drug abuse). In place of the former, two-factor model, Williams et al. (2007) argue that the four-factor, hierarchical model provides important theoretical advantages, especially in terms of the interpretability of an overall psychopathy score, as well as positive manifold (defined as a high degree of interrelatedness) between the different components, while avoiding difficulties associated with the previous interpretation of orthogonal factors. In light of these recent findings, from the literature on community and forensic samples, the current study approaches psychopathy as a unidimensional construct that subsumes the four factors of interpersonal manipulation, callous affect, erratic lifestyle, and antisocial behavior.

### Psychopathy in the General Population: Defining Success

Another important distinction made with regard to psychopathy is the operationalization of so-called “successful” psychopaths. Indeed, this idea shares as long a history as the construct of psychopathy itself, as Cleckley (1941) noted a type of psychopath who may pursue formal education, particularly in terms of professional degrees in business, the law, or medicine, as a means to achieve status and power. More recent conceptualizations, however, have broadly taken one of two approaches to defining success. The first approach has equated success with those individuals who possess psychopathic tendencies, but have nonetheless avoided institutionalization or the extreme criminal tendencies that would lead to incarceration (e.g., Mullins-Nelson et al. 2006). The second approach has been to equate success with actual career or life achievements; that is, these psychopaths are able to not only avoid institutionalization, but are able to prosper in organizational or community settings (Babiak and Hare 2006; Lykken 1995). Although the latter approach is more typical of lay definitions of success, empirical support remains somewhat mixed.

For example, when success is thus equated with achievement, Babiak et al. (2010) found that individuals scoring highly on a measure of psychopathy tended to hold positions within senior management (e.g., vice-presidents, directors, and supervisors) or had been identified as high potential for such positions, and were consequently given the opportunity to participate in management development programs. It is interesting to note that Babiak and colleagues found strong relationships between psychopathy scores and both poor management styles and poor performance appraisals; yet at the same time, positive relationships were found between psychopathy and possessing good communication skills and strategic thinking abilities. These findings suggest that while psychopathy is associated with interpersonal or behavioral issues, the effects may be mitigated by a smooth personal style and superficial charisma that prevent the derailment of one’s career.

On the other hand, research has simultaneously failed to support the idea of the successful psychopath. For example, Ullrich et al. (2008) found that the subcomponents of psychopathy were largely negatively related to life success defined as status and wealth, and largely unrelated to life success defined as successful intimate relationships. Particularly, the affect deficiency component was the only aspect to negatively relate to both measures of life success, while the interpersonal component was unrelated to either measure of life success. In contrast to the results reported by Babiak et al. (2010), these findings suggest that the psychopath’s charm may not be sufficient to make up for deficits in affective processing.

Rather than focusing on achievements as an outcome, an alternative approach to defining success is the broader idea that psychopaths are successful to the extent that they are able to avoid institutionalization, in either correctional or mental health settings, and are able to remain in their communities or organizations, despite their potential for wreaking havoc (Gao and Raine 2010; Mullins-Nelson et al. 2006). Various mechanisms have been proposed to explain this form of success, the first largely mirroring the factors mentioned above. That is, researchers have explained such success through a combination of interpersonal manipulation, charm, and intellectual abilities that allow such individuals to effectively navigate and exert influence over social situations, while obscuring or disguising the negative aspects of their psychopathic tendencies, such as antisocial behavior or deviance (Salekin et al. 2004; Ullrich et al. 2008). As another potential mechanism, more recent research has begun to acknowledge the potential heterogeneity in the expression of psychopathy, with more severe forms indicated by increased tendencies to engage in criminal behavior (Skeem et al. 2003) or by increased levels of impulsivity or irresponsibility (Mullins-Sweatt et al. 2010). In this sense, psychopathic individuals may be successful to the extent that they do not possess extreme levels of these traits, but nonetheless possess aspects of the psychopathic personality (e.g., being manipulative or callous towards others, yet possessing superficial charisma).

