

**THE UNCONSCIOUS CONSCIENCE:
IMPLICIT BELIEFS IN THE MORALITY OF BUSINESS
AND UNETHICAL DECISION MAKING**

by

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ABSTRACT OF THE DISSERTATION

The Unconscious Conscience: Implicit Beliefs in the Morality Of Business and Unethical Decision Making

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In this dissertation, I develop a model of ethical decision making in organizations that integrates research in behavioral ethics with more recent research in psychology - research that suggests that unethical decision making is more automatic than controlled, more reflexive than reflective, and more unconscious than conscious. Through this model, I propose that organizational members respond to ethical dilemmas with cognitions determined foremost by their implicit beliefs in the morality of business or moral intuition. Further, I propose that these implicit beliefs in the morality of business interact with individual and contextual factors to influence unethical decision making in organizations.

This dissertation includes a pilot study and three experimental studies. The purpose of the Pilot Study was to confirm the effectiveness of the manipulation in the experimental studies; the purpose of the experimental studies (Experiments 1, 2, and 3) was to explore the hypotheses developed in the theoretical model. The results of the Pilot Study confirmed the effectiveness of the manipulation. However, the results of Experiment 1 and Experiment 2 did not provide support for the hypotheses. In Experiment 3, the results provided partial support and indicated that implicit beliefs in the

morality of business influence earlier stages of the unethical decision making process: immoral judgment and immoral intent.

This dissertation concludes with a discussion on the theoretical model and results. In the discussion, I note the insights that this dissertation offers into behavioral ethics research and the ethical decision making process. Further, I discuss the possible reasons for the lack of consistent results across experiments, the limitations of the studies, and the many opportunities for future research in the ethical impulse and calculus perspectives.

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TABLE OF CONTENTS

Abstract	ii
Acknowledgements	iv
Table of Contents	v
List of Tables	ix
List of Figures	x
Chapter 1. Introduction	1
Chapter 2. Background And Theory	5
Ethical Decision Making: Descriptive And Normative Approaches	5
Ethical Decision Making: The Ethical Calculus And Ethical Impulse Perspectives	6
The Ethical Calculus Perspective	6
The Ethical Impulse Perspective: Insights From Moral Psychology	7
The Ethical Impulse Perspective: Insights From Behavioral Ethics	10
The Effects Of Individual And Situational Factors On Ethical Decision Making	17
Individual Factors	17
Situational Factors	18
Chapter 3. Theoretical Model and Formal Hypotheses	21
Ethical Decision Making In Organizatons	21
Hypotheses	22
Unethical Decision Making	22

Implicit Beliefs in the Morality of Business And Unethical Decision	
Making	25
Contextual Factors And Unethical Decision Making: Contextual Cues	30
Competitive and Cooperative Contextual Cues	31
Individual Factors and Unethical Decision Making: Moral Attentiveness	
and Explicit Beliefs	34
Moral Attentiveness	34
Explicit Beliefs	37
Chapter 4. Methods and Results	41
Pilot Study	41
Participants	41
Study Design	41
Negotiation Task and Manipulation	41
Manipulation Check Measure and Control Measures	44
Analyses	44
Results	45
Experiment 1	45
Participants	45
Study Design	46
Negotiation Task and Manipulation	46
Independent Measures	47
Implicit Belief in the Morality of Business	47

Moral Attentiveness	48
Explicit Belief in the Morality of Business	48
Dependent Measure	49
Unethical Behavior	49
Control Measures	49
Analyses	49
Results: Confirmatory Factor Analysis	50
Results: Hypothesis Tests	51
Experiment 2	52
Participants	52
Design, Procedure, and Measures	53
Analyses	53
Results: Confirmatory Factor Analysis	52
Results: Hypothesis Tests	54
Experiment 3: Exploratory Study	55
Participants	55
Study Design	56
Measures	57
Analyses	58
Results: Confirmatory Factor Analysis	58
Results: Hypothesis Tests	59
Chapter 5. Discussion	61
General Discussion	61

Possible Reasons for Lack of Empirical Support	65
Limitations	71
Future Research	73
References	82
Tables	96
Figures	112
Appendix A: Negotiation Task Material	115
Appendix B: Negotiation Scenario	118
Appendix C: Moral Attentiveness and Explicit Belief Measures	120
Appendix D: IAT Categories and Items	121
Curriculum Vitae	122

LIST OF TABLES

Table 1: Pilot Study, Experiment 1, and Experiment 2: Sample Characteristics	96
Table 2: Experiment 1 and Experiment 2: Confirmatory Factor Analyses	97
Table 3: Experiment 1: Descriptive Statistics and Correlations	98
Table 4: Experiment 1: Results of Regression Analyses	99
Table 5: Experiment 2: Descriptive Statistics and Correlations	101
Table 6: Experiment 2: Results of Regression Analyses	102
Table 7: Experiment 3: Sample Characteristics	103
Table 8: Experiment 3: Confirmatory Factor Analyses	105
Table 9: Experiment 3: Descriptive Statistics and Correlations	106
Table 10: Experiment 3: Results of Regression Analyses for Immoral Judgment	108
Table 11: Experiment 3: Results of Regression Analyses for Immoral Intent	110

LIST OF FIGURES

Figure 1: Theoretical Model of Ethical Decision Making	112
Figure 2: Experiment 3: The Interaction of Implicit Beliefs in the Morality of Business and Competitive and Cooperative Contextual Cues for Immoral Judgment	113
Figure 3: Experiment 3: The Interaction of Implicit Beliefs in the Morality of Business and Competitive and Cooperative Contextual Cues for Immoral Intent	114

CHAPTER 1

INTRODUCTION

Recent ethical¹ scandals reaffirm the need for scholarly inquiry in the field of behavioral ethics, the descriptive domain of the broader field of business ethics (Treviño, Weaver, & Reynolds, 2006). Since the publication of Treviño (1986), research in this domain focused on the individual and contextual factors that influence unethical decision making in organizations (for reviews, see Tenbrunsel & Smith-Crowe, 2008; Treviño et al., 2006). A recent meta-analysis demonstrates the development and opportunities within this domain of research (Kish-Gephart, Harrison, & Treviño, 2010).

For more than two decades, research in the field of behavioral ethics has been guided by a cognitive perspective, in which controlled, reflective, and conscious cognition guide an individual through four stages - moral awareness, moral judgment, moral intent, and moral behavior - of the ethical decision making process (Jones, 1991; Rest, 1986). This perspective, which Kish-Gephart et al. (2010) term the ethical calculus perspective, has not only provided the foundation for research, but also served as the “wellspring for prescriptions to organizations” (Reynolds, 2006b, p. 737).

More recently, the descriptive plausibility of this ethical calculus perspective has been questioned by behavioral ethicists; these researchers - in light of recent advances in such diverse fields as moral (Greene, Morelli, Lowenberg, Nystrom, & Cohen, 2008; Greene, Nystrom, Engell, Darley, & Cohen, 2004; Greene, Sommerville, Nystrom, Darley, & Cohen, 2001; Haidt, 2001), social (Bargh & Chartrand, 1999; Greenwald &

¹ In this paper, I treat the terms “ethical” and “moral” as synonyms and thus use the terms interchangeably.

Banaji, 1995; Lieberman, 2000; Lieberman, Gaunt, Gilbert, & Trope, 2002), and organizational psychology (Weick, 1995; Weick, Sutcliffe, & Obstfeld, 2005) - suggest that the ethical decision making process may be more automatic than controlled, more reflexive than reflective, and more unconscious than conscious (Bazerman & Banaji, 2004; Reynolds, 2006b; Sonenshein, 2007). This perspective, which Kish-Gephart et al. (2010) term the ethical impulse perspective, remains the focus of much theoretical discussion.

Importantly, most theoretical models within the ethical impulse perspective overlook the influence of individual and contextual factors (e.g., Reynolds, 2006b; Sonenshein, 2007). Further, empirical support for these models is limited and derived largely from research in moral psychology (for an exception, see Reynolds, Leavitt, & DeCelles, 2010). The latter is particularly troubling for two reasons. First, moral psychologists typically focus on a much different class of ethical dilemmas - high intensity, person moral dilemmas - than those experienced by organizational members and studied by organizational researchers (Greene et al., 2001, 2004, 2008; Haidt, 2001; Koenigs et al., 2007). When the purpose of a dilemma in experimental research is to disentangle the cognitive processes underlying the resolution of the dilemma, the type and thus validity of the dilemma is of particular importance, as different classes of dilemmas may elicit different psychological processes (Monin, Pizarro & Beer, 2007). Second, the few moral psychologists to focus on low intensity, impersonal moral dilemmas - dilemmas that more closely reflect those faced by organizational members - find that dimensions of the unconscious, automatic, and reflexive system capture minimal variance in responses (Greene et al., 2008).

In this dissertation, I develop and empirically explore a model of ethical decision making in organizations. The model integrates research in behavioral ethics with recent research in the fields of moral and social psychology - research that suggests that unethical decision making is more automatic than controlled, reflexive than reflective, and unconscious than conscious (Greenwald & Banaji, 1995; Greenwald, Banaji, Rudman, Farnham, Nosek, & Mellott, 2002; Reynolds, 2006b; Sonenshein, 2007). The model indicates that unethical decision making in organizations is more fully understood by the interaction between the unconscious and conscious and these psychological processes and contextual factors.

Through the model developed herein, I propose that organizational members respond to ethical dilemmas with cognitions determined foremost by their implicit beliefs in the morality of business (Reynolds, 2006b; Sonenshein, 2007). These implicit beliefs automatically, reflexively, and unconsciously guide individuals in their judgment of “what is right” and “what is wrong,” but cannot entirely explain or predict the individuals’ behavior, which is presumed to be multiplicatively determined. Rather, these implicit beliefs interact with individual (moral attentiveness and explicit beliefs in the morality of business) and contextual (competitive vs. cooperative) factors, interactions that hold the most promise for advancing our understanding of the subtle complexity of unethical behavior in organizations (Treviño, 1986, 2011).

This dissertation directly furthers recent research by Reynolds et al. (2010) in many ways. First, I theoretically discuss the effects of individual and contextual moderators overlooked in their foundation paper. Second, I empirically explore the influence of these moderators in a series of experimental studies. In these experiments, I

respond to the suggestion of Reynolds et al. (2010) and include a manipulation that is more implicit than explicit and more subtle than salient. Third, in Experiments 1 and 2 I measure unethical behavior rather than mere immoral judgment or immoral intent; to capture, I developed the experiments to include task with real monetary stakes in a classic business context: negotiations. Indeed, the importance of measuring unethical behavior is reflected in a recent comment by Roy Baumeister. In a discussion on the trolley dilemma in moral psychology at the New Science of Morality Conference, Roy Baumeister questioned how many of those who claim they would pull the lever and divert the trolley would actually pull the lever when placed in the situation (Baumeister, 2010).

CHAPTER 2

BACKGROUND AND THEORY

In this chapter, I describe the domain of this paper and provide an overview of relevant research within the ethical calculus perspective and ethical impulse perspective. In Chapter 3, I integrate research within these perspectives and develop - in a series of hypotheses - a model of ethical decision making in organizations.

Ethical Decision Making:

Descriptive and Normative Approaches

The field of business ethics includes a descriptive domain and a normative domain. The distinction between these two domains is clearly captured in the title of Treviño and Weaver's (1994) *Business Ethics Quarterly* article, "Business ETHICS/BUSINESS Ethics: ONE FIELD OR TWO?"

The descriptive domain of BUSINESS ethics (Treviño & Weaver, 1994) is an area of social science inquiry and thus home to management theorists, psychologists, and social psychologists. Scholars in this domain develop theoretical frameworks and engage in empirical investigations to answer the question of *what is*. Most recently, this domain has been referred to as that of behavioral ethics (Treviño et al., 2006).

In contrast to the descriptive domain, the normative domain of business ETHICS (Treviño & Weaver, 1994) is an area of philosophical inquiry and thus home to philosophers and theologians. Scholars in this domain also develop theoretical frameworks, yet use such frameworks - and the underlying philosophical theory from which such frameworks are derived - to address the question of *what out to be*.

In this review, I focus on theory and research in the descriptive domain of business ethics - theory and research that provides the foundation for the theoretical model proposed in Chapter 3. Though I indeed focus on the question of *what is* in this theoretical model, I propose that individuals' implicit beliefs about *what should be* are a primary determinate of unethical decision making in organizations.

Ethical Decision Making:

The Ethical Calculus and Ethical Impulse Perspectives

The Ethical Calculus Perspective

Research on ethical decision making in organizations has developed within an ethical calculus perspective. In this perspective, controlled, reflective, and conscious cognition direct an individual through four stages of the ethical decision making process: moral awareness, moral judgment, moral intent, and moral behavior (Jones, 1991; Rest, 1986). Though many models have been proposed in this perspective, Treviño's (1986) model is particularly influential.

Prior to the publication of Treviño (1986), approaches to the study of ethical decision making emphasized either the individual or the situation. Further, empirical studies within the field were largely atheoretical and descriptive, with little interest in the psychological, social psychological and sociological context within which behavior is situated (Treviño & Weaver, 2003). Treviño's early theoretical (Treviño, 1986) and empirical (Treviño & Youngblood, 1990) efforts focused on these limitations.

Treviño (1986) posited an explicitly interactionist approach to the study of ethical decision making, such that her model emphasized the importance of both the individual and the situation in shaping unethical behavior in organizations. In Treviño's (1986)

model, an individual is presumed to respond to an ethical dilemma in accordance with his or her level of cognitive moral development (Kohlberg, 1969, 1981, 1984). This cognitive response does not entirely shape behavior, however, as such is described as multiplicatively determined. For this reason, Treviño (1986) explicated other individual (e.g., ego strength, locus of control) and situational (e.g., reinforcement, normative structure) factors that may interact with cognitive moral development to shape unethical behavior. In a subsequent publication, Treviño and Youngblood (1990) found empirical support for a subset of the model.

More recently, models within the ethical calculus perspective (Jones, 1991; Rest, 1986) have been challenged by organizational scholars. In light of recent advances in such diverse fields as moral (Greene et al., 2001, 2004, 2008; Haidt, 2001), social (Bargh & Chartrand, 1999; Greenwald & Banaji, 1995; Lieberman, 2000; Lieberman, Gaunt, Gilbert, & Trope, 2002), and organizational psychology (Weick, 1995; Weick et al., 2005), these scholars suggest that the ethical decision making process is more automatic than controlled, more reflexive than reflective, and more unconscious than conscious (Bazerman & Banaji, 2004; Reynolds, 2006b; Sonenshein, 2007).

The Ethical Impulse Perspective: Insights from Moral Psychology

Early research in moral psychology (e.g., Kohlberg, 1969, 1981, 1984) has informed research on moral awareness (Reynolds, 2006a), moral behavior (Treviño and Youngblood, 1990), moral disengagement (Detert, Treviño, & Sweitzer, 2008), and ethical leadership (Jordan, Brown, Treviño, & Finkelstein, 2011); more recent research has directed attention to the more automatic, reflexive, and unconscious influences on immoral judgment and unethical behavior in organizations (Reynolds, 2006b;

Sonenshein, 2007). This latter research reflects the influence of two prominent moral psychologists: Jonathan Haidt and Joshua Greene.

At the dawn of the twenty-first century, Haidt (2001) published a seminal paper on moral intuition and moral judgment. Importantly, Haidt was not the only scholar to espouse the preeminence of emotion and intuition in shaping, if not determining, moral judgment. Indeed, as early 1739 Hume stated that “Reason is, and ought only to be the slave of the passions, and can never pretend to any other office than to serve and obey them” (Hume, 1739-1740/1969, p. 462). Haidt, however, was the first to provide substantive and provocative empirical support for this contra-cognitive perspective. His paper (2001) opened with the following passage.

Julie and Mark are brother and sister. They are traveling together in France on summer vacation from college. One night they are staying alone in a cabin near the beach. They decided that it would be interesting and fun if they tried making love. At the very least it would be a new experience for each of them. Julie was already taking birth control pills, but Mark uses a condom too, just to be safe. They both enjoy making love, but they decide not to do it again. They keep that night as a special secret, which makes them feel even closer to each other. What do you think about that? Was it OK for them to make love (814)?

As noted in the earlier discussion, the dominant perspective in moral psychology is a cognitive perspective, such that moral judgment is formed not from moral sentiment, but rather from controlled, reflective, and conscious moral reason (e.g., Kohlberg, 1969, 1981, 1984; Rest, 1986). In this perspective, an individual’s response to the referenced scenario should reflect controlled and reflective reason. Further, as such cognition is conscious, an individual should be able to articulate the reason that led to the formation of his or her judgment. Haidt (2001), however, observed a response-tendency that departed from this rational expectation.

Most people who hear the above story immediately say that it was wrong for the siblings to make love, and they then begin searching for reasons (Haidt, Bjorklund, & Murphy, 2000). They point out the dangers of inbreeding, only to remember that Julie and Mark used two forms of birth control. They argue that Julie and Mark will be hurt, perhaps emotionally, even though the story makes it clear that no harm befell them. Eventually, many people say something like, “I don’t know, I can’t explain it. I just know that it’s wrong.” But what model of moral judgment allows a person to know that something is wrong without knowing why (814)?

Haidt (2001) developed the Social Intuitionist Model (SIM) to describe what other models of moral judgment could not explain: The formation of moral judgment in the absence of controlled, reflective, and conscious moral reason.

The SIM is a framework of “causal” links that integrates intuition, judgment, and reason. At the heart of the SIM are the “intuitive link” and the “post-hoc reasoning link” (for discussion, see Paxton and Greene, 2010). The “intuitive link” posits that intuition (rather than reason) drives moral judgment; the “post-hoc reasoning link” posits that judgment drives reason - the obverse of the position advanced by Kohlberg (i.e., that reason drives judgment; Kohlberg, 1969, 1981, 1984). In the SIM, reason thus serves to rationalize rather than inform moral judgment.

At about the same time that Haidt (2001) developed the SIM, Joshua Greene developed a dual-process model of moral judgment that associates deontological (or principle-based) moral judgment with emotion, and teleological (or outcome-based) moral judgment with reason (Greene et al., 2001, 2004, 2008). Though both Greene and Haidt recognize the importance of moral intuition, their models differ in two important ways. First, the SIM restricts the principle role of reason to post-hoc justification. The dual-process model, in contrast, recognizes that reason may be an important - and perhaps a prevalent - influence on the formation of moral judgment (Paxton & Greene,

2010). Second, the SIM restricts the mechanism of social influence to intuition. In the SIM, the judgment of another can be changed only vis-à-vis a change in the other's intuition (Haidt, 2001); the dual-process model, by contrast, permits a change in the judgment of another via a change in the other's reason (Paxton & Greene, 2010).

