

Who's Evaluating Whom? The Public Evaluation of Public and Private Leaders'

Unethical Behaviors

by

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## ABSTRACT

One of the theoretical cores and values of good governance is the accountability of public employees, where the citizens expect the public employees to maintain professional standards, avoid conflicts of interest, respect the principles of fair and impartial treatment, and use public money wisely. However, are these unique moral standards to which only public employees are held? The dissertation seeks to examine how the public evaluates the unethical behaviors of public and private leaders differently to better understand the sources of public and private sector differences in the public's normative evaluations.

Based on a randomized online vignette experiment with 1,569 respondents residing in the United States collected in Amazon's Mechanical Turk platform, the dissertation confirms that public authorities face different levels of public tolerance relative to business managers. More specifically, the unethical behaviors of a public manager are less likely to be tolerated than the same misconduct of a business manager, while ethical offenses of elected officials are least likely to be tolerated by the public. However, the public is relatively much less tolerant of public managers' and elected officials' petty violations relative to business managers than they do for more egregious violations of public authorities.

The dissertation further finds that public evaluations are contingent upon the respondents' work experience in different sectors. Individuals working in government are more likely to be tolerant of petty unethical behaviors, regardless of whom they evaluate, but they become much less tolerant of public managers' and elected officials' grand

ethical violations. The longer individuals work in for-profit organizations, the less likely they are to tolerate public authorities' petty violations of organizational rules while consistently being more accepting of the unethical behaviors of business managers.

Using an experimental design, the dissertation finds the importance of a fair and legitimate use of tax money in the public's moral evaluations of public leadership and further discusses the potential sources of public skepticism of the public sector. Furthermore, the public and private sector comparison provides theoretical and practical implications for ethics reform in the era of collaborative governance.

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## TABLE OF CONTENTS

	Page
LIST OF TABLES .....	viii
LIST OF FIGURES .....	ix
CHAPTER	
1 INTRODUCTION .....	1
1.1. Morality in Public and Private Sectors .....	1
1.2. Understanding the Public Perception .....	5
1.3. The Normative Evaluations of the Public Sector.....	7
1.4. Purpose and Significance of the Study .....	9
1.5. Structure of the Dissertation .....	12
2 PERCEPTION OF SECTOR AND TOLERANCE OF UNETHICAL BEHAVIORS .....	14
2.1. Founding Principles and Public Accountability .....	15
2.2. Perceived Organizational Values of Public Organizations .....	17
2.3. Moral Virtues of Public Employees .....	18
2.4. Public Employees: Bureaucrats vs. Elected officials .....	20
3 PUBLIC AND PRIVATE SECTOR EXPERIENCES AND MORAL DISENGAGEMENT .....	22
3.1. Work Experience as a Moderator: Cross-Sector Tolerance .....	23
3.2. Understanding the Sources of Moral Tolerance toward Public Sector .....	24
3.3. Socialization of Moral Tolerance in Work Organizations .....	25
3.4. Cross-Sector Moral Evaluations.....	29

CHAPTER	Page
3.5. Moral Disengagement as a Higher Order Moderator .....	32
4 RESEARCH DESIGN: THE EXPERIMENTAL MODEL.....	37
4.1. Vignette Experimental Design .....	37
4.2. Sector Treatment and Scenario .....	41
4.2.1. Sector Treatment.....	41
4.2.2. Scenarios of Unethical Behaviors .....	41
4.3. Experimental Process .....	48
4.4. Study Sample .....	49
4.5. Validation of Experiment .....	53
5 ONLINE EXPERIMENTS: AMAZON’S MECHANICAL TURK .....	56
5.1. MTurk Sample Characteristics and Data Collection Process .....	58
5.2. Validity of Self-Reporting and the Response Bias in MTurk .....	60
5.3. Quality Check in MTurk Survey .....	63
5.4. Motives of MTurkers and Public Sector Workers in MTurk .....	65
5.5. External Validity: Representativeness and Generalizability .....	68
6 MEASUREMENT .....	71
6.1. Dependent Variable: Moral Tolerance.....	71
6.2. Work Experience in Public and Private Sector.....	73
6.3.Moral Disengagement .....	74
6.4.Covariates .....	75
7 EMPIRICAL ANALYSIS AND RESULTS .....	78
7.1. Moral Evaluation Towards Public Authorities and Business Manager .....	78