Although exactly what constitutes successful psychopathy is still considered a subject of debate (Hall and Benning, 2006), it is clear that the construct of psychopathy comprises both potentially adaptive and maladaptive components. Therefore, successful functioning likely depends on the relative strength of those components, as well as avoiding the antisocial or criminal aspects of psychopathy that lead to institutionalization. As a result, and in line with the majority of studies on psychopathy in non-forensic populations, successful psychopathy in this study is operationalized as individuals among the general public who nevertheless possess psychopathic traits that make them more likely to engage in the type of manipulative behaviors mentioned above.

### Psychopathy and Unethical Decisions

In line with the increasing interest in successful psychopathy in community samples, research has also begun to differentiate the behaviors of such individuals from findings based in traditional research on incarcerated or institutionalized psychopaths. Although original conceptualizations of psychopathy acknowledged that criminality was not necessarily a correlate (Cleckley 1941), a majority of research has nevertheless focused on incarcerated or clinical

populations. As a result, such studies have often found psychopathy to be related to violent criminal behavior (Cornell et al. 1996; Hare and Neumann 2009; Salekin et al. 1996), high rates of recidivism (Hemphill 1998), and misbehavior in institutional settings (Hill et al. 2004). Although such studies confirm what the general public perceives psychopathy to be in terms of criminality (Furnham et al. 2009), the findings fail to capture the range of behaviors that may be exhibited by successful psychopaths, who by definition have typically avoided the type of extreme actions that lead to institutionalization or incarceration.

It is important to note, however, that while severe criminality may be absent from profiles of community samples, research has revealed that successful psychopaths nonetheless may engage in a wide range of antisocial behaviors (Hare 2003). For example, one study found psychopathy to be related to increased alcohol consumption and violence (Neumann and Hare 2008), while others have found psychopathy to be related to academic misconduct (Nathanson et al. 2006). Still others have found significant relationships between psychopathy and a host of behavioral problems, including bullying, substance use, anti-authority attitudes, and minor violations of the law (Mullins-Nelson et al. 2006; Williams et al. 2007). In business contexts, psychopathy has been related to increased incidence of fraud and irresponsible leadership (Babiak 1995; Babiak et al. 2010; Boddy et al. 2010). Reviewing this research, one recent model of neurobiological differences between successful and unsuccessful psychopaths suggests that, while criminal psychopaths engage in behaviors that are classified by “blue-collar” crime and physical violence, successful psychopaths are more likely to engage in “white-collar” crimes and relational aggression (Gao and Raine 2010).

Although the models and research findings presented above provide a clear understanding of how successful psychopaths might behave, they do not yet provide insight into how psychopaths may behave with regard to specific situations that arise in organizations. Therefore, one potential line of research emerging from this area is to explicitly examine the relationship between successful psychopathy and unethical decision-making in business contexts. To the authors’ knowledge, no empirical research exists that explicitly connects these two areas, despite the apparent potential for doing so. Unethical decision-making (also referred to as unethical intention; Kish-Gephart et al. 2010) is conceptualized as an individual’s endorsement or willingness to engage in moral- or norm-violating behavior, often in response to an ambiguous situation where there is no obvious correct or incorrect course of action. Some examples might include the decision to not report a previously undetected accounting error, or the decision to pursue profits at the expense of quality and safety.

As Babiak et al. (2010) argue, one way to respond to the potential “financial and emotional havoc” resulting from unethical decisions is through a deeper understanding of the individuals likely to be engaging in those decisions: successful psychopaths (p. 175). In pursuit of this goal, we argue that successful psychopaths are more likely to respond unethically to ethical dilemmas as a result of the unique constellation of manipulative tendencies, blunted affect towards the concerns of others, and a proclivity towards violating social norms. Given that these individuals have avoided the types of criminality that would lead to institutionalization or conviction, we suggest that the expression of norm-violating and manipulative behavior will be more likely to occur in ambiguous situations that lend themselves to either concealment or deception of the behavior. As such, ethical dilemmas provide fertile opportunities for successful psychopaths to behave in unethical ways. In sum, we hypothesize the following.