Though behavioral business ethicists often reference the work of these and other moral psychologists, this tendency is troubling for two reasons. First, moral psychologists focus on a much different class of ethical dilemmas - high intensity, person moral dilemmas - than those experienced by organizational members and studied by organizational researchers (Greene et al., 2001, 2004, 2008; Haidt, 2001; Koenigs et al., 2007). When the purpose of a dilemma in experimental research is to disentangle the cognitive processes underlying the resolution of the dilemma, the type and therefore validity of the dilemma is of particular importance, as different classes of dilemmas may elicit different psychological processes (Monin et al., 2007). Second, the few moral psychologists to focus on impersonal moral dilemmas - dilemmas that more closely reflect those faced by organizational members - find that dimensions of the unconscious, automatic, and reflexive system fail to explain much variance in responses (Greene et al., 2001, 2004, 2008; Koenigs et al., 2007). Taken together, these concerns demonstrate the need for behavioral ethicists to engage in their own theoretical and empirical efforts.

The Ethical Impulse Perspective: Insights from Behavioral Ethics

Behavioral ethicists have responded to advances in the field of moral psychology with the development of their own models and frameworks derived from research in the fields of social cognitive neuropsychology (Reynolds, 2006b) and organizational theory (Sonenshein, 2007). In the early twenty-first century, Reynolds - much like Haidt -

published a foundational paper on automaticity and unethical behavior in organizations. Whereas Haidt and Green conceptualize the ethical decision making processes as automatic, reflexive, unconscious, and affective, Reynolds (2006b) conceptualized the ethical decision making process as automatic, reflexive, unconscious, and cognitive. Indeed, Reynolds (2006b) was careful to preclude any discussion of emotion in the development of his model.

The neurocognitive model proposed by Reynolds (2006b) distinguishes between two systems of cognition: the X-system (reflexive) and C-system (reflective). The X-system is associated with non-conscious analysis and automatic processing (Lieberman, 2000). In this system, stimuli are represented by distinct neurological patterns. When an individual encounters moral stimuli, the neurological pattern associated with the stimuli is compared to previously stored neurological patterns or prototypes. If the pattern matches a prototype, the result is presented to the conscious; if the pattern does not match a prototype, the pattern is presented instead. Importantly, moral prototypes are unique from other forms of prototypes, as moral prototypes included both descriptive and normative components (Reynolds, 2006b). As such, a kickback prototype not only describes a prototypical kickback situation, but also assigns to this situation a normative evaluation: moral or immoral (for many, the latter). The processes underlying this prototype-matching approach are “automatic,” as “they operate reflexively in a non-conscious realm - they are not activated by deliberate thought but instead by the mere presence of stimuli” (Reynolds, 2006b, p. 739).

In contrast to the X-system, the C-system is associated with conscious analysis and controlled processing. In short, the C-system performs two functions: rationalization

and reflective judgment. If the X-system matches stimuli to a prototype, the C-system serves to rationalize the judgment of the X-system (e.g., Haidt, 2001). If the X-system is unable to match stimuli to a prototype, however, the stimuli are presented to the conscious and subjected to the conscious analysis of the C-system. This second function, therefore, is that of reflective judgment. Though Reynolds (2006b) identifies two systems, his model fails to account for the dynamic interplay between the systems - an interplay demonstrated by Greene and colleagues and explicit in my model, which posits that the interaction between, not the selective activation of, conscious and non-conscious processes influences unethical behavior.

Similar to Reynolds (2006b), Sonenshein (2007) developed a model that focuses on the more automatic and unconscious processes underlying ethical decision making in organizations. However, Reynolds (2006b) derived his model from research in the field of social cognitive neuropsychology, and Sonenshein (2007) developed his model - the Sensemaking-Intuition Model - from research in organizational theory (e.g., Weick, 1979; Weick, 1995).

Though these models (Reynolds, 2006b; Sonenshein, 2007) describe unethical decision making as more automatic than controlled, more unconscious than conscious, and more reflexive than reflective, these models differ in important ways. For instance, Sonenshein (2007) focuses on the construction of issues rather than the post-construction, identification of issues. Specifically, Sonenshein conceptualizes issue construction as a function of expectations, motivational drives, social anchors, and representation. In this respect, Sonenshein (2007) complements Reynolds (2006b) by specifying the process by which prototypes are formed; this a process unspecified by Reynolds (2006b) and

important to a more complete understanding of unethical decision making (Kish-Gephart et al., 2010).

More importantly, Sonenshein (2007, p. 1032) describes moral intuition as a reflection on affect (e.g., feelings) rather than cognition:

Affect can emerge prior to cognitions, largely at a subconscious level...Individuals simply become aware of a preference for something...These intuitive reactions indicate whether something *feels* wrong or right. Individuals are aware of the outcome of this process—their “gut” reaction to an issue— but remain largely blind as to how they reached that reaction (Haidt, 2001).

In this dissertation, I focus on Reynolds’ (2006b) cognitive-based conceptualization of moral intuition. This decision reflects recent research on the neurological foundations of ethical decision making and the importance of moral rationalization in the ethical decision making process. This decision to focus on cognition does not indicate that emotion is incidental; rather, it is a mere reflection on recent research that demonstrates the importance of cognition in the ethical decision making process.

First, recent research on the neurological foundations of ethical decision making indicates that cognition is important in the resolution of many business-related moral dilemmas. In these studies, researchers make a distinction between low intensity and high intensity moral dilemmas (Greene et al., 2001; 2004, 2008). In the context of this research, many of the moral dilemmas that organizational members face are conceptualized by Greene and his colleagues as low intensity moral dilemmas (for related discussion, see Jones 1991). For instance, Greene et al. (2008) describes dilemmas related environmental government policies, resume padding, tax fraud, and insider trading as low intensity moral dilemmas. These dilemmas, however, represent only a subset of the moral

dilemmas that organizational members face, and many of these and related dilemmas - particularly from the perspective of the decision maker - may be perceived as high intensity moral dilemmas. For this reason, I focus on those studies that include business dilemmas and refer to these dilemmas as business dilemmas rather than low intensity moral dilemmas.

Functional magnetic resonance imaging (fMRI) research by Greene and colleagues on the neurological foundations of ethical decision making indicates that certain moral dilemmas related to business stimulate areas of the human brain associated with cognition. For instance, Greene et al. (2001) found that dilemmas related to business-related dilemmas elicit activity in the middle frontal gyrus, the parietal lobe L, and the parietal lobe R - regions of the human brain associated with working memory and controlled processing. This study indicates that cognition is important in the ethical decision making process. The limitations of this study, however, preclude any definitive inferences on the relative influence of cognition and emotion. For instance, Greene et al. (2001) focused on only a subset of the many moral dilemmas that organizational members face, and the participants in Greene et al. (2001) made non-consequential decisions in a context (controlled laboratory) that likely inhibited the experience of emotions.

Second, recent research on moral rationalization also indicates that cognition is particularly important in the resolution of many business-related moral dilemmas. This research suggests that organizational members may disengage their self-regulatory processes and justify their ethical lapses through moral disengagement mechanisms (Aquino, Reed, Thau, & Freeman, 2007; Bandura, Barbaranelli, Caprara, & Pastorelli,

1996; Bandura, 1999; Detert et al., 2008; Moore, Detert, Treviño, Baker, & Mayer, 2012; Shu, Gino, & Bazerman, 2011) and the motivated recall of moral rules and principles (Shu & Gino, 2012). In this perspective, ethical decision making is constrained by motivated cognitive processes - conscious or unconscious - that produce self-serving judgments (Chugh, Bazerman, & Banaji, 2005; Kunda, 1990; Messick & Sentis, 1979; Schweitzer & Hsee, 2002). As Stephen King (2008) writes for Jerome Wireman, a hired companion for the main character in *Duma Key*, “We fool ourselves so much we could do it for a living” (p. 757).

In the rationalization perspective, organizational members may disengage their self-regulatory processes and rationalize their unethical decisions. Through this process, organizational members may also escape the negative moral emotions that they would otherwise forecast or experience (Aquino et al., 2007.; Bandura et al., 1996; Bandura, 1999; Detert et al., 2008). This research, therefore, identifies cognition as particularly important in the ethical decision making process. The limitations of this research, however, preclude any definitive inferences. For instance, though many studies indicate that rationalization is pervasive in organizations (Gino & Ayal, 2011; Shu et al., 2011; Shu & Gino, 2012), other studies identify significant individual-difference variance in the propensity to disengage (Detert et al., 2008; Moore et al., 2008).

Third, related research on moral rationalization in the context of negotiations - described as a “breeding ground” for unethical behavior (Tenbrunsel, 1998) - further indicates that cognition is important in the resolution of many business-related moral dilemmas. In this perspective, the negotiation context may function as a mechanism for negotiators to rationalize their unethical decisions and to escape the negative moral

emotions they would otherwise forecast or experience (Mazar et al., 2008a, 2008b; Shu et al., 2011). For instance, negotiators may describe their counterpart as untrustworthy or unethical and then rationalize the use of “defensive” unethical behavior (Tenbrunsel, 1998). The prominence of this rationalization process in negotiation is partially reflected in the research of Lewicki and colleagues (Lewicki & Robinson, 1998; Lewicki & Stark, 1996). In this research, many participants perceived some morally ambiguous tactics as morally acceptable in the context of negotiations (see also Fulmer, Barry, & Long, 2009). The importance of the rationalization process is also reflected in the normative recommendation of Carson (1993). In this paper, Carson (1993) notes that “It is usually permissible to misstate one's bargaining position when one has good reason to think that one's negotiating partner is doing the same” (p. 317; see also Strudler, 1995).

The prior studies, though limited in many ways, indicate that cognition is important in the ethical decision making process. For this reason, I focus on a cognitive-based conceptualization of the more automatic, reflexive, and unconscious processes. The integration of emotions into this model, however, is an important direction for future research.

The cognitive-based conceptualization that I develop in this dissertation is consistent with the ethical decision making model developed by Reynolds (2006). The model developed by Reynolds (2006), however, is incomplete, as it considers neither the individual nor the situational factors that may interact with cognition - interactions that hold the most promise for advancing our understanding of ethical behavior in organizations (Treviño, 1986, 2011). Empirical research related to this model is also incomplete, as this research has focused only on judgment-based and intent-based

measures and has relied on explicit, normative manipulations (Reynolds et al., 2010). Empirically and theoretically, therefore, individual and situational factors that may influence unethical decision making and measures of unethical behavior have been overlooked in prior research (Reynolds, 2006b; Reynolds et al., 2010; Sonenshein, 2006b).

The Effects of Individual and Situational Factors on Ethical Decision Making

Individual factors. Research in the field of behavioral ethics has long focused on the influence of individual factors on unethical decision making (for reviews, see Tenbrunsel & Smith-Crowe, 2008; Treviño et al., 2006). At the individual level, moral judgment has been identified as an important influence on ethical behavior. Treviño (1986) argued that an individual responds to an ethical dilemma in an organization in accordance with his or her level of cognitive moral development, which determines the individual's judgment of right and wrong (Kohlberg, 1969, 1981, 1984). Though moral judgment does not entirely determine moral behavior, empirical research indeed demonstrates a link between cognitive moral development and ethical behavior (Ashkanasy, Windsor, & Treviño, 2006; Treviño & Youngblood, 1990).

Other research has moved away from the classic cognitive developmental approach to moral judgment (e.g., Detert et al., 2008; Reynolds, Leavitt, & DeCelles, 2010). In a recent study, Reynolds and colleagues (2010) extended research on implicit social cognition (Greenwald & Banaji, 1995; Greenwald et al., 2002) to the moral domain and demonstrated that implicit beliefs in the morality of business, which reflect unconscious associations stored in cognitive schemas, interact with explicit statements to shape moral behavior. Reynolds and colleagues, however, considered neither the

individual factors nor the situational factors (other than explicit, normative statements) that may interact with implicit beliefs - interactions that hold the most promise for advancing our understanding of ethical behavior in organizations (Treviño, 1986, 2011) and form the foundation for the theoretical model that I propose in Chapter 3.

In addition to judgment, post cognitive-development research has also focused on the more automatic characteristics of attentiveness. As conceptualized in social cognitive theory, attention is a function vividness, salience, and accessibility (Fiske & Taylor, 2008). In contrast to earlier research, which adopted an issue-contingent perspective and attended to the vividness and salience dimensions (Jones, 1991), Reynolds (2008) adopted an individual-difference perspective and explored the role of accessibility. Specifically, Reynolds (2008) argued that individuals differ in their attention to morals and morality, an individual-difference captured by moral attentiveness. In this perspective, moral attentiveness is defined as a chronically accessible framework that shapes the perception of and reflection on morality and moral experiences. In this paper, I explore the possibility that moral attentiveness interacts with unconscious, implicit beliefs in the morality of business and organizational factors to shape moral behavior in organizations.

Situational factors. The importance of organizations in shaping moral behavior has been recognized since Hegarty and Simms published their empirical investigations of ethical decision making “under different contingencies of reinforcement” (1978, p. 451) and “under different policy and environmental conditions” (1979, p. 331). In the past two decades, research has focused on such situational factors as ethical climate and culture (for reviews, see Tenbrunsel & Smith-Crowe, 2008; Treviño et al., 2006). With culture

conceptualized as the multidimensional interplay between an organization's formal and informal systems of control (Treviño, Butterfield, & McCabe, 1998), scholars have also attended to the more specific components subsumed by this construct such as ethical leadership (Brown & Treviño, 2006; Brown et al., 2005; Mayer, Aquino, Greenbaum, & Kuenzi, 2012) and vicarious rewards and punishments (Ashkanasy et al., 2006; Treviño & Youngblood, 1990). Recent qualitative (Brown & Treviño, 2006; Brown & Mitchell, 2010; Tenbrunsel & Smith-Crowe, 2008; Treviño et al., 2006) and quantitative (Kish-Gephart et al., 2010) reviews attest to the importance of such contextual factors in shaping moral behavior.

Research on the effects of situational factors within the ethical calculus perspective is well developed (Kish-Gephart et al., 2010); research on the effects of these factors within the ethical impulse perspective, however, is in its infancy. Current research on the more automatic, reflexive, and unconscious foundations of ethical decision making has done little more than hint that the organization may influence the relationship between individuals' automatic processes and ethical behavior (Reynolds, 2006b; Sonenshein, 2007).

Currently, scholars' understanding of the role of the organization in interacting with individuals' automatic processes - specifically, implicit beliefs in the morality of business - to influence moral behavior is confined to only one empirical study. In this study, Reynolds and colleagues (Reynolds et al., 2010) found that explicit, normative statements interacted with individuals' implicit beliefs in the morality of business to influence immoral judgment and immoral intent (Reynolds et al., 2010). As cues in organizations are often more implicit than explicit, more subtle than salient, and more

ambiguous than unambiguous, Reynolds and colleagues called for the use of more subtle contextual cues to verify their core argument (Reynolds et al., 2010). In the experiments reported in this paper, I include a subtle contextual manipulation that influences perceptions of competitiveness and cooperativeness and use this manipulation to understand unethical decision making in a common business context: negotiation.

CHAPTER 3

THEORETICAL MODEL AND FORMAL HYPOTHESES

In this chapter, I develop a model of ethical decision making in organizations that integrates both person and situation factors and both conscious and unconscious cognitive processes. The model is developed in a series of hypotheses.

Ethical Decision Making in Organizations

Treviño (1986) posited an explicitly interactional approach to the study of ethical decision making that emphasized the importance of both the individual and the situation in shaping moral behavior (for discussion, see above). In Figure 1, I present a model of ethical decision making in organizations that integrates a subset of Treviño's (1986) foundational, person-situation interactionist model with more recent developments in the fields of social psychology, moral psychology, and behavioral ethics; these developments suggest that unethical behavior may be automatic than controlled, more reflexive than reflective, and more unconscious than conscious. The proposed theoretical model posits that unethical behavior in organizations reflects the interaction of individual and situational factors and conscious and unconscious cognitive processes.

In the model developed herein, an individual responds to an ethical dilemma with cognitions determined primarily by his or her implicit beliefs in the morality of business, or "moral business intuition" (Reynolds, 2006b; Sonenshein, 2007). These implicit beliefs automatically, reflexively, and unconsciously guide the individual in his or her judgment of right and wrong, but cannot entirely explain or predict the individual's behavior, which is presumed to be multiplicatively determined. Rather, these implicit

beliefs interact with both individual (moral attentiveness and explicit beliefs) and situational (competitive and cooperative) factors. Indeed, it is these interactions that hold the most promise for advancing our understanding of the subtle complexity of moral behavior in organizations (Treviño, 1986, 2011).

 Insert Figure 1 about here

Hypotheses

Unethical Decision Making

In this dissertation, I focus on unethical decision making in a particularly important context in business and organizations: negotiation. Negotiation is defined as the process whereby “people attempt to settle what each shall give and take or perform and receive in a transaction between them” (Thompson, 1990, p. 516). The defining dimensions of negotiations, therefore, include the negotiators, the interests of the negotiators, and the negotiation process and outcomes (Bazerman, Curhan, Moore, & Valley, 2000; Thompson, 1990; Thompson & Hastie, 1990).

Negotiation is a particularly fascinating context to study unethical decision making, as negotiation is pervasive in organizations (Bazerman et al., 2000), and unethical behavior is pervasive in negotiations (Gaspar & Schweitzer, 2013; Kern & Chugh, 2009; Lewicki & Robinson, 1998; O’Connor, K. M., & Carnevale, 1997; Schweitzer & Croson, 1999; Tenbrunsel, 1998). More specifically, Gaspar and Schweitzer (2013) note that the negotiation process is “characterized by information asymmetries” and that negotiators often have “opportunities and incentives” to behave unethically in this process. They further note that effective negotiators, therefore, need

“to contend with the risk” of an unethical counterpart, “to effectively respond” when they identify unethical behavior, and “to manage the temptation” to behave unethically themselves (Gaspar & Schweitzer, 2013, p. 160).

Integrating prior research, I conceptualize unethical behavior in the context of negotiations as the misrepresentation of factual information. This includes omissions (e.g., failing to disclose the documented safety risks inherent in a particular position in a negotiation with a prospective employee) and commissions (e.g., understating the number of hours that a position requires in a negotiation with a prospective employee). These behaviors reflect passive and active unethical decisions, respectively.