**H1** Successful psychopathy is positively related to unethical decision-making.

### The Role of Moral Disengagement

Beyond establishing a relationship between successful psychopathy and unethical decision-making in business settings, we further argue that this relationship can be explained by moral disengagement.

The theory of moral disengagement was developed from social cognitive theory (SCT; Bandura 1986), which proposes a self-regulatory mechanism allowing individuals to anticipate, reflect on, and judge their actions in comparison to a set of internal moral standards. These internal standards are proposed to result from successive interactions between social learning, individual differences, and subsequent development of the self-regulatory mechanism. Furthermore, Bandura proposed that such regulatory mechanisms could be selectively activated or deactivated. Moral disengagement therefore refers to the ability of individuals to selectively disengage internal moral standards via eight interrelated mechanisms or justifications discussed in detail below (Bandura et al. 1996; Bandura 1999). These justifications allow individuals to engage in unethical decision-making or behavior without experiencing distress by reframing their cognitive perceptions.

The mechanisms of moral disengagement can be logically separated into three groups, all of which involve some form of cognitive restructuring. The first group comprises mechanisms that rely on cognitive restructuring of the *act or behavior*: moral justification, euphemistic labeling, and advantageous comparison. Each of these mechanisms is intended to portray unethical behavior as less harmful or even necessary in certain contexts. As a result, such actions

should be easier for the individual to carry out. For example, moral justification may involve rationalizing unethical behavior as critical in serving the greater good. Employing euphemistic language sanitizes behavior by replacing negative wording with more positive images (e.g., “massaging” the books instead of falsifying them). Finally, advantageous comparison allows individuals to consider current unethical behavior as less aversive or damaging as compared to other possibilities that are seen as being more harmful (Bandura 1999).

The second group of moral disengagement mechanisms center on the cognitive restructuring of the *role of the actor*: displacement of responsibility, diffusion of responsibility, and disregard/distortion of consequences. In these three cases, the unethical behavior is made more palatable due to perceived lack of control over the situation. Relevant to organizations, displacement of responsibility allows an employee to blame an authority, be it a boss or supervisor. Diffusion of responsibility, on the other hand, allows an individual to attribute responsibility to the group of which the individual is a part. In both cases, the perceived role of the employee in the behavior is diminished. Disregard/distortion of the consequences allows an individual to disconnect the results of the behavior from the act itself, reducing the role the employee has in the harm resulting from the behavior (Bandura 1999).

The final group of mechanisms involves cognitive restructuring of the *victims of unethical behavior*: dehumanization and attribution of blame. In both cases, the mechanism does not dispute or redefine the consequences of unethical behavior. Rather, the victims are conceptualized as somehow having deserved such treatment. Dehumanization, in an organizational context, may be an executive’s dismissal of his employees simply as a means to generate profits instead of seeing them as individuals. In this sense, unethical behavior may then be perceived as justified, as when an executive pays himself bonuses while cutting pension funds. Attribution of blame involves placing blame on the victim of unethical acts, such that the consequences of the behavior are somehow deserved. In all, the eight mechanisms of moral disengagement, when selectively engaged, allow individuals to participate in unethical behavior without the guidance of internal moral standards (Bandura 1999).

Moore (2008) argues that, in the context of organizations, these mechanisms serve to both facilitate and expedite the unethical decision-making process, freeing cognitive resources to pursue one’s goals, hypothetically allowing for individual advancement and the perpetuation of organizational corruption as a result. Within such a framework, moral disengagement should hold appeal for successful psychopaths in the process of unethical decision-making. For example, justifications that reframe behaviors or the role of the psychopath in those behaviors

may serve to distance the individual from the act, allowing such individuals to more easily engage in antisocial or unethical behavior while avoiding detection by co-workers. The superficial charm and intelligence commonly exhibited by successful psychopaths may also contribute to the efficacy of such justifications, particularly insofar as psychopaths are better able to convince others of the legitimacy of such justifications. On the other hand, justifications that reframe the role of the victim of unethical or antisocial acts may match up with the natural tendency of successful psychopaths in terms of deficiencies in emotional and/or interpersonal attachments with others. Without such attachments, justifications that diminish the humanity or feelings of others should be readily available for the successful psychopath. Overall, these justification mechanisms complement the unique constellation of individual differences that characterize psychopathy, and could therefore be expected to facilitate unethical decisions and behaviors.

The justification of such acts also presents a unique consideration for successful psychopaths, namely the successful wielding of influence while avoiding being “found out” (Babiak and Hare 2006). We argue that the balance between psychopathic tendencies and the drive hold a positive view of the self as a successful individual may be maintained through “defense mechanisms” (Cramer 1998, 2000) that allow the simultaneous expression of negative and positive aspects of the self. This approach has previously been used in the context of aggressive individuals, who must similarly balance negative drives (i.e., aggression) with the drive for positive self-worth (see James et al. 2005). As it pertains to psychopathy, such defense mechanisms, in the form of moral disengagement, may allow psychopaths to simultaneously satisfy their drive for norm-violating behavior, while maintaining a positive view of the self as a successful individual.

Finally, the literature on psychopathy suggests that some types may have deficits primarily in aspects of moral reasoning associated with emotion and empathy, but they nevertheless possess some level of cognitive moral reasoning (e.g., knowing right from wrong; Glenn et al. 2009). These findings hint at the largely rational and instrumental process of moral reasoning in some psychopaths. We therefore suggest that successful psychopaths may not disengage from a set of internal moral standards per se, but rather from their cognitive understanding of morality, essentially allowing the redefinition of right and wrong. For example, a successful psychopath may know that fraud is wrong in a purely rational sense, but through moral disengagement, is able to redefine fraud—through some combination of justification mechanisms—as a justified act of personal gain with negligible consequences. It should be noted that, while psychopathy is regarded to be heterogeneous (e.g., some psychopaths may have different deficits

in reasoning than others), we argue that the process of moral disengagement should be applicable to the range of successful psychopaths, as such justifications facilitate unethical decisions by disengaging their moral reasoning on a cognitive level. As a result, we suggest that moral disengagement helps to explain the relationship between successful psychopathy and unethical decision-making.

**H2** The relationship between successful psychopathy and unethical decision-making is mediated by moral disengagement.

## Method

### Participants and Procedure

This study consisted of two waves of online data collection at a large, public university in the Southeast. Participants were undergraduates who received course credit in exchange for completion of the surveys. During the first wave of data collection, participants gave their informed consent and completed demographic measures and the psychopathy scale. The second wave involved responding to four scenarios depicting various ethical dilemmas. Participants responded to each scenario by rating their approval of eight justifications—coded to reflect aspects of moral disengagement—for the solution of the ethical dilemma as well as by providing an overall judgment on the ethicality of the action. The final sample for this study consisted of 272 students who completed both waves. The average age of participants was 20.18 years old ( $SD = 2.13$  years), 68.8% female, and consisted of the following ethnic backgrounds: 92% Caucasian/White, 5% African American/Black, 2% Asian American/Pacific Islander, and 1% Hispanic.

### Measures

#### *Psychopathy*

Subclinical psychopathy was measured using the Self Report Psychopathy Scale (SRP III; Paulhus et al., in press). The SRP-III is a 64-item measure, representing a four-factor structure of psychopathy: interpersonal manipulation, criminal tendencies, erratic lifestyle, and callous affect. The measure is an improvement over previous 2-factor versions of the SRP and is an attempt to more closely align with four-factor structures represented in clinical psychopathy instruments (Williams et al. 2007). Respondents are asked to rate the extent to which each statement describes them on a Likert-type response format, ranging from 1 (“Strongly Disagree”) to 5 (“Strongly Agree”). Sample items include “I am a rebellious person”

and “I never feel guilty over hurting others.” The overall alpha reliability estimate was .79.