Though I conceptualize omissions and commissions as unethical behaviors, it is important to note that some studies find that the prevalence and perception of these differ. For instance, Schweitzer and Croson (1999) found that negotiator omissions are more likely than commissions, and Spranca, Minsk, & Baron (1991) found that negotiators perceive commissions to be more serious than omissions (Spranca, Minsk, & Baron, 1991). Further, though I include omissions and commissions in my definition of unethical behavior, in this empirical studies herein I focus on commissions.

Extant research on the misrepresentation of information in negotiations is descriptively inconsistent. Though many scholars focus on the misrepresentation of factual information, the description of this behavior differs across research domains. In research on negotiations, the misrepresentation of information is described deceptive (e.g., Schweitzer & Croson, 1999), opportunistic (e.g., Gino & Margolis, 2012), and motivated (e.g., Schweitzer & Hsee, 2002). This research, however, overlooks whether the misrepresentation of factual information is ethical or unethical.

My conceptualization of unethical negotiation behavior as the misrepresentation of factual information through omission and/or commission is consistent with recent descriptive research in the field of behavioral ethics. For instance, Tenbrunsel (1998) describes the misrepresentation of information to arbitrators as unethical, and Aquino (1998) describes the misrepresentation of salary information to a prospective hire as unethical. My conceptualization is also consistent with research that finds lay negotiators tend to perceive the misrepresentation of factual information as an unethical negotiation tactic (Lewicki & Robinson, 1998; Robinson, Lewicki, & Donahue, 2000).

However, Lewicki and colleagues (Lewicki & Robinson, 1998; Robinson, Lewicki, & Donahue, 2000) found considerable individual-difference variance in the perceptions of negotiators, and normative researchers in the field of business ethics disagree on the ethics of misrepresentation. For instance, some researchers suggest that the misrepresentation of information is “morally permissible” (Strudler, 1995, p. 805). These normative researchers include Strudler (1995), who suggests that the misrepresentation of a reservation price is ethical and that this behavior warrants no moral regret, and Carson (1993), who notes that “It is usually permissible to misstate one's bargaining position when one has good reason to think that one's negotiating partner is doing the same” (p. 317). Further, negotiators may construe the decision to misrepresent as bluffing rather than lying and therefore either perceive the decision to misrepresent as ethical (Lewicki & Robinson, 1998), perceive the decision to misrepresent through a non-ethical, business frame (Messick & Tenbrunsel, 1999), or initially perceive the decision through an ethical frame, but rationalize their decision

through cognitive reconstrual and euphemistic linguistics (“it’s only bluffing”; Bandura et al., 1996; Bandura, 1999.).

My conceptualization of unethical behavior as the misrepresentation of factual information through omissions and/or commissions, therefore, is inconsistent with the perspective of some normative researchers in the field of business ethics (e.g., Carson, 1993; Strudler, 1995) and the perceptions of some negotiators. My conceptualization, however, is consistent with that of many negotiators and recent research in the descriptive field of behavioral ethics – the domain of inquiry in this dissertation.

Implicit Beliefs in the Morality of Business and Unethical Decision Making

As conceptualized in implicit social cognitive theory, implicit beliefs reflect “traces of past experience” stored in cognitive schemas (Greenwald & Banaji, 1995) that are activated without effort, control, awareness, or intention in response to relevant stimuli (Bargh, 1989, 1994; Greenwald & Banaji, 1995). In contrast to explicit beliefs, which can be captured with traditional self-report measures, implicit beliefs are introspectively inaccessible and thus can only be captured with reaction time data, such as that assessed with the implicit association test (IAT) (Greenwald, McGhee, & Schwartz, 1998; Greenwald, Nosek, & Banaji, 2003; Greenwald, Poehlman, Uhlmann, & Banaji, 2009). Implicit beliefs are of special interest to organizational scholars, as such beliefs can unconsciously bias behavior for the most well-intended of organizational actors (Banaji et al., 2003; Bazerman & Banaji, 2004; Bazerman & Tenbrunsel, 2011).

Reynolds and colleagues (Reynolds et al., 2010) recently argued that a fundamental implicit association that individuals hold is that between business and morality, such that business is implicitly assumed to be ly moral or immoral. Following

Reynolds et al. (2010), I define this implicit ideology as an implicit belief in the morality of business.

Although an innumerable number of implicit beliefs can be assessed, I focus on implicit beliefs in the morality of business for several reasons. First, it seems important that as a foundational effort to understand how implicit beliefs interact with individual and situational factors to influence actual unethical behavior, I should begin not by deriving a new series of implicit beliefs, but rather by identifying previous implicit beliefs with demonstrated explanatory and predictive power. In this light, this paper builds on the extant research of Reynolds and colleagues (2010) to contribute to the cumulative research agenda on the reflexive components of ethical decision making in organizations. Second, with the maturation of the field in recent years, it seems necessary, as suggested by Ashforth, Gioia, Robinson, & Treviño (2008), to move beyond a surface level understanding of organizational corruption. One path to approach the study of the root cause of corruption is to begin with the most fundamental input into the ethical decision making process: implicit beliefs about the morality of business itself.

An implicit belief in the morality of business captures individuals' implicit beliefs in the morality of what business represents. As business ethicists and management scholars have argued, business in the United States is closely associated with a neoclassical economic paradigm that emphasizes competition, self-interest, and unbounded shareholder wealth maximization (Ferraro, Pfeffer, & Sutton, 2005; Ghoshal & Moran, 1996; Jones, 2011; Jones & Felps, 2013; Morrison & Milliken, 2000; Pfeffer, 1997; Reynolds et al., 2010).

The prevalence of the association between business and this neoclassical economic paradigm can be observed in the popular press, in scholarly discussions, and in academic theories. The popular press, for instance, includes many references to business and the neoclassical economic paradigm that emphasizes competition, self-interest, and unbounded shareholder wealth maximization. In these articles, the focus is on the pervasive tendency of managers to compete rather than cooperative, to unboundedly pursue their self-interest, and to make decisions that will increase shareholder rather than stakeholder utility. For instance, a recent search for cases of conflicts of interest - a conflict that reflects the unbound pursuit of self-interest - in *The New York Times* and *The Wall Street Journal* returned more than 3,500 articles, and a related search for discussions on shareholder wealth maximization yielded hundreds of articles.

The focus on the neoclassical economic paradigm is further reflected in the published comments of managers and executives in the press. For instance, an editor at Fortune Magazine once stated “What do we believe in? We believe in shareholder value” (quoted in Nocera, 2009), and Pomerantz notes that business today is focused on “Who gets the buck?” and that “Everything else is just a lot of conversation” (quoted in Minard, 1986). Most recently, the popular press has identified the emphasis on competition, shareholder wealth maximization, and unbounded self-interest as a cause of the recent global financial crisis. In an editorial in *The New York Times*, Nocera (2012) writes that “Over time, ‘maximizing shareholder value’ became viewed as the primary task of the corporation...In the lead-up to the financial crisis - to take just one extreme example - financial institutions took on far too much risk in search of easy profits that would lead to a higher stock price” (p. A19). In a related editorial, Glaeser (2009) writes that, “No one

is likely to forget that the current economic crisis has its roots in dubious, self-interested lending practices that sold borrowers on mortgages that they could not afford and investors on mortgage-backed securities that were worth much less than they seemed.” The prominence of the neoclassical paradigm in business is further reflected in the title and content of the 2011 NPR Program, “How 'Reckless' Greed Contributed To Financial Crisis.”

Similar to practitioner discussions, academic discussions also include many references to business and the neoclassical economic paradigm that emphasizes competition, self-interest, and unbounded shareholder wealth maximization. For instance, Jones (2011) notes that “...I do not see any significant change, except perhaps rhetorical change, in the actions of practicing managers; they seem to pursue shareholder wealth/profits with the same enthusiasm that they always have” (p. 746). In a recent paper, Jones and Felp (2013) further note that, “The dominant normative mandate for managers of US corporations is the maximization of the wealth of company shareholders, primarily through the maximization of profits” (pp. 208 - 209). Indeed, much of normative research in the field of business ethics is developed with the hope that managers and executives will develop an objective function that includes more than shareholder wealth maximization; this research includes that on corporate social responsibility (e.g., Bowen, 1953) and normative stakeholder theory (e.g., Donaldson & Preston, 1995).

Most importantly, dominant descriptive theories and research in the field of management describe business within the context of a neoclassical paradigm. These theories commonly include assumptions related to competition, self-interest, and

shareholder wealth maximization. For instance, Chen, Peng, and Saporito (2002) noted that “TCE [transaction cost economics] has become a major paradigm in social science research...One of its key building blocks is the assumption of opportunism” (Chen, Peng, & Saporito, 2002, pp. 567-583). Other related research in management and negotiations similarly includes neoclassical assumptions. For instance, agency theory assumes that agents will behave in their own narrow self-interest (e.g., Eisenhardt, 1989; Shapiro, 2005), and rational deception frameworks predict that negotiators will use deception whenever the perceived benefits of deception (e.g., increase in payoffs) exceed the perceived costs of deception (e.g., likelihood and consequences of deception; for discussion, see Gaspar & Schweitzer, 2013). This latter is reflected in Akerlof’s (1970) oft-discussed paper on the “market for lemons.” In the model developed in this paper, the sellers of used cars will always conceal and misrepresent information if it is in their interest to do so.

Other research in management that directly relates business to the neoclassical economic paradigm is that on managerial beliefs and ideologies. In an important study, Rust (1999) analyzed letters to shareholders in corporate annual reports and documented the prominence of managerial beliefs related to the neoclassical economic paradigm. Rust (1999) described these beliefs as the ideology of market competition, the ideology of shareholder interest, and the ideology of employee worth. For instance, the ideology of market competition defines business and markets in competitive terms, and Rust, Edwards, and McKinley, and Moon (2005) note that the “ideology of market competition is particularly salient in the statements of business executives” (p. 39). This is consistent with other research that finds that corporations in the United States describe their mission

as that of shareholder wealth maximization (Alexander, 1999; Korn-Ferry International, 2000) and that this focus has intensified over time (Gordon, 2007; Pye, 2002).

Rust (1999) documented the prevalence of the neoclassical economic perspective in managers' descriptions; more critically, however, Rust related managers' beliefs to their decisions in business and organization contexts. For instance, Rust (1999) found that managers with a competitive market ideology were more likely to downsize their corporations. Further, Rust et al. (2005) found that managers with a shareholder-focused ideology - a dominant ideology in recent decades (Donaldson, 1994; Useem, 1993) - did not perceive or describe downsizing as a breach of contract. This research, therefore, provides evidence of a relationship between managerial beliefs and managerial decisions, relates the descriptive dimensions to the normative dimensions, and indicates that beliefs in the importance of specific neoclassical economic concepts (e.g., shareholder wealth maximization) may influence perceptions and decisions in other contexts (e.g., breach of contract perceptions).

Implicit ideologies, such as implicit beliefs in the morality of business, also influence decision making in the domain of ethics (Reynolds et al., 2010). As morality is an aspect of legitimacy (Suchman, 1995), individuals who believe that business is ly moral believe in the legitimacy of the neoclassical economic paradigm and believe that business should be an exercise in self-interest, competition, and shareholder wealth maximization (Reynolds et al., 2010). In contrast, individuals who believe that business is ly immoral believe in the illegitimacy of the neoclassical economic paradigm and believe that business should be more than an exercise in self-interest, competition, and shareholder wealth maximization (e.g., joint-interest, cooperation, and stakeholder

recognition; Reynolds et al., 2010). As implicit beliefs create overarching “shalts and shalt nots” (Ferraro et al., 2005, p. 10), prescriptive expectations (Miller, 1999), and lay theories “people frequently feel compelled to live out” (Leavitt, Zhu, & Aquino, 2011, p. 7), an implicit belief that business is moral should be associated with the definitively unethical decision making.

Hypothesis 1: An implicit belief that business is moral will be positively associated with unethical decision making

Contextual Factors and Unethical Decision Making: Contextual Cues

Competitive and cooperative contextual cues. Ethical dilemmas are ly ambiguous (Warren & Smith-Crowe, 2008) and may reflect conditions of equivocality and uncertainty (Weick, 1979; Weick, 1995). In these situations, individuals turn to contextual cues to understand moral issues and to confirm their intuitive responses (Sonenshein, 2007). From this perspective, unethical decision making in organizations is more fully understood as a function of the interactive effects of contextual cues and individuals’ implicit beliefs in the morality of business (Reynolds, 2006b). This perspective is nicely captured by Reynolds (2006b):

For many [Enron] individuals, these actions went unchecked because both their [implicit] prototypes and their moral rules, all of which were heavily influenced by the organization’s culture, failed to provide a reason for doubting their conclusions (p. 746).

Contextual cues in organizational and business contexts may take many forms and include those factors that influence individuals’ moral perceptions, cognitions, and decisions (Kish-Gephart et al., 2010). For instance, prior research has identified ethical leadership (Brown et al., 2005; Brown & Treviño, 2006), rewards and punishments (Ashkanasy et al., 2006; Hegarty & Sims, 1978; Treviño & Youngblood, 1990; Warren,

2005), and ethical cultures (Treviño et al., 1998) and subcultures (Warren, 2006) as important influences on ethical decision making. A recent meta-analysis reinforces the profound influence of these and other contextual factors on unethical decision making in organizations (Kish-Gephart et al., 2010).

In an important study, Tenbrunsel and Messick (1999) identified contextual cues that influence individuals' perceptions of the competitiveness and cooperativeness of situations as important influences on the ethical decision making process. This study indicated that perceptions are predictably influenced by competitive and cooperative contextual factors and that these factors influence moral awareness and self-interested decision making. In this experimental study, Tenbrunsel and Messick (1999) manipulated the presence of sanction systems and found that participants in the sanction system condition were more cooperative than participants in the no-sanction system condition.

Further research on competitive and cooperative cues demonstrates that these contextual factors also influence unethical decision making. Steinel and De Dreu (2004) found that negotiators who perceived the negotiation context as competitive behave more unethically than negotiators who perceive the negotiation context as cooperative. More specifically, they found that participants in the competition context offered inaccurate information and concealed accurate information and that these decisions reflected greed and the fear of exploitation, respectively. These results are consistent with those of Schweitzer, DeChurch, and Gibson (2005). In their study, negotiators with competitive perceptions of the negotiation context behaved more unethically than those with cooperative perceptions of the negotiation context. They further found that perceptions of competition blur the boundaries between competitive behavior and unethical behavior.

Contextual cues in organizational and business contexts that focus on competition and cooperation may influence unethical decision making by reinforcing and strengthening individuals' implicit beliefs in the morality of business, such that an implicit belief that business is moral and a contextual factor reinforcing this belief will be associated with more unethical decision making and an implicit belief that business is immoral and a contextual factor reinforcing this belief will be associated with less unethical decision making. This reinforcement perspective is entirely consistent with Reynolds' (2006) neurocognitive model of ethical decision making. In this model, "Undoubtedly... prototypes and moral rules are established and reinforced by both formal and informal mechanisms" (Reynolds, 2006b, p. 745).

More specifically, contextual cues that focus on competition, self-interest, or shareholder wealth maximization may reinforce (or rationalize) individuals' implicit beliefs that business is ly moral and should be an exercise in competition, self-interest, and shareholder wealth maximization. As Reynolds et al. (2010) notes, "Competitive tendencies can become ultracompetitive behaviors; a preference for shareholders can become an overemphasis on shareholders; and capitalistic tendencies can be taken to more extreme conclusions" (p. 754). Contextual cues that focus on competition, self-interest, or shareholder wealth maximization may thus reinforce individuals' implicit beliefs that business is ly moral and promote unethical decision making.

In contrast, contextual cues that focus on cooperation, joint-interest, or stakeholder considerations reinforce followers' implicit beliefs that business is ly immoral and should be an exercise in more than competition, self-interest, or shareholder wealth maximization. Contextual cues that focus on cooperation, joint-interest, or

stakeholder considerations may thus reinforce followers' implicit beliefs that business is ly immoral and promote less unethical decision making.

This reasoning suggests that competitive and cooperative contexts will influence individuals' perceptions - perceptions that interact with individuals' implicit beliefs in the morality of business to influence unethical decision making.

Hypothesis 2: Competitive and cooperative contextual cues will moderate the relationship between implicit beliefs in the morality of business and unethical decision making, such that the effect of an implicit belief that business is moral will be enhanced in the presence of competitive cues and reduced in the presence of cooperative cues.

Individual Factors and Unethical Decision Making: Moral Attentiveness and Explicit Beliefs

Individual factors may also influence the relationship between implicit beliefs in the morality of business and unethical decision making. Specifically, individual-difference factors may be associated with heightened moral attention or reflection (Reynolds, 2008) and reinforcement. In this paper, I focus on two individual factors: moral attentiveness and explicit beliefs.

Moral Attentiveness. Drawing on social cognitive theory (Fiske & Taylor, 2008), Reynolds (2008) conceptualized moral attentiveness as a distinct, chronically accessible framework associated with concepts of morals and morality. In contrast to more specific cognitive frameworks that distinguish between the moral and the immoral (e.g., the cognitive framework within which implicit beliefs about the morality of business are stored), moral attentiveness “draws from a more general category of moral concepts that distinguishes what is moral from what is nonmoral or amoral...” (Reynolds, 2008, p. 1028).

Moral attentiveness is construed as the extent to which an individual chronically perceives and reflects upon morals and morality (Reynolds, 2008). As such, moral attentiveness is conceptualized across two dimensions: a perceptual dimension, which colors the “identification and interpretation” of stimuli, and a reflective dimension, which shapes the “analysis of and reflection on” such stimuli (Reynolds, 2008, p. 1028). Collectively, these dimensions create a moral lens through which the morally attentive individual perceives moral stimuli within social contexts.

Importantly, moral attentiveness is theoretically and empirically distinct from moral awareness. Moral awareness, defined as an individual’s determination that a situation can be considered from a moral perspective (Reynolds, 2006a), is a product of the “cognitive developmental approach to ethics...that treats information as an objectively moral exogenous factor” (Reynolds, 2008, p. 1027). Moral awareness is conceptualized as a function of both issue and situational characteristics (Butterfield, Treviño, and Weaver, 2000; Jones, 1991), such that in a sufficiently strong situation most individuals can attain moral awareness. Moral attentiveness, in contrast, is an individual-difference, chronically accessible cognitive framework that influences the perception and interpretation of all social stimuli. It does not assume an objectively moral situation around which attention is localized (Reynolds, 2008).

Moral attentiveness may interact with implicit beliefs in the morality of business to shape unethical decision making in two ways. First, the reflective dimension of moral attentiveness associates moral attentiveness with controlled, conscious, and careful reflection upon morals and morality (Reynolds, 2008). Although implicit beliefs in the morality of business automatically and unconsciously guide individuals in their

judgments of right and wrong, the judgment itself is indeed presented to the conscious (Reynolds, 2006b). This conscious judgment is then available for interpretation and reflection by the morally attentive individual - interpretation and reflection that is theoretically and empirically associated with enhanced moral awareness and moral behavior (Gunia, Wang, Huang, & Murnighan, in press; Reynolds, 2008). This reasoning suggests that an implicit belief that business is moral need not always be associated with unethical decision making; rather, for the morally attentive individual, the unconscious, implicit belief in the morality of business may be revisited and revised, thus negating the positive effect of an implicit belief that business is moral on unethical decision making.

Second, from the perspective of social cognitive theory (Fiske & Taylor, 2008), an implicit belief that business is moral may be associated with a “business as normal,” amoral construction of definitively moral situations (Jones, 1991). This argument, which highlights the role of unconscious processes in masking the recognition of moral issues, is entirely consistent with the assertion that the limits of the conscious mind restrict awareness, such that the behavior of organizational actors reflects the unconscious processes of “bounded ethicality” (Banaji et al., 2003; Bazerman & Banaji, 2004; Bazerman & Tenbrunsel, 2011). As the perception dimension of moral attentiveness is particularly important to the automatic and unconscious categorization of stimuli as moral (in contrast to nonmoral or amoral), it seems reasonable to assume that the morally attentive individuals will be more likely to categorize stimuli as moral and thus override an amoral, “business as normal” construction of definitively moral issues.

As such, whether moral attentiveness influences the relationship between implicit beliefs in the morality of business and unethical decision making at the moment of pre-

judgment categorization (second argument, perception dimension) or post-judgment reflection (first argument, reflective dimension), the prediction is the same:

Hypothesis 3: Moral attentiveness will moderate the relationship between implicit beliefs in the morality of business and unethical decision making, such that the effect of an implicit belief that business is moral will be reduced when moral attentiveness is high and enhanced when moral attentiveness is low.

Explicit beliefs. Explicit beliefs, which are at the core of research within the ethical calculus perspective (for reviews, see Tenbrunsel & Smith-Crowe, 2008; Treviño, et al., 2006), are developed through controlled, reflective, and conscious deliberation. In this paper, I focus on explicit beliefs in the morality of business, the explicit counterpart to the implicit belief defined and developed above.

Critically, explicit beliefs are theoretically and empirically distinct from implicit beliefs. As conceptualized in many dual-process theories, the distinction between explicit and implicit beliefs reflects an underlying distinction between propositional (controlled, reflective, conscious) and associative (automatic, reflexive, and unconscious) processes, respectively (Chaiken & Trope, 1999; Gawronski & Payne, 2010; Strack & Deutsch, 2004). As propositional processes are indeed controlled, reflective, and conscious, explicit beliefs are introspectively accessible and thus can be captured with traditional self-report measures (Greenwald et al., 2002; Nosek, 2007). Explicit beliefs - and the behavior these beliefs elicit - transpire with effort, control, awareness, and intention (Bargh, 1989; 1994).

Recent social-psychological research suggests that implicit and explicit beliefs reflect constructs that are related yet distinct (Nosek, 2007). This independence is supported by recent meta-analytic findings (Greenwald et al., 2009) and Reynolds'

(2006) neurocognitive model of ethical decision making. In this model, implicit and explicit beliefs in the morality of business reflect the influence of distinct systems of cognition. For this reason, explicit beliefs in the morality of business, which reflect conscious, controlled, and reflective cognition, need not necessarily correlate with implicit beliefs in the morality of business, which reflect unconscious, automatic, and reflexive cognition (Reynolds et al., 2010).

Research indicates, however, that implicit and explicit beliefs may converge and that when implicit and explicit beliefs do converge, implicitly beliefs are reinforced and strengthened (Perugini, 2005; Strack & Deutsch, 2004). In this reinforcement perspective, explicit beliefs in the morality of business may interact with implicit beliefs in the morality of business, such that explicit beliefs in the morality of business will enhance the effect of implicit beliefs in the morality of business on unethical decision making when explicit beliefs converge with these implicit beliefs and weaken the effects of implicit beliefs in the morality of business on unethical decision making when explicit beliefs diverge from these implicit beliefs.

Importantly, the reinforcement perspective indicates that explicit beliefs in the morality of business influence the effects of implicit beliefs in the morality of business (Perugini, 2005; Strack & Deutsch, 2004) rather than the moral content of these implicit beliefs. This prediction is consistent with related research on implicit cognition. In this research, implicit beliefs reflect the influence of prior experiences and are rather immalleable and enduring (e.g., Greenwald & Banaji, 1995). Further, this prediction is consistent with the neurocognitive model of ethical decision making (Reynolds, 2006;

Reynolds et al., 2010). In this model, moral frameworks such as implicit beliefs are conceptualized as deeply engrained moral prototypes (Reynolds, 2006).

In the reinforcement perspective (e.g., Perugini, 2005; Strack & Deutsch, 2004), therefore, explicit beliefs in the morality of business may function as intra-individual mechanisms or cues that strengthen the effects of implicit beliefs in the morality of business when these beliefs converge with the related explicit beliefs and weaken the effects of implicit beliefs in the morality of business when these beliefs diverge from the related explicit beliefs.

Hypothesis 4: Explicit beliefs in the morality of business will moderate the relationship between implicit beliefs in the morality of business and unethical decision making, such that the effect of an implicit belief that business is moral will be reduced when explicit beliefs in the morality of business diverge from this implicit belief and enhanced when an explicit beliefs in the morality of business converge with this implicit belief.

Explicit beliefs in the morality of business may reinforce and strengthen implicit beliefs in the morality of business not only independently (Perugini, 2005; Strack & Deutsch, 2004), but also interactively with related situational factors. This reasoning suggests that convergence between implicit beliefs in the morality of business, explicit beliefs in the morality of business, and competitive and cooperative contextual cues creates a “perfect storm,” such that implicit beliefs are reinforced by both individual and organizational factors (Reynolds, 2006b; Sonenshein, 2007). Empirically, these reinforcement effects are manifested in the form of a three-way interaction: a two-way interactions that is further moderated by explicit beliefs in the morality of business.

Hypothesis 5: A three-way interaction between explicit beliefs in the morality of business, implicit beliefs in the morality of business, and competitive and cooperative contextual cues will emerge, such that such that the effect of an implicit and explicit belief that business is moral on unethical decision making

will be reduced under the condition of a cooperative contextual cue and enhanced under the condition of a competitive contextual cue.

CHAPTER 4

METHODS AND RESULTS

This dissertation includes a pilot study and three experimental studies. The purpose of the Pilot Study was to confirm the effectiveness of the experimental manipulation; in the pilot study, therefore, participants read the study material and then responded to a manipulation check. The purpose of the experimental studies (Experiments 1, 2, and 3) was to explore the hypotheses presented in Chapter 3.

Pilot Study

Participants

Participants in the Pilot Study were 43 undergraduate students (40% male, mean age = 23.70) recruited from courses offered in the business school of a large northeast university. Participants had an average of 6.74 years of work experience, and all participants (100%) held positions at the worker or clerk level. The participants received extra course credit for their participation. Table 1 includes the sample characteristics of the participants.

Insert Table 1 about here

Study Design

The purpose of the pilot study was to confirm the effectiveness of the manipulation in the experimental studies. In the experimental studies, participants completed a negotiation task for real money; in the Pilot Study, participants were presented with the instructions for the negotiation task and then responded to a manipulation check.

Negotiation Task and Manipulation

The negotiation task included the ultimatum game with uncertain information. In Experiments 1 and 2, the uncertain information game had real monetary stakes such that participants negotiated for a bonus payment; in the Pilot Study, the uncertain information game was described to participants. Notably, the uncertain information game has been used in prior research to study unethical behavior in negotiation and organizational contexts (e.g., Croson, Boles, & Murnighan, 2003; Koning, Steinel, Van Beest, & Van Dijk, 2011; Moran & Schweitzer, 2008; Shalvi, Handgraaf, & De Dreu, 2011). Further, the uncertain information ultimatum game is “free from the influence past relationships, qualifications, or future expectations might exert and designed to disentangle dynamics of the bargaining process” (Solnick & Schweitzer, 1999, p. 2010).

In the typical ultimatum game, the Proposer receives a sum of money and must determine how much of this money to keep and how much of this money to offer the Responder. If the Responder takes the Proposer’s division, the Proposer and Responder receive the money indicated in the proposal. If the Responder declines the Proposer’s division, however, neither the Proposer nor the Responder receives any money.

In the uncertain information variation of the ultimatum game, the Responder does not know how much money the Proposer is given to divide; rather, the Proposer knows only that the amount ranges from X and Y with any amount within that range equally likely. For this reason, in the uncertain information game Proposers also make a claim about how much money they received to divide. This information uncertainty and asymmetry creates the opportunity for the Proposer to misrepresent information to the Responder. Importantly, Lewicki and Robinson (1998) and Robinson, Lewicki, &

Donahue, 2000) found that negotiators perceive the misrepresentation of information as an unethical negotiation tactic.

In Experiments 1 and 2, the participants were informed that they would be randomly paired with another participant and that they and the other participant would be randomly assigned to negotiation roles (Proposer and Responder); in the Pilot Study, participants read these instructions. However, all participants in Experiments 1 and 2 were paired with a computer that was programmed to respond to negotiators' decisions, and all participants in Experiments 1, 2, and the Pilot Study received the same role (Proposer).

In Experiments 1 and 2, the participants received US \$10.00 and were informed that this information was private. Participants were further informed that their counterpart was provided with only distributive information, such that counterpart learned that the total money to divide ranged from \$1.00 to \$15.00 with any \$0.50 increment within that range equally likely. Participants were instructed to make an offer to the other negotiator (\$0.00 - \$10.00) and make a claim about the sum of money they received to divide (\$1.00 - \$10.00). In the Pilot Study, participants were presented with these instructions, but did not receive any money and did not make any decisions.

Though the structural characteristics of the negotiation were constant for all participants, the description of the negotiation differed across conditions (Burnham, McCabe, & Smith, 2000; Larrick & Blount, 1997; Liberman, Samuels, & Ross, 2004). In the competitive condition, the negotiation was described in competitive terms. In the cooperative condition, the negotiation was described in cooperative terms. Participants

were randomly assigned to the competitive condition or cooperative condition in the Pilot Study and the experimental studies.

In the competitive condition, the uncertain information ultimatum game was described as the “Wall Street Game,” the Proposer was described as “Competitor 1,” and the Responder was described as “Competitor 2.” Further, the decision of the Responder was described as “reject” or “accept.” The instructions also included a black-and-white illustration of the “Charging Bull” sculpture that stands in Bowling Green Park near Wall Street in Manhattan, New York.

In the cooperative condition, the uncertain information ultimatum game was described as the “Community Game,” the Proposer was described as “Partner 1,” and the Responder was described as “Partner 2.” Further, the decision of the Responder was described as “claim” or “not claim.” The instructions included a black-and-white illustration of a pair of holding hands.

Manipulation Check Measure and Control Measures

Four items measured participants’ perceptions of the negotiation. The items were derived from Kay, Wheeler, Bargh, and Ross (2004) and Reynolds et al. (2010). The items were “This negotiation is very competitive,” “This negotiation is very cooperative,” “This negotiation is more competitive than cooperative,” and “This negotiation is more cooperative than competitive.” All items were measured on a Likert-style scale (1 = strongly disagree to 7 = strongly agree).

Participants also indicated their age, gender, years of work experience, and level in the organization (Brown, Treviño, & Harrison, 2005; Reynolds & Ceranic, 2007; Reynolds, 2008; Treviño & Youngblood, 1990).

Analyses

I conducted mean comparison analyses on the items to compare the responses of participants in the competitive condition to the responses of participants in the cooperative condition. I included the control variables in the analyses, and I conducted the comparisons within the ANCOVA model.

Results

Participants in the competitive condition perceived the negotiation as more competitive than those in the cooperative condition (mean = 3.98, s.e. = 0.39 vs. mean = 2.783, s.e. = 0.39, $F [1, 38] = 4.34, p < .05$), and participants in the cooperative condition perceived the negotiation as more cooperative than those in the competitive condition (mean = 5.26, s.e. = 0.37 vs. mean = 4.21, s.e. = 0.36, $F [1, 38] = 4.11, p = .05$). Further, participants in the competitive condition perceived the negotiation as more “competitive than cooperative” than those in the cooperative condition (mean = 4.08, s.e. = 0.48 vs. mean = 2.25, s.e. = 0.49, $F [1, 38] = 6.98, p < .05$), and participants in the cooperative condition perceived the negotiation as more “cooperative than competitive” than those in the competitive condition (mean = 4.87, s.e. = 0.47 vs. mean = 3.58, s.e. = 0.46, $F [1, 38] = 3.85, p = .05$). The results confirm that the manipulation influenced negotiators’ perceptions of the competitiveness and cooperativeness of the negotiation in the predicted direction.

Experiment 1

Participants

Participants were 73 MBA students (59% male, mean age = 30.08) recruited from courses offered in the business school of a large northeast university. The participants had

an average of 7.14 years of work experience and held a variety of positions in their organizations. The participants received extra course credit, a \$2.00 participation fee, and had the opportunity to receive up to an additional \$10.00 bonus payment. The bonus payment was directly linked to participants' decisions in the negotiation task. Table 1 includes the sample characteristics of the participants.

Study Design

In Experiment 1, participants were informed that they would complete a series of unrelated tasks. Though the tasks were related, the tasks were described as unrelated to minimize experimental demand characteristics (Orne, 1962) and evaluation apprehension (Rosenberg, 1969). The tasks were developed on different platforms (Qualtrics and Inquisit) and with different fonts and colors to reinforce this description. Post-study discussions indicated that participants indeed perceived the tasks as unrelated.

First, participants completed measures unrelated to the current hypotheses and a filler task that included questions on business statistics. Second, participants completed an Implicit Association Test (IAT) that captured participants' implicit beliefs in the morality of business (Reynolds et al., 2010). Third, participants were randomly assigned to the competitive or cooperative negotiation condition and completed the computer-mediated negotiation task described in the prior discussion. Last, participants completed measures of explicit beliefs in the morality of business (Weaver, Treviño, & Cochran, 1999) and moral attentiveness (Reynolds, 2008) and responded to basic demographic questions.

Negotiation Task and Manipulation

Participants were randomly assigned to the competitive or cooperative condition and completed a negotiation task for real money. The task and manipulation are described in detail in the discussion on the Negotiation Task and Manipulation in the Pilot Study.

Independent Measures

All constructs were measured with established multi-item scales. The items for the scales are included in Appendix C and Appendix D.

Implicit belief in the morality of business. I measured implicit beliefs in the morality of business with Reynolds' et al. (2010) IAT. Conceptually, the IAT is a computer-based task that asks subjects to categorize stimulus-items into four categories. The IAT was developed in response to the observation that subjects are faster to respond to those associations that are implicitly associated than to those that are implicitly unassociated.

In this IAT, the primary categories are “business” and “sports,” and the secondary categories are “ethical” and “unethical.” “Sports” is a control category that serves to control for participants’ tendencies to associate “a similarly familiar category with ethical versus unethical behavior” (Reynolds et al., 2010, p. 754). “Sports” was selected as the control category for three reasons (Reynolds et al., 2010). First, many of the features of sports are analogous to those of business (e.g., CEO and coach; locker room and board room). Second, many of the ideals in sports are common to those in business (e.g., competitive, fair play). Third, moral violations in both sports and business have been the subject of recent media attention. (For further discussion, see Reynolds et al., 2010).

The IAT consists of four experimental blocks. In the first experimental block, subjects sort stimulus items by pressing “d” when “business” items appear (e.g., profit,

CEO, boardroom) and “k” when “sports” items appear (e.g., locker room, stadium, athlete). In the second experimental block, subjects similarly sort stimulus items by pressing “d” when “ethical” items appear (e.g., being fair, helping, considering others) and “k” when “unethical” items appear (e.g., stealing, hurting others, cheating). In the third and fourth experimental blocks, subjects complete the two previous tasks using an alternative, shared response key. Specifically, in the third experimental block, subjects sort stimulus items by pressing “d” when “business” items or “ethical” items appear and “k” when “sports” items or “unethical” items appear; in the fourth experimental block, subjects sort stimulus items by pressing “d” when “business” items or “unethical” items appear and “k” when “sports” items or “ethical” items appear.

The IAT produces a standardized score (the Greenberg D-score) that reflects differences in response latencies between experimental blocks three and four. The score is assessed on a continuous scale, such that negative scores indicate a strong association between business and immoral, positive scores indicate a strong association between business and moral, and a score of zero indicates no association between business and moral/immoral.

Moral attentiveness. I measured moral attentiveness with Reynolds’ (2008) 12-item moral attentiveness scale. Participants indicated their agreement with each item (e.g., “In a typical day, I face several ethical dilemmas”) on a 7-point Likert-style scale (1 = strongly disagree to 7 = strongly agree). The scale demonstrated high reliability ($\alpha = .87$).

Explicit belief in the morality of business. I measured explicit beliefs in the morality of business with Weaver et al.’s (1999) five-item scale. Participants indicated

the extent to which they believed each of five concepts (e.g., “Valuing integrity as much as profits”) should be important to business on a 7-point Likert-style scale (1 = not at all important to 7 = extremely important). The scale demonstrated high reliability ($\alpha = .89$).

Dependent Measure

Unethical behavior. I measured unethical behavior through participants’ decisions in the negotiation task. These decisions had real monetary consequences, as participants were truthfully informed that their payment was directly related to their decisions in the negotiation. As in prior research, I conceptualized unethical behavior as the difference between the actual sum of money that participants received (\$10.00) and sum of money that participants claimed that they received in the message they sent to their counterpart in the negotiation (e.g., Croson et al., 2003; Moran & Schweitzer, 2008). For instance, participants who claimed to receive \$9.00 (unethical behavior = \$10.00 - \$9.00 = \$1.00) behaved less unethically than those who claimed to receive \$2.00 (unethical behavior = \$10.00 - \$2.00 = \$8.00).

Control Measures

To account for variance in unethical behavior not reflected in the focal constructs, I also included measures for age, gender, years of work experience, and level in the organization (Brown et al., 2005; Reynolds & Ceranic, 2007; Reynolds, 2008; Treviño & Youngblood, 1990).