#### *Moral Disengagement*

Moral disengagement was assessed through participants’ responses to four ethical scenarios adapted from Loviscky et al. (2007). These scenarios presented a range of common ethical organizational dilemmas involving: (1) cutting corners to meet production deadlines, (2) the disclosure of errors in financial reports, (3) scheduling training despite management directives to the contrary, and (4) avoiding providing disciplinary feedback to subordinates. Following each scenario, participants were prompted with an unethical action in response to each of the four scenarios (e.g., “It’s okay for Ray to focus on deadlines at the expense of quality because...”) and asked to rate their approval of eight justifications for that action. Each one of these eight justifications was developed to reflect a different moral disengagement strategy. To accomplish this, the wording for each item was adapted from the moral disengagement scale presented by Detert et al. (2008; Appendix A). For example, Detert et al.’s (2008) item “It’s ok to steal to take care of your family’s needs,” measuring moral justification, was modified to reflect an organizational setting to read: “He needs to take care of his own company first and foremost.” Participants rated each of the eight justifications on a 7-point Likert response format ranging from 1 (‘I strongly disapprove’) to 7 (‘I strongly approve’). An overall moral disengagement score was achieved by first averaging the responses to each scenario and then averaging the scores across the four scenarios. The alpha reliability estimate for the scale was .87.

#### *Unethical Decision-Making*

Participants’ willingness to engage in unethical decision-making was assessed with four items, one in response to each of the four ethical scenarios described above. Following each scenario, a question assessed the extent to which the participant approved or disapproved of the prompted action. For example, in response to the scenario involving cutting corners to meet deadlines, the item was, “It is never okay to focus on deadlines at the expense of quality.” To generate an overall score for unethical decision-making, each participant’s responses were reverse-coded and then averaged together over the four items. The alpha reliability estimate for these items was .52.

## Results

Basic descriptive statistics and bivariate correlations are provided in Table 1. In order to assess the proposed

**Table 1** Basic descriptive statistics and bivariate correlations between variables

Variables	M	SD	1	2	3
1. Psychopathy	2.19	.477	–	.22	.20
2. Moral disengagement	3.42	.644		–	.50
3. Unethical decision-making	2.96	.926			–

mediation model in the current study, the data were analyzed using Baron and Kenny’s (1986; Kenny et al. 1998; see also Frazier et al. 2004) regression-based procedure. Despite the popularity of their approach in the literature, several researchers have pointed out conceptual and statistical limitations (e.g., Hayes 2009; MacKinnon et al. 2007; Rosopa and Stone-Romero 2008). In an attempt to address some of these concerns, this study also conducted a formal test of mediation via the indirect effect, as proposed by Preacher and Hayes (2004).

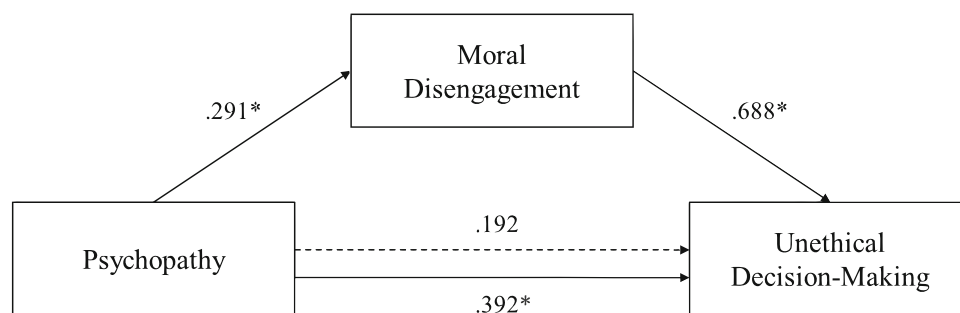
Baron and Kenny (1986) recommend four steps to support a simple mediation model. The first step assesses the presence of a relationship between the initial variable (psychopathy) and the outcome variable (unethical decision-making). In essence, this step shows that there is a relationship to be mediated. When unethical decision-making is regressed on psychopathy, the results suggest a significant effect,  $B = .392, t = 3.386, p = .0008$ . The second step assesses the presence of a relationship between the initial variable and the mediator (moral disengagement). The results from the second equation, in which moral disengagement is regressed on psychopathy, also supports a significant effect,  $B = .291, t = 3.626, p = .0003$ . The third and fourth steps both rely on a regression equation where unethical decision-making is regressed on the initial variable and mediator. In the third step, the effect of the mediator on the outcome variable is assessed while controlling for the initial variable. The results suggest a significant relationship between moral disengagement and unethical decision-making, while controlling for

psychopathy,  $B = .688, t = 8.904, p < .0001$ . At this point in the procedure, a mediation model is tenable. The fourth and final step establishes complete mediation through the interpretation of a nonsignificant effect of the initial variable on the outcome variable after controlling for the mediator. The results from the effect of psychopathy on unethical decision-making after controlling for moral disengagement support full mediation,  $B = .192, t = 1.837, p = .0673$ . These coefficients are illustrated in Fig. 1.

In contrast to the Baron and Kenny approach, which relies on a series of hypothesis tests to infer mediation, recent recommendations (e.g., Preacher and Hayes 2004) have suggested direct, formal hypothesis testing as an alternative approach. Although many such techniques are available, MacKinnon et al. (2002) found that Sobel’s (1982) test outperformed the others, including the traditional Baron and Kenny approach. Chief among the benefits of the Sobel test are the ability to directly test the indirect effect (i.e., the effect of the initial variable on the outcome through the mediator) against the total effect (i.e., the effect of the initial variable on the outcome variable) and increased power over the Baron and Kenny approach (MacKinnon et al. 2002). In response to these benefits and recent calls to replace the Baron and Kenny approach with formalized tests (e.g., Hayes 2009), this study reports results from the Sobel test, using a macro program developed by Preacher and Hayes (2004). Finding an indirect effect of .200,  $z = 3.340, p = .0008$ , and a 95% confidence interval of .083 to .318 using a normal distribution (bootstrapped 95% confidence interval ranged from .084 to .331), the Sobel test corroborates the findings from the Baron and Kenny approach and provides further evidence of the significance of the indirect effect.

**Discussion**

Although interest in the phenomenon of psychopathy in the general population has increased in recent years, relatively



**Fig. 1** Hypothesized model of the relationship between psychopathy and unethical decision-making, mediated by moral disengagement. The coefficients associated with each effect presented are

unstandardized regression coefficients. The *dashed line* represents the effect of psychopathy on unethical decision-making, controlling for moral disengagement. \*Significance at the  $p < .001$  level

little is still known about successful psychopaths, especially in terms of their organizational impact (Babiak et al. 2010). As the authors note, although it is common to attribute various forms of organizational wrongdoing to the work of psychopaths, little empirical research exists to support this notion. Indeed, very little is known about the “prevalence, strategies, and consequences of psychopathy in the corporate world” (Babiak et al. 2010, p. 175). This study attempted to address some of these gaps in the literature by investigating the tendency of successful psychopaths to respond unethically to ethical dilemmas in a business context. We further suggested that moral disengagement would mediate this relationship, offering insight into the strategies that successful psychopaths may use to engage in such decisions and behavior. Both of these hypotheses were supported by the results (see Fig. 1), suggesting that individuals in the general population with psychopathic tendencies are more likely to respond unethically to an ethical business dilemma than individuals without such tendencies. Furthermore, moral disengagement—the process of cognitively disengaging internal moral standards by reframing the role of the individual, the actions, or the victim to facilitate unethical choices—may be one mechanism through which this relationship occurs.