Analyses

I conducted a confirmatory factor analysis (CFA) to establish the factor structure and the validity of the constructs. Thereafter, I conducted a series of hierarchical regression analyses to test the hypotheses. In all analyses, I entered the control and focal

variables first, the two-way interaction effects second, and the three-way interaction effects fourth. All continuous variables in the interaction models were mean-centered to reduce any multicollinearity caused by the relationship between the interactions and the variables that comprise them and to facilitate interpretation of the regression coefficients (Aiken & West, 1991; Cohen, Cohen, West, & Aiken, 2002).

Results: Confirmatory Factor Analysis

I performed a CFA with the Proc Calis procedure in SAS 9.3. The purpose of the CFA was to confirm the factor structure of the latent constructs. In this process, I compared the theoretical factor structure of the moral attentiveness and explicit belief constructs to the factor structure in the data.

The most common measures of factor structure fit in management and ethics research include the normed χ^2 , the Standardized Root Mean Square Error (SRMSR), the Comparative Fit Index (CFI), and the Root Mean Standard Error of Estimate (RMSEA) (see Brown et al., 2005; Mayer et al., 2012). In the context of CFA, normed χ^2 values of less than 2.0 (Tabachnick & Fidell, 2007) or 3.0 (Carmines & McIver, 1981), SRMSR values less than or equal to 0.08 (Hu & Bentler, 1999) or .10 (Kline, 2005; Shalley, Gilson, & Blum, 2009), CFI values greater than or equal to .90 (Ambrose & Schminke, 2003; Bentler & Bonett, 1980; Van der Vegt, Emans, Van der Vliert, 2001) or “close to” 0.95 (Hu & Bentler, 1999, p. 1), and RMSEA values less than or equal to 0.06 (Hu & Bentler, 1999), 0.08 (MacCallum, Browne, & Sugawara, 1996), or 0.10 (Browne & Cudeck, 1993; Tabachnick & Fidell, 2007) indicate good model fit. For robustness, I calculated 90% confidence intervals (LC and UC) for the RMSEA index.

I included all multi-item latent constructs in the CFA, and the results of this CFA demonstrated that the three-factor model fit the data (see Table 2). The indices of fit all indicated a very good model fit (normed $\chi^2 = 1.60$, SRMSR = 0.09, CFI = 0.89, RMSEA = 0.09, RMSEA L90% = 0.07, and RMSEA U90% = 0.11). Further, the indices of fit (normed χ^2 , SRMSR, CFI, and RMSEA) indicated the three-factor model fit the data better than the two-factor model and one-factor model. The results of the CFA validated the three-factor theoretical factor model and provided further support for the validity of the established constructs.

 Insert Table 2 about here

Results: Hypothesis Tests

Table 3 includes the descriptive statistics, correlations, and reliabilities for the variables. The correlation matrix indicated that none of the variables correlated significantly with the unethical behavior; however, males implicitly believed that business is more moral and expressed lower levels of moral attentiveness than females.

 Insert Table 3 about here

Table 4 includes the regression results for all models. Hypothesis 1 predicts that implicit beliefs in the morality of business are positively related to unethical behavior. The results of Model 1 failed to support this hypothesis ($b = 0.47$, s. e. = 0.89, $p = n. s.$). The next hypotheses predict that implicit beliefs in the morality of business will interact with contextual and individual factors. The results of Models 2, 3, and 4 failed to support the interaction effects of implicit beliefs in the morality of business and a contextual cue

(Hypothesis 2, $b = -1.00$, $s. e. = 1.78$, $p = n. s.$), implicit beliefs in the morality of business and moral attentiveness (Hypothesis 3, ($b = 0.79$, $s. e. = 1.04$, $p = n. s.$), and implicit beliefs in the morality of business and explicit beliefs in the morality of business (Hypothesis 4, $b = 0.52$, $s. e. = 0.76$, $p = n. s.$). Finally, Hypothesis 5 predicts that implicit beliefs in the morality of business, explicit beliefs in the morality of business, and moral attentiveness will interact (three-way interaction) to predict unethical behavior. The results of Model 5 failed to support this hypothesis ($b = 1.00$, $s. e. = 1.79$, $p = n. s.$). I discuss the lack of significant effects in detail in the Discussion.

 Insert Table 4 about here

Experiment 2

The purpose of Experiment 2 is to test the theoretical model on a different sample: undergraduate business students. Indeed, it is possible that the MBA students in Experiment 1 have strongly internalized norms, perhaps reflective of the ethical culture (Treviño et al., 1998), subculture (Warren, 2006), or leadership (Brown & Treviño, 2006; Brown et al., 2005) in their organization, that direct behavior in negotiations and that exerted more influence than the experimental manipulation. Further, it is plausible that the MBA students were not fully motivated by the economic incentives in the negotiation. This would explain the lack of main and interactive effects for implicit beliefs in the morality of business and the experimental manipulation in Experiment 1. For this reason, the participants in Experiment 2 were undergraduate business students with fewer years of work experience ($t [162] = 3.80$, $p < .001$).

Participants

Participants were 91 undergraduate students (53% male, mean age = 24.38) recruited from courses offered in the business school of a large northeast university. The participants had an average of 3.78 years of work experience and most (78%) worked at the worker or clerk level in their organization. The participants received extra course credit, a US \$2.00 participation fee, and had the opportunity to receive up to an additional US \$10.00 bonus payment. The bonus payment was directly linked to participants' decisions in the negotiation task. Table 1 includes the sample characteristics of the participants.

Design, Procedure, and Measures

The design, procedure, and measures were the same as those in Experiment 1. The explicit belief ($\alpha = .94$) and moral attentiveness ($\alpha = .89$) measures demonstrated highly reliability.

Analyses

I conducted a CFA to establish the factor structure and the validity of the constructs. Thereafter, I conducted a series of hierarchical regression analyses to test the hypotheses. In all analyses, I entered the control variables first, the main effects second, and the two-way and three-way interaction effects third and fourth, respectively. All variables in the interaction models were mean-centered to reduce any multicollinearity caused by the relationship between the interactions and the variables that comprise them (Aiken & West, 1991).

Results: Confirmatory Factor Analysis

I conducted a CFA with the Proc Calis procedure in SAS 9.3. As in Experiment 1, I report the results of the most common measures of factor structure fit in management

research: the normed χ^2 , the Standardized Root Mean Square Error (SRMSR), the Comparative Fit Index (CFI), and the Root Mean Standard Error of Estimate (RMSEA). The results of the CFA, conducted with all of the latent constructs, demonstrated that the model fit the data (see Confirmatory Factor Analysis in Experiment 1 for discussion on indicators of model fit). For robustness, I calculated 90% confidence intervals (LC and UC) for the RMSEA index. The indices of fit all indicated good model fit (see Table 2; normed $\chi^2 = 1.87$, SRMSR = 0.08, CFI = 0.90, RMSEA = 0.10, RMSEA L90% = 0.08, and RMSEA U90% = 0.12). Further, the indices of fit (normed χ^2 , SRMSR, CFI, and RMSEA) indicated that the three-factor model fit the data better than the two-factor model and the one-factor model. The results of the CFA validated the three-factor theoretical factor model and provided further support for the validity of the constructs.

Results: Hypothesis Tests

Table 5 includes the descriptive statistics, correlations, and reliabilities for the variables.

 Insert Table 5 about here

Table 6 includes the regression results for all models. Hypothesis 1 predicts that implicit beliefs in the morality of business are positively related to unethical behavior. The results of Model 1 failed to support this hypothesis ($b = -0.03$, s.e. = 0.64, $p = \text{n.s.}$). The next hypotheses predict that implicit beliefs in the morality of business will interact with contextual and individual factors. The results of Models 2, 3, and 4 failed to support the interaction effects of implicit beliefs in the morality of business and a contextual cue (Hypothesis 2, $b = -1.26$, s.e. = 1.31, $p = \text{n.s.}$), implicit beliefs in the morality of business

and moral attentiveness (Hypothesis 3, ($b = 0.16$, $s.e. = 0.64$, $p = n.s.$), and implicit beliefs in the morality of business and explicit beliefs in the morality of business (Hypothesis 4, $b = 0.51$, $s.e. = 0.56$, $p = n.s.$). Finally, Hypothesis 5 predicts that implicit beliefs in the morality of business, explicit beliefs in the morality of business, and moral attentiveness will interact (three-way) to predict unethical behavior. The results of Model 5 failed to support this hypothesis ($b = -1.15$, $s.e. = 1.29$, $p = n.s.$). I discuss the lack of significant effects in detail in the Discussion.

 Insert Table 6 about here

Experiment 3:

Exploratory Study

Though prior research has linked implicit beliefs in the morality of business to immoral judgment and immoral intent in non-negotiation contexts (Reynolds et al., 2010), Experiments 1 and 2 indicated that these beliefs did not predict actual unethical behavior in a negotiation context. The purpose of this study is to explore the possibility that implicit beliefs in the morality of business influence immoral judgment and immoral intent in a negotiation context. This study is important, as such provides a partial exploration of the proposition that the more unconscious, reflexive, automatic processes influence immoral judgment and immoral intent rather than actual unethical behavior. This study may provide insights into the null results in Experiments 1 and 2 and may reconcile these null results with prior research (Reynolds et al., 2010).

Participants

Participants in Experiment 3 were 82 undergraduate students (45% male, mean age = 23.80) recruited from courses offered in the business school of a large northeast university. Participants had an average of 3.52 years of work experience, and 70% of participants held positions at the worker or clerk level. The participants received extra course credit for their participation and lottery tickets for cash payments. Table 7 includes the sample characteristics of the participants.

 Insert Table 7 about here

Study Design

In Experiment 3, participants responded to the same individual-difference and control measures as those in Experiment 1 and 2. Participants, however, did not complete the negotiation task in Experiments 1 and 2; instead, participants were randomly assigned to conditions, presented with the instructions for the negotiation task, and instructed to respond to questions of immoral judgment and immoral intent.

The negotiation task included a scenario that described the unethical behavior of Chris, a “prior participant” (see Appendix B). The instructions indicated that Chris participated in the negotiation study described in Experiments 1 and 2 and had the opportunity to misrepresent information in the study to his or her counterpart. The instructions further indicated that Chris decided to misrepresent information to increase his/her payoff.

As in Experiments 1 and 2, the structural characteristics of the negotiation were constant for all participants, but the description of the negotiation differed across

conditions (Burnham et al., 2000; Larrick & Blount, 1997; Liberman et al., 2004). In the competitive condition, the negotiation was described in competitive terms; in the cooperative condition, the negotiation was described in cooperative terms. Participants were randomly assigned to the competitive and cooperative conditions.

The conditions in Experiment 3 were the same as those in Experiments 1 and 2. In the competitive condition, the negotiation task was described as the “Wall Street Game,” the Proposer was described as “Competitor 1,” and the Responder was described as “Competitor 2.” Further, the decision of the Responder was described as “reject” or “accept.” The instructions also included a black-and-white illustration of the “Charging Bull” sculpture that stands in Bowling Green Park near Wall Street in Manhattan, New York.

In the cooperative condition, the negotiation task was described as the “Community Game,” the Proposer was described as “Partner 1,” and the Responder was described as “Partner 2.” Further, the decision of the Responder was described as “claim” or “not claim.” The instructions included a black-and-white illustration of a pair of holding hands.

Measures

Participants responded to the explicit belief ($\alpha = .93$), moral attentiveness ($\alpha = .91$), and control measures in Experiments 1 and 2. Participants also responded to questions of immoral judgment and immoral intent. The questions included “How justifiable is it for Chris to understate and misrepresent the amount of money received? (1 = not at all justifiable, 7 = very justifiable), and “If you were in the situation as Chris,

how likely would you be to act in the same way as Chris?” (1 = not at all likely, 7 = very likely).

Analyses

I conducted a CFA to establish the factor structure and the validity of the constructs. Thereafter, I conducted a series of hierarchical regression analyses to test the hypotheses. In all analyses, I entered the control variables first, the main effects second, and the two-way and three-way interaction effects third and fourth, respectively. I mean-centered all continuous variables in the regression model to reduce any multicollinearity caused by the relationship between the interactions and the variables that comprise them (Aiken & West, 1991; Cohen et al., 2003), and I plotted the slopes of the significant interactions at one standard deviation above and one standard deviation below the mean of implicit beliefs in the morality of business (Aiken & West, 1991).

Results: Confirmatory Factor Analysis

I conducted a CFA with the Proc Calis procedure in SAS 9.3. As in Experiments 1 and 2, I report the results of the most referenced measures of factor structure fit in management and ethics research: the normed χ^2 , the Standardized Root Mean Square Error (SRMSR), the Comparative Fit Index (CFI), and the Root Mean Standard Error of Estimate (RMSEA). The results of the CFA, conducted with all of the latent constructs, demonstrated that the model fit the data (see Table 8). For robustness, I calculated 90% confidence intervals (LC and UC) for the RMSEA index. The indices of fit all indicated good model fit (see Table B; normed $\chi^2 = 1.66$, SRMSR = 0.07, CFI = 0.92, RMSEA = 0.09, RMSEA L90% = 0.07, and RMSEA U90% = 0.11). Further, the indices of fit (normed χ^2 , SRMSR, CFI, and RMSEA) indicated the three-factor model fit the data

better than the two-factor model and one-factor model. The results of the CFA validated the three-factor theoretical factor model and provided further support for the validity of the established constructs.

Results: Hypothesis Tests

Table 9 includes the descriptive statistics, correlations, and reliabilities for the variables.

 Insert Table 9 about here

Table 10 includes the regression results for immoral judgment. Hypothesis 1 predicts that implicit beliefs in the morality of business are positively related to unethical decision making. The results of Model 1 failed to support this hypothesis ($b = 0.91$, s. e. = 0.53, $p = n. s.$). The next hypotheses predict that implicit beliefs in the morality of business will interact with contextual and individual factors. The results of Models 2 supported the interaction effects of implicit beliefs in the morality of business and competitive and cooperative contextual cues (Hypothesis 2, $b = 2.26$, s. e. = 1.03, $p < .05$). This interaction effect is depicted in Figure 2. The results of Models 3 and 4, however, failed to support the interaction effects of implicit beliefs in the morality of business and moral attentiveness (Hypothesis 3, $b = 0.55$, s. e. = 0.48, $p = n. s.$), or implicit beliefs in the morality of business and explicit beliefs in the morality of business (Hypothesis 4, $b = 0.56$, s. e. = 0.59, $p = n. s.$). Finally, Hypothesis 5 predicts that implicit beliefs in the morality of business, explicit beliefs in the morality of business, and moral attentiveness will interact (three-way interaction) to predict unethical behavior. The results of Model 5 failed to support this hypothesis ($b = 0.15$, s. e. = 1.18, $p = n. s.$).

 Insert Table 10 about here

 Insert Figure 2 about here

Table 11 includes the regression results for immoral intent. Hypothesis 1 predicts that implicit beliefs in the morality of business are positively related to unethical decision making. The results of Model 1 failed to support this hypothesis ($b = 0.74$, $s. e. = 0.47$, $p = n. s.$). The next hypotheses predict that implicit beliefs in the morality of business will interact with contextual and individual factors. The results of Models 2 supported the interaction effects of implicit beliefs in the morality of business and a contextual cue (Hypothesis 2, $b = 1.81$, $s. e. = 0.91$, $p < .05$). This interaction effect is depicted in Figure 3. The results of Models 3 and 4, however, failed to support the interaction effects of implicit beliefs in the morality of business and moral attentiveness (Hypothesis 3, $b = 0.09$, $s. e. = 0.43$, $p = n. s.$), or implicit beliefs in the morality of business and explicit beliefs in the morality of business (Hypothesis 4, $b = 0.96$, $s. e. = 0.51$, $p = n. s.$). Finally, Hypothesis 5 predicts that implicit beliefs in the morality of business, explicit beliefs in the morality of business, and moral attentiveness will interact (three-way interaction) to predict unethical behavior. The results of Model 5 failed to support this hypothesis ($b = 1.56$, $s. e. = 1.03$, $p = n. s.$).

 Insert Table 11 about here

 Insert Figure 3 about here

CHAPTER 5

DISCUSSION

General Discussion

In this dissertation, I developed a model of ethical decision making in organizations. The model integrates foundational research in behavioral ethics with recent research in moral and social psychology. The model identifies the theoretical importance of the more unconscious and conscious cognitive processes and provides a conceptual foundation for future research in field of behavioral ethics.

Through the theoretical model, I proposed that implicit beliefs in the morality of business will directly and interactively influence unethical decision making in organizations. More specifically, I proposed that implicit beliefs in the morality of business will interact with individual (moral attentiveness and explicit beliefs in the morality of business) and situational (competitive and cooperative) factors to influence unethical behavior, immoral judgment, and immoral intent in business and organizational contexts. The model, therefore, reflects a synthesis of seminal research in behavioral ethics (Treviño, 1986) and recent theoretical insights into the ethical decision making process (Reynolds, 2006b; Sonenshein, 2007).

This dissertation includes four studies. The purpose of the Pilot Study was to confirm the effectiveness of the manipulation in influencing participants' perceptions of the negotiation. In the competitive condition, the negotiation was framed competitively, and in the cooperative condition the negotiation was framed cooperatively. The results of the Pilot Study indicated that participants in the competitive condition perceived the negotiation as more competitive than those in the cooperative condition and that

participants in the cooperative condition perceived the negotiation as more cooperative than those in the competitive condition. Further, the results indicated that participants in the competitive condition perceived the negotiation as more “competitive than cooperative” than those in the cooperative condition and that participants in the cooperative condition perceived the negotiation as more “cooperative than competitive” than those in the competitive condition. The results indicated that the manipulation influenced negotiators’ perceptions of the competitiveness and cooperativeness of the negotiation in the desired direction.

The purpose of Experiments 1 and 2 was to empirically explore the theoretical model developed in Chapter 3. In these experiments, participants responded to individual-difference measures and negotiated for a bonus payment with a counterpart. The description of the negotiation differed across the competitive and cooperative conditions, and the negotiation task permitted participants to unethically misrepresent information. The participants in Experiment 1 were MBA students, and the participants in Experiment 2 were undergraduate students enrolled in business courses.

The results of Experiment 1 did not provide support for the proposed theoretical model: implicit beliefs in the morality of business neither directly nor interactively predicted unethical behavior. However, the MBA students in Experiment 1 may have had strongly internalized norms, perhaps reflective of the ethical culture (Treviño et al., 1998), subculture (Warren, 2006), or leadership (Brown & Treviño, 2006; Brown, Treviño, & Harrison, 2005) in their organization that directed their behavior in negotiations and exerted more influence than the experimental manipulation. Further, it is

plausible that the MBA students were not fully motivated by the economic incentives in the negotiation.