The findings from this study add to the growing nomological network of successful psychopathy. In addition to various forms of misconduct (e.g., bullying, abuse of illicit substances, minor infractions; Mullins-Nelson et al. 2006; Williams et al. 2007) and academic misbehavior (Nathanson et al. 2006), successful psychopaths also appear likely to make unethical decisions in response to ethical dilemmas in the workplace. The results of these analyses further add to early qualitative accounts of psychopaths in the workplace (Babiak 1995; Babiak and Hare 2006). In these accounts, psychopaths were found to engage in a range of instances of wrongdoing and unethical behavior (e.g., padding expense accounts, selling company property on the side, abuse of coworkers). However, whereas these prior behavioral correlates tend to fall clearly into the domain of being “wrong” or even illegal, unethical decisions are rarely so easily categorized as being either correct or incorrect due to the ambiguity that inherently characterizes such situations. As a result, the findings from this study expand the range of our understanding of correlates of successful psychopathy. Given that organizations are becoming less bureaucratic and hierarchical, as well as undergoing many more transitions and transformations, ultimately resulting in less control over individual employee behavior (Babiak et al. 2010), it may become increasingly important to understand how successful psychopaths may interact with such ambiguous situations when presented with ethical dilemmas.

This study also provides a valuable contribution in terms of providing an explanation about the strategies and processes that successful psychopaths may use to engage in unethical decisions. Previous research has demonstrated that the process of moral disengagement may mediate the relationship between individual differences and unethical decision-making in organizational contexts (Detert et al. 2008; Moore 2008). In other words, certain types of individuals may be more likely to morally disengage than others, and as a consequence, also be more likely to engage in unethical decision-making. The results of the current study suggest that successful psychopaths may be one type of individual that can be so characterized. Additional support for this finding is provided by Babiak’s (1995) qualitative accounts of psychopaths in work contexts. He found that, despite the wrongdoing mentioned above, these individuals were still perceived to be successful, achieving some degree of career success through promotions into management. These findings suggest that any explanation of unethical decisions by successful psychopaths should account for the fact that such individuals can be still perceived as charming and likeable, despite their tendency to engage in objectionable behaviors. Through moral disengagement, successful psychopaths may be able to make unethical decisions while simultaneously distancing themselves from such decisions and their consequences. In addition, the psychopath’s superficially charming personality and intelligence (Hare, 2003) may increase the efficacy of such justifications, in turn increasing the likelihood of future unethical decisions and behavior. In summary, this study contributes to the literature by explaining not only the consequences of successful psychopaths, particularly in response to ethical dilemmas, but also the strategies that such individuals may use to facilitate unethical decision-making in response to such dilemmas.

#### Limitations and Future Research Directions

There are several important limitations to this study that must be recognized in any interpretation of the findings. The first involves caution regarding the generalizability of the results, as the study was conducted using an undergraduate sample. However, as some authors have argued (Salekin et al. 2001), undergraduate students may provide adequate samples for studying the construct of successful psychopathy. As Cleckley (1941) has noted, successful psychopaths are often characterized as intelligent, and thus, are likely to seek formal education opportunities as a means to achieve greater status and power. It may be argued therefore, that an ideal population from which to capture this form of psychopathy is within the university context. Although one might argue that organizational samples satisfy this criteria more effectively than student



samples, particularly given the aim of this study, Babiak et al. (2010) notes the reluctance of many organizations to allow the assessment of psychopathy among their employees, making obtaining such samples difficult. However, as the construct of successful psychopathy gains increased attention among managers and executives, evidenced by recent work in the popular press (Babiak and Hare 2006), obtaining samples of employees may become somewhat more feasible. As a result, future research should replicate these findings with employed individuals, as well as include non-scenario based measures of unethical decision-making and actual behavior. It will be important moving forward to assess more realistic dilemmas and ultimately, the impact of psychopaths responding to such dilemmas.

A second limitation pertains to the low reliability estimate of the measure of unethical decision-making. Given that the measure consists of only four items, this result is perhaps not all that surprising; however, the results should nevertheless be interpreted with caution. In order to form firm conclusions regarding the relationship between successful psychopath and unethical decision-making, additional measures should be considered that both consist of greater numbers of items and assess unethical decision-making in variety of modalities (e.g., scenarios, behavioral self-reports, ethical attitudes). A related avenue for future research may involve determining how successful psychopaths respond to different scenarios of unethical decision-making. That is, the low reliability estimate for the measure of unethical decision-making may be due in part to multidimensionality of the scenarios. For example, research supports the notion that the context and content of such situations can influence the way in which an individual responds (Jones 1991; Weber 1992). Although this study presented scenarios representing a variety of ethical business dilemmas, the current data precludes an analysis of which aspects of those scenarios (e.g., achieving an organizational goal versus an individual goal, requiring interpersonal skills versus task skills) were driving the reported relationships. Future research relying on taxonomies of ethical dilemmas may ultimately be useful in understanding how psychopaths interact with their environments.

Further limitations that may need to be investigated include common method bias (Shadish et al. 2002). Efforts taken to address common method bias were to reduce evaluative apprehension by encouraging respondents to answer items honestly as there was no right or wrong answers, as well as separating the measures across two waves of administration. Finally, although structural equation modeling (SEM) has recently emerged as a more statistically sound method of mediation testing (Hayes 2009), the sample size of this study prevented the

estimation of stable estimates given the participant-to-parameter ratio. Indeed, given the large number of items in the SRP-III psychopathy measure, SEM analyses may be prohibitive for all but the largest samples. Efforts to mitigate limitations associated with the multiple regression-based approach included the use of formalized hypothesis testing, as recommended by Preacher and Hayes (2004); however, future research would benefit from examining this phenomenon using an SEM-based approach.

#### Theoretical and Practical Implications

Despite these limitations, there are several theoretical and practical implications that stem from the current results. First, this study offers an initial look at the process of unethical decision-making among psychopathic individuals. As some have argued, psychopaths offer interesting tests of moral theory as subjects without empathic concerns or remorse (Maibom 2005), and they have led to important insights in the relative roles of emotion and cognition in various aspects of moral thinking (Glenn et al. 2009). Hopefully, the further integration of the ethical decision-making and psychopathy literatures can contribute to more nuanced understandings of ethical theory and its potential boundary conditions, especially in relation to organizations in which the prevalence of psychopathy seems to be higher than in the general population (Babiak 2007). Furthermore, this study uncovered one potential mechanism in the form of moral disengagement; however, unethical decision-making remains a complex, multidetermined phenomenon (Kish-Gephart et al. 2010) and as such, future research should continue to illuminate the underlying processes relating individual differences and situational contexts to the expression of unethical choices.

Practically speaking, the consequences of psychopaths in the general population can often be quite high, both in a financial and emotional sense (Babiak and Hare 2006). It is, therefore, important to understand these individuals more fully in the context of work and other social groups to restrict the potential for negative consequences. Case reports of such individuals (Babiak 1995) reveal that such individuals are often destructive forces in organizational contexts despite their superficial charm and perceived potential. They tend to be commonly viewed as deceitful, manipulative, and even abusive of fellow coworkers, and have been shown to engage in unethical financial practices. Putting these observations into a framework of unethical decision-making will allow practitioners to more accurately assess and prevent the consequences of employing such individuals. From a personnel management standpoint, the identification and policing of such individuals in the workplace will ultimately be beneficial to the organization and its employees, although it may prove difficult

given the ability of such individuals to conceal their behavior (Babiak et al. 2010). In conclusion, the increased likelihood of successful psychopaths to engage in unethical decision-making, as well as an understanding of those underlying processes, represent important questions for organizational scholars and practitioners alike.

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