For these reasons, the participants in Experiment 2 were undergraduate students in business courses - students with fewer years of work experience. The participants completed the same measures and task as the participants in Experiment 1. The results of the study, however, did not provide support for the proposed theoretical model. Consistent with the results of Experiment 1, implicit beliefs in the morality of business neither directly nor interactively predicted unethical behavior.

The purpose of Experiments 3 - an exploratory study - was to explore the proposition that implicit beliefs in the morality of business will influence immoral judgment and immoral behavior. In this experiment, participants responded to individual difference measures, read a scenario that described the unethical behavior of a “prior participant,” and responded to scenario questions. The scenario described the decision of the participant to misrepresent information in the negotiation task, and the description of the scenario differed across the competitive and cooperative conditions. The questions included measures of immoral judgment and immoral intent. As in Experiment 2, the participants in Experiment 3 were undergraduate students enrolled in business courses.

The results of Experiment 3 provided partial support for the proposed theoretical model. In the model with the immoral judgment dependent measure, implicit beliefs in the morality of business interacted with competitive and cooperative contextual cues to influence immoral judgment. In the model with the immoral intent dependent measure, implicit beliefs in the morality of business interacted with competitive and cooperative contextual cues to influence immoral intent. The results provide consistent support for

Hypothesis 2 and suggest that the more unconscious, reflexive, automatic processes influence immoral judgment and immoral intent (rather than unethical behavior; see Experiments 1 and 2). The results do not provide support for the other hypotheses. This proposition, however, is necessarily limited by aspects of the study design.

This dissertation contributes to theory and research in many ways. First, this dissertation represents the first scholarly effort to link implicit beliefs in the morality of business, or “moral business intuitions,” to unethical behavior in business and organizational contexts. Second, though prior research indicates that implicit beliefs in the morality of business may correlate with immoral judgment and immoral intent (Reynolds et al., 2010), this dissertation suggests that implicit beliefs in the ly morality of business do not predict unethical behavior. Third, this dissertation provides a theoretical foundation for future research within the ethical impulse perspective (Kish-Gephart et al., 2010). This foundation emphasizes the importance of conscious and unconscious processes and individual and contextual factors. Importantly, the lack of significant effects in Experiments 1 and 2 and the partially significant effects in Experiment 3 should not dissuade interested scholars from pursuing future research within the context of the ethical impulse perspective and the theoretical model developed herein.

In all, the results of the dissertation indicate the importance of the ethical calculus perspective (Kish-Gephart et al., 2010) that has been the focus of behavioral ethics for many decades. The foundation for this research is that of Rest (1986), Jones (1991), and Treviño (1986). Though recent scholars increasingly focus on the more automatic, reflexive, and unconscious processes in the ethical impulse perspective, the results of the current studies suggest that researchers should focus more on pushing the boundaries of

research on the more controlled, reflective, and conscious processes within the ethical calculus perspective.

My refound belief in the importance of the ethical calculus perspective reflects the culmination of prior research and the current research. First, neurocognitive research indicates that ethical decision making in organizations reflects more controlled processes (see prior discussion). Second, recent meta-analytic studies on decades of research indicate that the more controlled, conscious, and reflective processes consistently and profoundly influence the unethical decision making process (Kish-Gephart et al., 2010). Third, empirical support in behavioral ethics for the ethical calculus perspective is scarce, and the study that does link the more automatic, reflexive, and unconscious processes includes only measures of immoral judgment and immoral intent (Reynolds et al., 2010). Fourth, the results of this dissertation provide partial support for the proposition that immoral judgment and immoral intent reflect the influence of the more automatic, reflexive, and unconscious processes (see below for a discussion on an important limitation of this proposition).

Possible Reasons for Lack of Empirical Support

There are many plausible reasons for the lack of empirical support for the theoretical model in Experiments 1 and 2 and the only partial support for the theoretical model in Experiment 3. A first possible reason is related to the implicit belief construct. In this dissertation, I focus on implicit beliefs in the morality of business. However, individuals hold many implicit beliefs (Reynolds, 2006b). These other beliefs may include those related to the morality of negotiation. These beliefs may also include those related to the morality of the negotiation counterpart. Indeed, negotiation is ly

interpersonal, and implicit beliefs about others may influence negotiation decisions (Tenbrunsel, 1998).

Importantly, these other implicit beliefs may profoundly influence unethical behavior in negotiation more so than implicit beliefs in the morality of business. That is, the lack of results for the main and interaction in Experiments 1 and 2 may reflect the influence of a more salient, unmeasured implicit belief. This proposition is supported by neurocognitive research, which suggests that different implicit beliefs reflect distinct moral prototypes and that the moral prototype that is most salient most strongly influences unethical decision making (Reynolds, 2006b). In negotiation contexts, more specific negotiation beliefs may be more salient and influential than broader beliefs in the morality of business.

A second possible reason for the lack of results is related to the measurement of the implicit beliefs construct. In this dissertation, I measured implicit beliefs with an association-based measure (IAT). I selected the IAT because it is the most common measure of implicit beliefs in psychology and social psychology (Greenwald et al., 2009), and Reynolds et al. (2010) robustly established the reliability and validity of the IAT in measuring implicit beliefs in the morality of business. The IAT, however, is only one measure of implicit beliefs. Other accessibility-based or interpretation-based measures of implicit beliefs may - independently or interactively with the IAT measure - further increase the explanatory and predictive power of the implicit belief in the morality of business construct (Uhlmann, Leavitt, Menges, Koopman, Howe, & Johnson, 2012).

A third reason for the lack of results relates to the dependent measure: unethical behavior. Prior research has linked implicit beliefs to immoral judgment and immoral

intent (Reynolds et al., 2010). In Experiments 1 and 2, I extended this research and sought to link implicit beliefs in the morality of business to actual unethical behavior in situations with real monetary stakes - situations that more closely reflect the decision making context in business and organizations. Taken together, the significant effects in prior research for immoral judgment and immoral intent, the significant effects for immoral judgment and immoral intent in Experiment 3, and the lack of significant effects in the current studies for unethical behavior suggest that the decision to behave unethically may elicit different cognitive process. That is, whereas immoral judgment or immoral intent may reflect more unconscious, reflexive, automatic processes, unethical behavior may reflect more conscious, reflective, and controlled processes. This is reinforced by recent meta-analytic data that demonstrate the profound influence of the more explicit constructs and the more conscious, reflective, and controlled processes on unethical decision making in organizations (Kish-Gephart et al., 2010).

However, Experiment 3 differed from Experiments 1 and 2 in a subtle, albeit important way: In Experiment 3, participants were provided with an introduction that included the term “business.” The introduction was included to enhance participant engagement in the task, as the task did not include monetary incentives that were directly related to participants’ responses. Yet, the inclusion of the term “business” may have increased the salience of implicit beliefs in the morality of business. Hence, the significant effects in Experiment 3 may reflect a subtle priming effect rather than the engagement of different cognitive processes. This concern restricts the strength of the claim that whereas immoral judgment or immoral intent may reflect more unconscious,

reflexive, and automatic processes, unethical behavior may reflect more conscious, reflective, and controlled processes.

Another possible reason for the lack of results relates to the measure of unethical decision making. In this dissertation, I conceptualize unethical decisions in negotiations as the misrepresentation of factual information (Croson et al., 2003; Koning et al., 2011; Moran & Schweitzer, 2008; Shalvi et al., 2011). In the discussion on this conceptualization, however, I noted that Lewicki and colleagues (Lewicki & Robinson, 1998; Robinson, Lewicki, & Donahue, 2000) found some individual-difference variance in the perceptions of negotiators and that normative researchers discuss the ethics of misrepresentation (see prior discussion). For these reasons, it is plausible that not all participants perceived the decision to misrepresent information as unethical. This insight that has important implications. For instance, if participants perceived the decision to misrepresent information as non-ethical or unethical, then the dependent measure was disconnected from the theoretical foundation of the conceptual model. This concern would have been mitigated if other, less-ambiguous measures of unethical behavior were included in the studies. It is important for future research to include other, more clear-cut measures of unethical behavior and to directly assess the perceptions of the participants to confirm that any measure of “unethical” behavior reflects the perceptions (“unethical”) of participants.

A fifth possible reason for the lack of results focuses on the contextual manipulation in the studies. In prior studies, the situational factor manipulated was more explicit and normative (Reynolds et al., 2010). For this reason, Reynolds and colleagues (2010) called for future research to adopt “a more subtle and more agnostic contextual

cue” (p. 758) to verify the fundamental theoretical argument underlying recent models of ethical decision making. In this dissertation, I responded to this call for research, selected a more implicit and subtle contextual cue, and yet failed to find any significant interaction effects. The cue in the current studies, therefore, may have been too implicit and subtle. Importantly, this lack of significant effects has important theoretical implication: The null results suggests that that implicit beliefs may be far less sensitive to subtle contextual cues than suggested in prior research (Reynolds et al., 2010) and indicate that recent theoretical models of ethical decision making may be misspecified (Banaji et al., 2003; Bazerman & Banaji, 2004; Reynolds, 2006b).

A further reason for the lack of results relates to the explicit belief in the morality of business construct. Though the focal construct of interest in this dissertation is implicit beliefs in the morality of business, the more explicit constructs are foundational to research in behavioral ethics (Tenbrunsel & Smith-Crowe, 1998; Treviño et al., 2006). However, in the current studies, the explicit belief construct did not predict unethical behavior. The null results for the direct and interactive effects of explicitly beliefs in the morality are not entirely unexpected. For instance, individuals may hold more specific explicit beliefs (e.g., explicit beliefs in the morality of negotiation) and these other belief more profoundly influence unethical decision making in negotiation contexts. Further, the items in the explicit belief construct focus more on “should” rather than “is” - a distinction that is important in the ethical decision making process and the decision to behave ethically or unethically (Jones, 1991; Rest, 1986). Therefore, it is possible that the implicit and explicit measures were disconnected from one another and the theory underlying the conceptual model (see below for further discussion).

Other reasons for the lack of results relate to limitations on participants' perceptions of the study. For instance, some participants may have failed to comprehend the task or the relationship between the task outcomes and monetary incentives. To minimize this concern, I pretested the content of the study with undergraduate business studies to confirm that the instructions for and purpose of the negotiation task were comprehensible. Further, I revised the instructions in response to the feedback that I received from these participants.

Participants may have also failed to perceive the misrepresentation of factual information as unethical. Though prior research demonstrates that many students enrolled in large public universities perceive the misrepresentation of factual information as an unethical bargaining tactic - and the participants in the current studies were indeed undergraduate students enrolled in a large public university - this research also identifies variance in these perceptions (Lewicki & Robinson, 1998; Robinson et al., 2000). Further, participants may have construed the decision to misrepresent as bluffing rather than lying and therefore perceived the decision to misrepresent as ethical (Lewicki & Robinson, 1998), perceived the decision through a non-ethical, business frame (Messick & Tenbrunsel, 1999), or initially perceived the decision through an ethical frame, but rationalized their decision through cognitive reconstrual and euphemistic linguistics (e.g., "it's only bluffing"; Bandura et al., 1996; Bandura, 1999.).

Participants may have also perceived the task as a game rather than a negotiation situated within a business or organizational context. The desirable characteristics of the ultimatum task - namely, that it is "free from the influence past relationships, qualifications, or future expectations might exert and designed to disentangle dynamics of

the bargaining process” (Solnick & Schweitzer, 1999, p. 2010) - may have made the negotiation seem more likely a game and therefore removed from “business.” This is important, as if the task is removed from “business” then implicit beliefs in the morality of business are less relevant to understanding the behavior of the participants. Prior research indicates that even subtle differences in framing influence unethical decision making in business contexts (Tenbrunsel & Messick, 1999).

Limitations

Similar to prior research in management and ethics, this dissertation is not without its limitations. One limitation of this dissertation is that the participants were college students (Deter et al., 2008). However, all of the participants were enrolled in undergraduate (Experiments 1 and 3) or graduate (Experiment 2) business courses and many of the participants had prior work experience.

A second limitation of this dissertation is the reliance on an experiment to explore the relationships proposed in the theoretical model. Though experiments are common in behavioral ethics research (Bazerman & Gino, 2012), lab studies may overlook the complexity and intricacies of ethical decision making in organizations (Sonenshein & Treviño, 2012). To minimize these concerns, I used a reasonably realistic negotiation task (i.e., interpersonal with real monetary stakes) and manipulated a pervasive characteristic of negotiation and organizational contexts (i.e., competitive vs. cooperative cues).

A third limitation of this dissertation is the reliance on a single task to capture unethical decision making. Though a single task across experimental studies provides researchers with the opportunity to demonstrate the replicability and robustness of any significant findings, a single task restricts inquiry into the phenomenon of interest, such

that I had only a single opportunity to capture unethical decision making. This decreases the generalizability of any findings. Notably, reliance on a single task is a limitation of many experimental studies in behavioral ethics research (Bazerman & Gino, 2012).

A fourth limitation of this dissertation (see prior discussion) relates to comparisons across the experiments and therefore the proposition that unethical behavior reflects the influence of more controlled, reflective, and conscious processes. More specifically, Experiment 3 differed from Experiments 1 and 2 on a subtle, though prospectively important and influential dimension. In Experiment 3, participants were provided with an introduction that included the term “business.” I included this to enhance participant engagement in the task, as the task did not include monetary incentives that were directly related to participants’ responses. However, my decision to include the term “business” may have had the effect of increasing the salience of implicit beliefs in the morality of business. This suggests that the significant effects in Experiment 3 may reflect a subtle priming effect (through the inclusion of the term “business”) rather than the engagement of different cognitive processes. This limitation restricts the power of the proposition that immoral judgment or immoral intent may reflect more unconscious, reflexive, automatic processes, and unethical behavior may reflect more conscious, reflective, and controlled processes.

A fifth limitation of this study relates to the explicit belief construct, which was partially and theoretically disconnected from the implicit belief construct. More specifically, whereas the explicit belief in the morality of business construct focused directly on what business and organizations should do, the implicit belief in the morality of business construct focused more directly on what business and organizations actually

do. That is, whereas the implicit belief construct may have captured mere associations or societal norms, the explicit belief construct may have captured personal beliefs or personal norms. In the theory section, I noted that implicit beliefs create overarching “shalts and shalt nots” (Ferraro et al., 2005: 10), prescriptive expectations (Miller, 1999), and lay theories “people frequently feel compelled to live out” (Leavitt et al., 2011, p. 7). Yet, this link is merely theoretical, and future research is needed to more fully develop and validate an explicit belief in the morality of business construct that directly corresponds to the implicit belief in the morality of business construct. This explicit belief in the morality of business construct may include such questions as “Is business ly ethical?” and “Is business ly good?” These efforts will enhance the power of the explicit belief in the morality of business construct, permit direct implicit and explicit comparison, and provide for more robust and direct comparison across intent-based, judgment-based, and behavioral studies.

A final limitation of this dissertation is that the studies focus on only some of the prospective moderators identified in prior research on ethical decision making (for review, see Tenbrunsel & Smith-Crowe, 2008; Treviño et al., 2006). That is, the theoretical model and studies integrate only a fraction of prior research in behavioral ethics with recent developments in related fields. In this dissertation, I focused on the constructs that I believed would most fully explain unethical decision making in organizations and most meaningfully contribute to theory and research on ethical decision making in the field of behavioral ethics.

Future Research

The results suggest many directions for future research. First, future research could similarly focus on unethical decision making in the context of negotiation, though include a measure of implicit beliefs that is more negotiation specific. For instance, researchers could develop and validate an IAT that captures individuals' implicit beliefs in the morality of negotiation or negotiation counterparts. Bazerman and colleagues (Bazerman, 1983; Bazerman & Neale, 1983) demonstrated that many people perceive negotiations as competitive and maintain erroneous fixed-pie beliefs. In this perspective, the concept of business as conceptualized in this paper is similar to the concept of negotiation. For this reason, a belief that negotiation is moral may predict more unethical decision making in negotiation contexts, and a belief that negotiation is immoral may predict less unethical decision making.

Second and related to the first direction, research could develop an IAT that more indirectly predicts unethical decision making. For instance, researchers could develop and validate an IAT that measures implicit beliefs in the instrumentality of negotiation counterparts (Leavitt & Gaspar, 2013). This IAT would capture individuals' implicit beliefs in "negotiation counterparts as humans" vs. "negotiation counterparts as tools." Tenbrunsel (1998) demonstrated that perceptions of other negotiation counterparts are important in the ethical decision making process, and the reasoning underlying this proposed IAT suggests that individuals who perceive their counterparts as more instrumental ("tools") will behave more unethically than those who perceive their counterparts as less instrumental ("humans")(Leavitt & Gaspar, 2013).

Third, future research could focus on unethical decision making in other contexts. That is, future research could focus on individuals' implicit beliefs in the morality of

business, yet explore the effects of these beliefs in domains overlooked in prior research (Reynolds et al., 2010) and the current studies. For instance, future research could expand the domain of unethical decision making in these studies to include measures that reflect lawyers' decisions to overstate billable hours, doctors' decisions to provide self-interested advice to patients, and equity traders' decisions to receive insider information. The inclusion of other domains in future research is critical, as the most subtle differences across domains and contexts may profoundly influence the predictive and explanatory power of implicit beliefs in the morality of business (Reynolds, 2006b). For instance, in my studies, all negotiators offered some money to their counterparts, and this opportunity may have permitted negotiators to rationalize their unethical behavior ("he/she's still getting something!"). Future research is needed to explore the importance of these and other subtle characteristics on the relationship between implicit beliefs in the morality of business and unethical decision making.

Fourth, though I measured implicit beliefs in the morality of business with an association-based measure (IAT), future research could measure these beliefs with other association-based, accessibility-based, or interpretation-based measures (for a discussion on these measures in organizational research, see Uhlmann et al., 2012). These overlooked measures could - independently or interactively with the IAT measure developed in this paper - further increase the explanatory and predictive power of the implicit belief in the morality of business construct (Uhlmann et al., 2012). For instance, future research could modify the Sorted Paired Feature Task (Bar-Anan, Nosek, & Vianello, 2009), the Stroop Task (Mathews & MacLeod, 1985; Stroop, 1935), or the Lexical Decision Task (Martin & Tesser, 1996; Meyer & Schvaneveldt, 1971).

Fifth, future research could include parallel measures of immoral judgment, immoral intent, and unethical behavior using a within-subject (all participants complete judgment or intent and behavioral measures) or between-subject (some participants complete the judgment or intent measure, and other participants complete the behavioral measure) design. These and similar designs would permit researchers to more directly test the proposition that whereas immoral judgment and immoral intent may reflect more unconscious, reflexive, automatic processes, unethical behavior may reflect more conscious, reflective, and controlled processes. Currently, support for this proposition is reflected in the significant effects in prior research for the judgment and intent measures (Reynolds et al., 2010) and in Experiment 3, as well as the lack of significant effects in the current studies for unethical behavior (Experiments 1 and 2). However, Experiment 3 differed from Experiments 1 and 2 on an important dimension (see prior discussion). For this reason, future research is needed to more directly explore this proposition in studies with constrained dependent measures.

Sixth, future research should focus on cross-cultural differences in the content of moral prototypes such as implicit beliefs in the morality of business. Prior research shows that implicit beliefs that relate to the perceptions and decisions of organizational members differ across cultures (Morris & Peng, 1994). For instance, Morris and Peng (1994) found that the Chinese perceive the cause of behavior of fish and murderers as more situational than dispositional and that Americans perceive the cause as more dispositional than situational. Morris and Peng (1994) propose that this reflects the effects of differences on important cultural dimensions (e.g., collectivism vs. individualism) and differences in

implicit beliefs in the causal influences on behavior (see also Chiu, Morris, Hong, & Menon, 2000).

Other research shows that implicit theories of leadership (House, Javidan, Hanges, & Dorfman, 2002), implicit theories of creativity (Paletz & Peng, 2008), and implicit trait theories (Church, Ortiz, Katigbak, Avdeyeva, Emerson, Vargas Flores, & Ibáñez, 2003) also differ across cultures. This research suggests that there are likely important differences in the conceptualization of business as a concept across cultures (e.g., Chinese vs. American) and the extent to which business is perceived as moral or immoral across cultures. In regards to the latter, business students at public universities in the United States indicate a preference for “business is ly moral” (Experiments 1, 2, and 3 of this dissertation; Reynolds et al., 2010). However, business students at universities in other countries (e.g., developing countries) may demonstrate the reverse preference. Future research is needed to fully explore the theoretical foundations of cross-cultural differences in implicit beliefs in the morality of business and to provide empirical support for any theoretical insights.

Sixth - and related to the prior discussion - future research should focus on cross-cultural differences in the effects of implicit beliefs in the morality of business. The contextual cues that make these beliefs salient, for instance, may differ across cultures. Further, the influence of implicit beliefs in the morality of business may differ across individuals in different cultures. Chiu and colleagues (2000) demonstrated that epistemic motivation such as need for closure differs across those in China and the United States and that differences in need for closure influence the effects of implicit beliefs on perceptions and decisions. Future research is needed to determine whether factors that

influence the effects of other implicit beliefs also influence the relationship between implicit beliefs in the morality of business and unethical decision making, as well as to identify other such moderators that relate specifically to the ethical decision making process.

A seventh direction for future research is to focus on the situated dimensions of implicit beliefs in the morality of business. In contrast to earlier research that focused on moral identity as a distinct identity (Aquino & Reed, 2002), more recent research demonstrates that morality is situated within multiple identities. Leavitt, Reynolds, Barnes, Schilpzand, and Hannah (2012) sampled individuals with multiple roles and found that moral obligations and duties are embedded in the specific identities. In one study, Leavitt and colleagues (2012) found that army-medics were more likely to put a value on the life of a human when the army (rather than medic) identity was unconsciously primed.

The research on situated morality has important implications for the current studies. That is, implicit beliefs in the morality of business may be situated within different identities, such that the beliefs may vary as a function of not contextual cues per se, but rather the identities that these cues invoke. For instance, implicit beliefs may differ across identities for an equity trader who is also a father of three boys; in this example, the “equity trader” may identify business as more moral and the “father” may identify business as more immoral. Empirical inquiry into these and related predictions may provide critical insights into ethical decision making in organizations and across organizational levels and occupations.

Further, future research could empirically explore the core propositions in the theoretical model using a quasi-experimental study. This study would entail methodological challenges, yet provide insights into the more unconscious, automatic, and reflexive processes underlying ethical decision making in organizations. For instance, the contextual cue manipulated in this dissertation - perceptions of competition and cooperation - may reflect dimensions of ethical cultures (Treviño et al., 1998) or subcultures (Warren, 2006) in organizations. Similarly, the cue may also reflect dimensions of ethical leadership in organizations (Brown & Treviño, 2006; Brown et al., 2005; Mayer et al., 2012). For these reasons, researchers could measure implicit beliefs in the morality of business and include measures of ethical culture, subculture, or leadership. As proposed in this dissertation, research could focus on the direct effects of implicit beliefs in the morality of business and the interactive effects of implicit beliefs in the morality of business and ethical culture, subculture, and leadership. These and related studies are critical to incorporating the organization into recent research in behavioral ethics (Sonenshein & Treviño, 2012).

Last, future research could focus on some of the prospective moderators identified in prior research on ethical decision making (for review, see Tenbrunsel & Smith-Crowe, 2008; Treviño et al., 2006). The theoretical model developed in this dissertation integrates only a fraction of prior research in behavioral ethics with recent developments in the fields of moral, cognitive, and social psychology. I included those constructs that I expected to most fully explain unethical decision making in organizations and most meaningfully contribute to theory and research on ethical decision making in the field of behavioral ethics. Other important constructs, however, were excluded for conceptual

parsimony. For instance, a prospectively profound, excluded moderator is moral identity, defined from a social-cognitive perspective as a self-conception organized around a set of moral traits (Aquino et al., 2009; Aquino & Reed, 2002) that serves as a self-regulatory mechanisms (Aquino & Reed, 2002). Indeed, moral identity negatively relates to unethical behavior in organizational contexts as leadership (Mayer et al., in 2012), negotiation (Aquino et al., 2009), and decision making (Detert et al., 2008).

Research on moral identity suggests that this self-schema will interact with implicit beliefs in the morality of business and competitive and cooperative contextual cues to influence unethical decision making in organizations in at least two ways. First, multiple schemas may be activated by a given context (for review and discussion, see Anderson et al., 2007; Weick, 1979). Though a competitive contextual cue (e.g., “we do what it takes to win”) may well activate organizational actors’ business schemas, for those for whom moral identity is central to self, such a cue may have the obverse effect (Anderson et al., 2007), making morality salient and thus drawing actors’ attention to their own moral standards - a prediction derived from the saliency hypothesis proposed by Gino, Ayal, and Ariely (2009). Second, activated schemas may be further modified by the stimuli to which organizational actors respond - a prediction supported by classical dual-process models in social psychology (Chaiken & Trope, 1999). Though strong competitive contextual cues may indeed activate organizational actors’ business schemas, these schemas may be deactivated by automatic or controlled self-regulatory corrective processes (Anderson et al., 2007). For example, seemingly irrelevant information in stimuli such as an identifiable victim may activate differential moral cognitive processes

(Gino, Shu, & Bazerman, 2010) that suppress business schemas and activate moral self-schemas for those for whom morality is central to the self.

This theoretical rationale indicates that whether moral self-schemas influence behavior at the moment of schema activation (first argument) or application (second argument), the prediction is the same: a strong assimilation of morality with the self (moral identity) will weaken the interactive effects of an implicit belief that business is moral and a competitive contextual cue and will strengthen the interactive effects of an implicit belief that business is immoral and a cooperative contextual cues. Future research is needed to empirically explore this three-way interaction. Indeed, it is this and other interactive research that is most likely to advance our understanding of the complexity of ethical decision making in organizations (Treviño, 1986, 2011).

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TABLE 1
Pilot Study, Experiment 1, and Experiment 2:
Sample Characteristics

	Pilot Study	Experiment 1	Experiment 2
Education Status	Undergraduate	MBA	Undergraduate
Sample size	43	73	91
Age	23.70	30.08	24.38
Male	40%	59%	53%
Years of work experience	6.74	7.14	3.78
Level in organization:			
Worker/clerk level	100%	32%	78%
Lower managerial level	0%	38%	11%
Middle managerial level	0%	27%	7%
Top managerial level	0%	3%	4%

TABLE 2
Experiment 1 and Experiment 2:
Confirmatory Factor Analyses

Fit Indices	Experiment 1	Experiment 2
χ^2	185.13	217.19
df	116	116
Normed χ^2	1.60	1.87
SRMSR	0.09	0.08
CFI	0.89	0.90
RMSEA	0.09	0.10
RMSEA L90%	0.07	0.08
RMSEA U90%	0.11	0.12

TABLE 3
Experiment 1:
Descriptive Statistics and Correlations^{a b c}

Variables	Mean	s.d.	1	2	3	4	5	6	7	8
1. Age	30.08	6.60								
2. Gender	1.41	0.50	-.26*							
3. Level in organization	2.01	0.84	.22	-.05						
4. Years of experience	7.14	4.94	.83***	-.19	.40***					
5. Unethical behavior	2.39	2.83	.03	-.10	.01	-.12				
6. Implicit belief	0.17	0.39	-.06	.24*	.05	-.04	.02			
7. Explicit belief	5.58	1.07	-.05	.09	-.11	-.08	-.17	.18	(.89)	
8. Moral attentiveness	4.46	0.92	.11	-.30*	.01	.08	-.04	-.16	.10	(.87)

^a n = 73

^b gender: 1 = male, 0 = female; level in organization: 1 = worker/clerk level, 2 = lower managerial level, 3 = middle managerial level, 4 = top managerial level

^c Numbers in parentheses on the diagonal are Cronbach's alphas (α)

*** $p < .001$

** $p < .01$

* $p < .05$

TABLE 4
Experimental 1:
Results of Regression Analyses^{a b}

Predictors Variables	Model 1	Model 2	Model 3	Model 4	Model 5
Intercept	1.67 (0.66)*	1.67 (0.67)*	1.77 (0.66)*	1.66 (0.66)*	1.83 (0.69)*
Age	0.18 (.09)	0.18 (.07)	0.17 (.10)	0.18 (.09)	0.17 (.10)
Gender	0.53 (0.73)	0.51 (0.74)	0.50 (0.74)	0.50 (0.74)*	0.44 (0.75)
Years of experience	- 0.31 (0.13)*	- 0.31 (0.13)*	- 0.29 (0.13)*	- 0.31 (0.13)*	- 0.28 (0.14)*
Level in organization	0.37 (0.83)	0.32 (0.45)	0.32 (0.45)	0.42 (0.45)	0.34 (0.46)
Implicit Belief	0.47 (0.89)	1.05 (1.37)	0.36 (0.91)	0.44 (0.90)	0.44 (1.68)
Explicit Belief	- 0.50 (0.32)	- 0.52 (0.33)	- 0.56 (0.33)	- 0.45 (0.33)	- 0.50 (0.34)
Condition	0.70 (0.67)	0.71 (0.68)	0.65 (0.68)	0.68 (0.68)	0.52 (0.72)
Moral Attentiveness	- 0.13 (0.38)	- 0.09 (0.39)	- 0.19 (0.39)	- 0.19 (0.40)	- 0.36 (0.45)
Implicit Belief x Condition		- 1.00 (1.78)			- 0.67 (2.05)
Implicit Belief x Moral Attentiveness			0.79 (1.05)		1.30 (1.36)
Implicit Belief x Explicit Belief				0.52 (0.76)	0.49 (1.03)
Implicit Belief x Explicit Belief x Condition					1.00 (1.79)
Overall R ²	.14	.14	.15	.14	.17
Overall F _{df}	1.28 _{8, 64}	1.16 _{9, 63}	1.19 _{9, 63}	1.18 _{9, 63}	0.99 _{12, 60}

^a n = 73. Values are unstandardized regression coefficients, with standard errors in parentheses.

^b gender: 1 = male, 0 = female; level in organization: 1 = worker/clerk level, 2 = lower managerial level, 3 = middle managerial level, 4 = top managerial level; condition: 1 = competitive, 0 = cooperative

*** $p < .001$

** $p < .01$

* $p < .05$

TABLE 5
Experiment 2:
Descriptive Statistics and Correlations^{a b c}

Variables	Mean	s.d.	1	2	3	4	5	6	7	8
1. Age	24.38	7.21								
2. Gender	1.47	0.50	- .06							
3. Level in organization	1.37	0.80	.48***	- .09						
4. Years of experience	3.78	6.13	.92***	- .19	.43***					
5. Unethical behavior	2.78	2.84	- .18	.04	- .11	- .13				
6. Implicit belief	0.16	0.50	.22	.13	.10	.26*	- .02			
7. Explicit belief	5.96	1.16	- .07	.18	.07	- .06	.02	- .08	(.94)	
8. Moral attentiveness	4.80	0.98	- .01	.03	.06	.07	- .18	- .97	.22*	(.89)

^a n = 91

^b gender: 1 = male, 0 = female; level in organization: 1 = worker/clerk level, 2 = lower managerial level, 3 = middle managerial level, 4 = top managerial level

^c Numbers in parentheses on the diagonal are Cronbach's alphas (α)

*** p < .001

** p < .01

* p < .05

TABLE 6
Experiment 2:
Results of Regression Analyses^{a b}

Predictor Variables	Model 1	Model 2	Model 3	Model 4	Model 5
Intercept	2.66 (0.55) ***	2.55 (0.56) ***	2.65 (0.55) ***	2.72 (0.55) ***	2.58 (0.58) ***
Age	- 0.21 (0.11)	- 0.22 (0.11)	- 0.21 (0.11)	- 0.20 (0.11)	- 0.21 (0.11)
Gender	- 0.06 (0.62)	- 0.06 (0.62)	- 0.05 (0.63)	- 0.10 (0.63)	0.00 (0.64)
Years of experience	0.19 (0.13)	0.19 (0.13)	0.19 (0.14)	0.19 (0.14)	0.19 (0.13)
Level in organization	- 0.10 (0.43)	- 0.09 (0.43)	- 0.09 (0.43)	- 0.14 (0.43)	- 0.10 (0.44)
Implicit Belief	- 0.03 (0.64)	0.78 (1.03)	- 0.01 (0.67)	- 0.07 (0.64)	0.95 (1.05)
Explicit Belief	0.16 (0.27)	0.18 (0.27)	0.16 (0.27)	0.13 (0.27)	0.09 (0.29)
Condition	0.41 (0.63)	0.34 (0.63)	0.33 (0.64)	0.27 (0.63)	0.27 (0.65)
Moral Attentiveness	- 0.53 (0.32)	- 0.69 (0.33)	- 0.63 (0.33)	- 0.60 (0.33)	- 0.70 (0.33)*
Implicit Belief x Condition		- 1.26 (1.31)			- 1.53 (1.36)
Implicit Belief x Moral Attentiveness			0.16 (0.64)		0.11 (0.76)
Implicit Belief x Explicit Belief				0.51 (0.56)	1.29 (0.97)
Implicit Belief x Explicit Belief x Condition					- 1.15 (1.29)
Overall R ²	.09	.10	.09	.10	.13
Overall F _{df}	1.05 _{8, 82}	1.03 _{9, 81}	0.93 _{9, 81}	1.02 _{9, 81}	0.94 _{12, 78}

^a n = 91. Values are unstandardized regression coefficients, with standard errors in parentheses.

^b gender: 1 = male, 0 = female; level in organization: 1 = worker/clerk level, 2 = lower managerial level, 3 = middle managerial level, 4 = top managerial level; condition: 1 = competitive, 0 = cooperative

*** $p < .001$

** $p < .01$

* $p < .05$

TABLE 7
Experiment 3:
Sample Characteristics

	Experiment 3
Education Status	Undergraduate
Sample size	82
Age	23.80
Male	45%
Years of work experience	3.52
Level in organization:	
Worker/clerk level	70%
Lower managerial level	16%
Middle managerial level	11%
Top managerial level	4%

TABLE 8
Experiment 3:
Confirmatory Factor Analyses

Fit Indices	Experiment 2
χ^2	192.21
df	116
Normed χ^2	1.66
SRMSR	0.07
CFI	0.92
RMSEA	0.09
RMSEA L90%	0.07
RMSEA U90%	0.11

TABLE 9
Experiment 3:
Descriptive Statistics and Correlations^{a b c}

Variables	Mean	s.d.	1	2	3	4	5	6	7	8	9
1. Age	23.80	5.90									
2. Gender	1.55	0.50	.14								
3. Level in organization	1.49	0.84	.23*	-.09							
4. Years of experience	3.52	5.89	.89***	.10	.31**						
5. Immoral Judgment	3.29	2.13	-.07	.10	.25*	-.03					
6. Immoral Intent	2.80	1.82	-.16	-.07	.06	-.12	.41***				
7. Implicit belief	0.09	0.43	.13	.26*	.04	.04	.21	.14			
8. Explicit belief	6.06	1.01	.12	.38***	-.18	.11	-.22*	-.35**	.04	(.93)	
9. Moral attentiveness	4.67	1.15	.02	-.04*	-.20	-.00	-.37***	-.21	-.02	.25*	(.91)

^a n = 82

^b gender: 1 = male, 0 = female; level in organization: 1 = worker/clerk level, 2 = lower managerial level, 3 = middle managerial level, 4 = top managerial level

^c Numbers in parentheses on the diagonal are Cronbach's alphas (α)

*** p < .001

** $p < .01$

* $p < .05$

TABLE 10
Experiment 3:
Results of Regression Analyses for Immoral Judgment ^{a b}

Predictor Variables	Model 1	Model 2	Model 3	Model 4	Model 5
Intercept	3.31 (0.40) ***	3.19 (0.39) ***	3.31 (0.40) ***	3.30 (0.40) ***	3.18 (0.40) ***
Age	- 0.08 (0.08)	- 0.05 (0.08)	- 0.10 (0.09)	- 0.09 (0.08)	- 0.08 (0.09)
Gender	-0.52 (0.49)	-0.41 (0.48)	-0.48 (0.49)	-0.44 (0.49)	-0.31 (0.49)
Years of experience	0.04 (0.09)	0.01 (0.09)	0.06 (0.09)	0.05 (0.09)	0.03 (0.09)
Level in organization	0.51 (0.29)	0.64 (0.28)*	0.53 (0.29)	0.47 (0.29)	0.64 (0.30)*
Implicit Belief	0.91 (0.53)	-0.43 (0.80)	1.10 (0.55)*	0.78 (0.53)	-0.33 (0.84)
Explicit Belief	- 0.35 (0.24)	- 0.38 (0.24)	- 0.34 (0.24)	- 0.33 (0.24)**	- 0.35 (0.25)**
Condition	0.44 (0.44)	0.52 (0.43)	0.41 (0.44)	0.37 (0.44)	0.45 (0.44)
Moral Attentiveness	- 0.50 (0.20)*	- 0.50 (0.19)*	- 0.49 (0.20)*	- 0.51 (0.20)*	- 0.49 (0.20)*
Implicit Belief x Condition		2.26 (1.03)*			2.30 (1.09)*
Implicit Belief x Moral Attentiveness			0.55 (0.48)		0.59 (0.49)
Implicit Belief x Explicit Belief				0.56 (0.59)	0.23 (0.95)
Implicit Belief x Explicit Belief x Condition					0.15 (1.18)
Overall R ²	.26**	.31**	.27**	.27**	.33**
Overall F _{df}	3.21 _{8, 73}	3.54 _{9, 72}	3.01 _{9, 72}	2.95 _{9, 72}	2.80 _{12, 69}

^a n = 82. Values are unstandardized regression coefficients, with standard errors in parentheses.

^b gender: 1 = male, 0 = female; level in organization: 1 = worker/clerk level, 2 = lower managerial level, 3 = middle managerial level, 4 = top managerial level; condition: 1 = competitive, 0 = cooperative

*** $p < .001$

** $p < .01$

* $p < .05$

TABLE 11
Experiment 3:
Results of Regression Analyses for Immoral Intent ^{a b}

Predictor Variables	Model 1	Model 2	Model 3	Model 4	Model 5
Intercept	2.48 (0.35) ***	2.39 (0.35) ***	2.48 (0.35) ***	2.47 (0.34) ***	2.31 (0.34) ***
Age	- 0.08 (0.07)	- 0.05 (0.07)	- 0.08 (0.08)	- 0.10 (0.07)	- 0.06 (0.08)
Gender	0.04 (0.44)	0.12 (0.43)	0.04 (0.44)	0.17 (0.43)	0.29 (0.43)
Years of experience	0.05 (0.08)	0.02 (0.08)	0.05 (0.08)	0.07 (0.08)	0.03 (0.08)
Level in organization	0.00 (0.25)	0.10 (0.25)	0.01 (0.25)	-0.07 (0.25)	0.09 (0.26)
Implicit Belief	0.74 (0.47)	- 0.34 (0.71)	0.77 (0.49)	0.51 (0.47)	- 0.23 (0.73)
Explicit Belief	- 0.58 (0.21)**	- 0.61 (0.21)**	- 0.58 (0.22)**	- 0.54 (0.21)*	- 0.50 (0.21)*
Condition	0.60 (0.39)	0.67 (0.38)	0.60 (0.39)	0.48 (0.39)	0.56 (0.38)
Moral Attentiveness	- 0.19 (0.18)	- 0.19 (0.17)	- 0.19 (0.18)	- 0.21 (0.17)	- 0.20 (0.17)
Implicit Belief x Condition		1.81 (.91)*			1.28 (0.95)
Implicit Belief x Moral Attentiveness			0.09 (0.43)		0.02 (0.42)
Implicit Belief x Explicit Belief				0.96 (0.51)	-0.07 (0.82)
Implicit Belief x Explicit Belief x Condition					1.56 (1.03)
Overall R ²	.21*	.25**	.27*	.25*	.31**
Overall F _{df}	2.46 _{8, 73}	2.71 _{9, 72}	2.16 _{9, 72}	2.66 _{9, 72}	2.56 _{12, 69}

^a n = 82. Values are unstandardized regression coefficients, with standard errors in parentheses.

^b gender: 1 = male, 0 = female; level in organization: 1 = worker/clerk level, 2 = lower managerial level, 3 = middle managerial level, 4 = top managerial level; condition: 1 = competitive, 0 = cooperative

*** $p < .001$

** $p < .01$

* $p \leq .05$

FIGURE 1
Theoretical Model of Ethical Decision Making

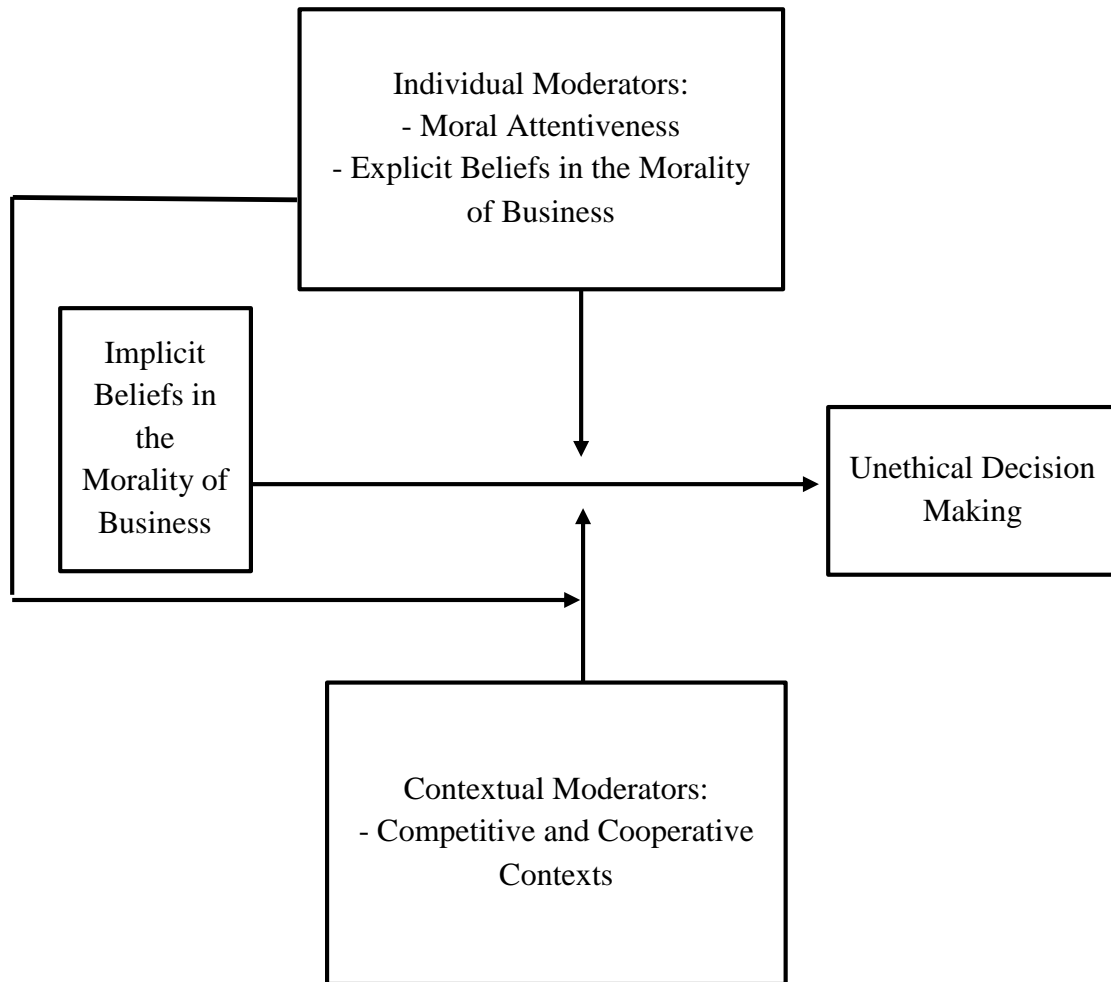


FIGURE 2
Experiment 3:
The Interaction of Implicit Beliefs in the Morality of Business and Competitive and Cooperative Contextual Cues for Immoral Judgment

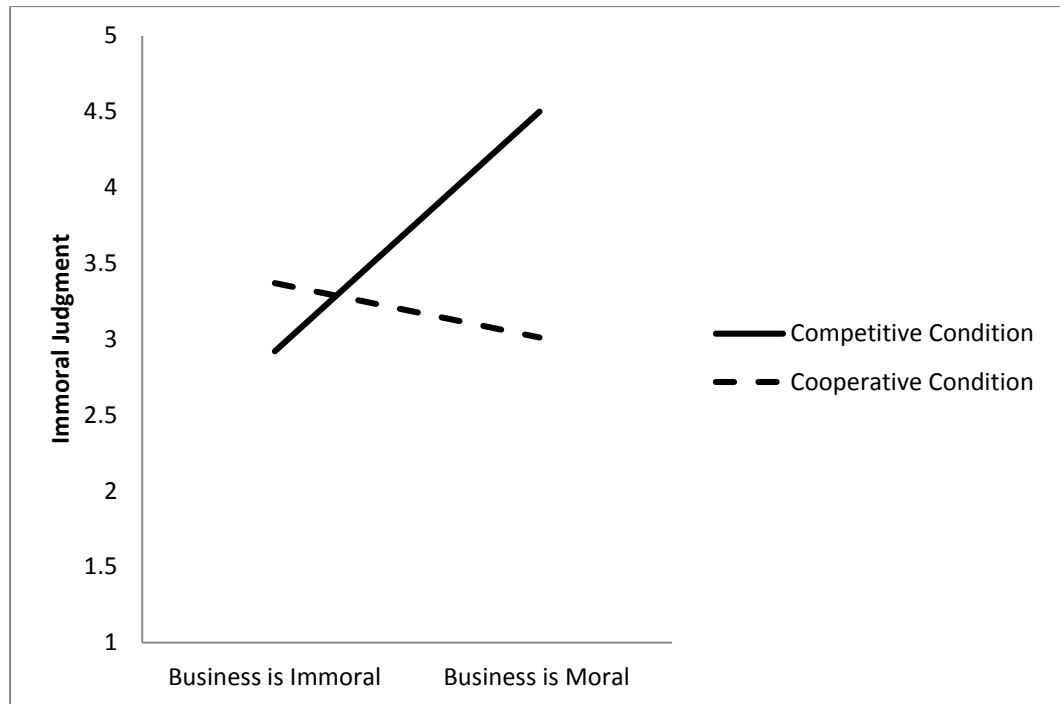
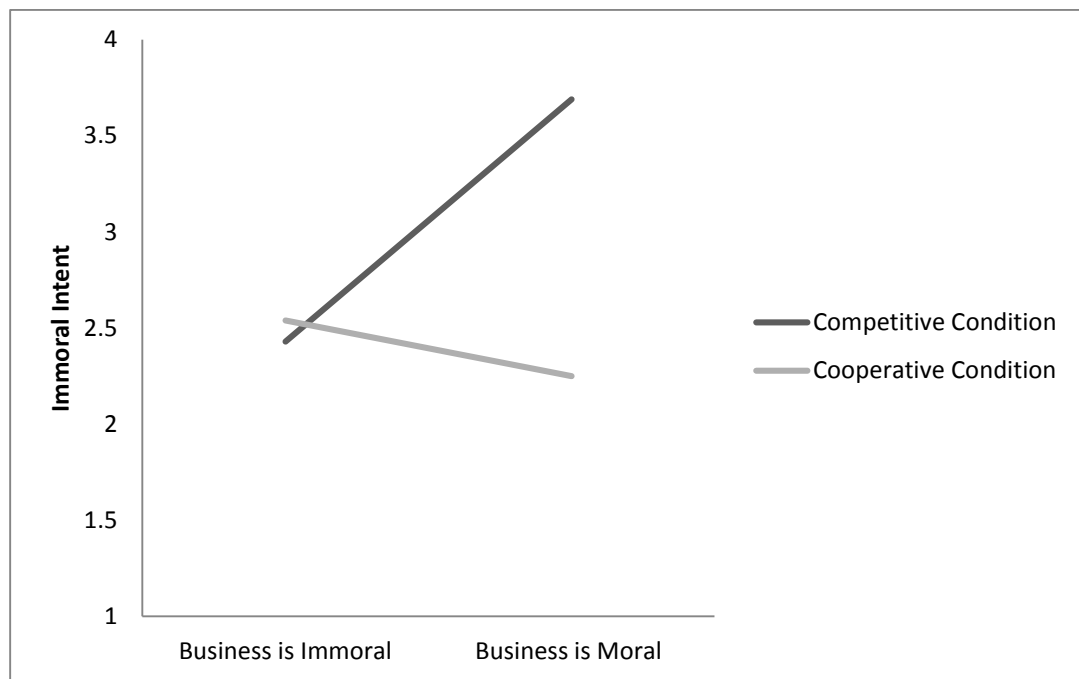


FIGURE 3
Experiment 3:
The Interaction of Implicit Beliefs in the Morality of Business and Competitive and Cooperative Contextual Cues for Immoral Intent



APPENDIX A

Negotiation Task Material



[THE WALL STREET GAME/THE COMMUNITY GAME]

You are about to participate in a negotiation: [The Wall Street Game/The Community Game]

In this negotiation, you will negotiate for real money— a bonus payment— with a [competitor/partner]. You and your [competitor/partner] will be paid based on the outcome of the negotiation. You will receive your payment in a sealed envelope in class. The envelope will be marked only with the (random) Lab ID number that you were assigned earlier. This negotiation will remain anonymous and confidential.

[THE WALL STREET GAME/THE COMMUNITY GAME]

You will be assigned the role of [Competitor 1/Partner 1] or [Competitor 2/Partner 2]. [Competitor 1/Partner 1] will receive an amount of money and will make an offer to [Competitor 2/Partner 2]. [Competitor 2/Partner 2] will then decide whether to [accept or reject/claim or not claim] the offer.

If [Competitor 2/Partner 2] [accepts/claims] the offer, the money will be divided according to Competitor 1's proposal.

If [Competitor 2/Partner 2] [rejects/does not claim] the offer, neither [Competitor 1/Partner 1] nor [Competitor 2/Partner 2] will receive any money.

Note that [Competitor 2/Partner 2] does NOT know the total amount of money to be divided. [Competitor 2/Partner 2] knows only that the amount ranges between \$1 and \$15, with any \$0.50 increment within this range equally likely.

[THE WALL STREET GAME/THE COMMUNITY GAME]

In this negotiation, you have been randomly assigned to the role of:

[Competitor 1/Partner 1]

Negotiating will begin now. All offers made will be completely anonymous and confidential. [Competitor 2/Partner 2] will never know your identity nor will you ever know [Competitor 2/Partner 2]'s identity.

[THE WALL STREET GAME/THE COMMUNITY GAME]

The amount of money to be divided is: \$10. As a reminder, [Competitor 2/Partner 2] does NOT know the actual amount of money to be divided, but rather knows that the amount ranges between \$1 and \$15, with any \$0.50 increment within this range equally likely.

State the amount of money you are prepared to offer your opponent, [Competitor 2/Partner 2]. You can offer any \$0.50 amount between \$0 and \$10. (If accepted by

[Competitor 2/Partner 2], you will receive \$10 minus your offer in a sealed envelope in class.)

Offer to [Competitor 2/Partner 2]: \$_____

Prior to the start of this negotiation, [Competitor 2/Partner 2] was told that you would report to [Competitor 2/Partner 2] the total amount of money that you were given to divide. However, the amount you decide to report to [Competitor 2/Partner 2] is up to you. [Competitor 2/Partner 2] knows only that the amount is between \$1 and \$15, with each dollar amount between equally likely.

“Total amount to divide” to report to [Competitor 2/Partner 2]: \$_____

APPENDIX B

Negotiation Scenario



[THE WALL STREET GAME/THE COMMUNITY GAME]

In today's world, business people have to make decisions that give them a competitive advantage, yet at the same time remain within ethical boundaries. They have to judge the ethicality of others' decisions, as well as their own decisions. In the following, we describe a real case of Chris, a college student. Chris participated in a negotiation experiment and faced the decision to misrepresent or not to misrepresent information in order to persuade his/her [partner/competitor] to [claim/accept] an offer. We would like to hear your personal view on these behaviors within the context of the negotiation. We greatly appreciate your truthful opinions.

Here is a description of the experiment in which Chris was a participant:

In [The Wall Street Game/The Community Game], participants negotiated for real money with a counterpart. It involved two [competitors/partners]: [Competitor 1/Partner 1] and [Competitor 2/Partner 2].

[Competitor 1/Partner 1] received an amount of money and made an offer to [Competitor 2/Partner 2] about how to divide the money. [Competitor 2/Partner 2] then decided

whether to [accept or reject/claim or not claim] the offer. If [Competitor 2/Partner 2] [accepted/claimed] the offer, the money was divided according to [Competitor 1's/Partner 1's] proposal. If [Competitor 2/Partner 2] [rejected/did not claim] the offer, neither [Competitor 1/Partner 1] nor [Competitor 2/Partner 2] received any money. Importantly: [Competitor 2/Partner 2] did NOT know the total amount of money to be divided. [Competitor 2/Partner 2] knew only that the amount ranged between \$1 and \$15, with any \$0.50 increment within this range equally likely.

Chris was [Competitor 1/Partner 1] and was given \$10 to divide. Chris was also asked the following two questions:

Question 1: How much would you like to offer [Competitor 2/Partner 2]?

Question 2: How much money would you like to tell [Competitor 2/Partner 2] that you received to divide?

In responding to the second question, Chris had the opportunity to understate and misrepresent the amount of money received because [Competitor 2/Partner 2] had no information of the total money to be divided.

Chris decided to keep \$6 and offer \$4 to [Competitor 2/Partner 2] and to make sure that the [Competitor 2/Partner 2] would accept the offer, Chris decided to misrepresent the total amount of money. Instead of telling the competitor the true amount of money (\$10), Chris told [Competitor 2/Partner 2] that the amount to divide was \$8. Chris, therefore, misrepresented the amount of money he was given.

APPENDIX C
Moral Attentiveness and Explicit Belief Measures

Explicit Belief Scale (Weaver et al., 1999)

To what extent do you think the following should be important in business?

1. Seeking the good of society
2. Doing the right thing
3. Treating people fairly
4. The company's role in society
5. Valuing integrity as much as profits

Moral Attentiveness (Reynolds, 2008)

1. In a typical day, I face several ethical dilemmas.
2. I often have to choose between doing what's right and doing something that's wrong.
3. I regularly face decisions that have significant ethical implications.
4. My life has been filled with one moral predicament after another.
5. Many of the decisions that I make have ethical dimensions to them.
6. I rarely face ethical dilemmas. (reverse scored)
7. I frequently encounter ethical situations.
8. I regularly think about the ethical implications of my decisions.
9. I think about the morality of my actions almost every day.
10. I often find myself pondering about ethical issues.
11. I often reflect on the moral aspects of my decisions.
12. I like to think about ethics.

APPENDIX D
IAT Categories and Items ^a

Categories ^a				
	Business	Sports	Ethical	Unethical
Items	Boardroom	Locker room	Giving	Stealing
	CEO	Coach	Being honest	Lying
	Customers	Fans	Helping	Hurting others
	Corporation	Stadium	Being fair	Cheating
	Profits	Trophy	Following rules	Breaking rules
	Sales	Athlete	Considering others	Insulting others

^a Pairings (random ordering): (a) business/ethical and sports/unethical; (b) business/unethical and sports/ethical.

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