CHAPTER	Page
7.1.1. Average Treatment Effect .....	78
7.1.2. Probability of Correct Treatment Manipulation .....	81
7.2. Heterogeneous Treatment Effect: Public and Private Sector Work Experience.....	82
7.3. Heterogeneous Treatment Effect: Sector Experience x Moral Disengagement.....	94
7.4. Ancillary Subgroup Analysis: The Age Effect .....	103
8 DISCUSSION AND IMPLICATIONS .....	105
8.1. Methodological Limitations .....	106
8.2. Methodological Implications.....	114
8.3. Theoretical Discussions and Implications .....	115
8.4. Future Directions .....	128
9 CONCLUSION .....	131
REFERENCES .....	136
APPENDIX	
A QUESTIONNAIRE ITEMS AND CONSTRUCTS .....	157
B EXPERIMENTAL DESIGN FLOW .....	161
C SAMPLE CHARACTERISTICS: FULL SAMPLE AND BY EXPERIMENTAL GROUPS .....	163
D INSTITUTIONAL REVIEW BOARD (IRB) APPROVAL LETTER .....	166



## LIST OF TABLES

Table	Page
1. Treatment Cues for Between-Participant Comparisons .....	49
2. Sample Characteristics: Full Sample and by Experiment Groups .....	72
3. Pairwise Comparisons of Marginal Linear Predictions with and without Covariates (OLS Regression) .....	80
4. Estimates of Clustered OLS Regression (by Sector): The Case of Violation of Organizational Travel Policy .....	84
5. Estimates of Clustered OLS Regression (by Sector): The Case of Violation of Conflict of Interest in Personnel Hiring .....	86
6. Pairwise Comparisons of Average Marginal Effects for the Three-way Interactions .....	99

## LIST OF FIGURES

Figure		Page
1A.	Average Marginal Effect of the Years of Work Experience in Government on Moral Tolerance Towards Different Social Actors: The Case of Organizational Reimbursement Policy .....	88
1B.	Average Marginal Effect of the Years of Work Experience in For-profit Organizations on Moral Tolerance Towards Different Social Actors: The Case of Organizational Reimbursement Policy .....	88
2A.	Average Marginal Effect of the Years of Work Experience in Government on Moral Tolerance Towards Different Social Actors: The Case of Personnel Hiring .....	92
2B.	Average Marginal Effect of the Years of Work Experience in For-profit Organizations on Moral Tolerance Towards Different Social Actors: The Case of Personnel Hiring .....	92
3A.	Three-way Interactions of Moral Tolerance: The Case of Organizational Reimbursement Policy, Experience in Government .....	98
3B.	Three-way Interactions of Moral Tolerance: The Case of Organizational Reimbursement Policy, Experience in For-profit Organizations .....	98
4A.	Three-way Interactions of Moral Tolerance: The Case of Personnel Hiring, Experience in Government .....	98
4B.	Three-way Interactions of Moral Tolerance: The Case of Personnel Hiring, Experience in For-profit Organizations .....	98

## CHAPTER 1

### INTRODUCTION

Since Donald Trump was elected in 2016 as the President of the United States, some of his policy decisions and communications have provoked great furor across the country. A review of endorsements Trump made over the past years, as well as during his entrepreneurial years before getting into politics, shows that he reportedly gives a high premium on personal loyalty (Trump and Zanker 2007; Simon, 2018). Since becoming president, he made loyalty a centerpiece of his expectations of those he called into service in the executive branch and those who serve in the legislative or judicial branches of the government. What others might see as nepotism and getting constant attention for the conflicts of interest, Trump, at least, sees as a critically important part of his administrative order as was the case during his career as a businessman (Kleinig, 2019). This widespread “appearance of influence” (Newman, 2019) undermines Americans’ faith in their government as mistrust in government is at record highs (Pew, 2019a). It raises a good reason to question: would the public’s attitudes and evaluations toward Trump’s affection of “loyalty” be different when he is a businessman rather than being a president?

#### 1.1. Morality in Public and Private Sectors

Given the structural and functional differences of public and private sectors and their employees, would the moral and ethical standards expected on public and private leaders be, indeed, different? Furthermore, if such structural and functional differences of

public and private sectors lead to different levels of tolerance of morally questionable behaviors of the leaders of each sector, would the public and the private sector employees themselves develop similar moral standards and expectations? That is, considered together, would different sectoral organizations instill different moral and ethical values such that the public and the private sector employees have different levels of moral sensitivity and awareness toward public and business leaders?

Although Americans highly value equality, fairness, and democratic politics in principle, in reality or in practice, the right of the power (obtained through either political authority or wealth) exerting disproportionate social, economic, and political power is considered business as usual (Kluegel and Smith, 2009). Concurrently, skepticism about the ethical climate of business and the moral characters of politicians and businessmen is widespread. Distrust and lack of confidence in elected officials, CEOs, and public officials to ‘do the right things’ coexist with a fundamental belief in the liberal democratic systems and market-driven capitalism, deep-seated in the minds of the public (although local officers might have a slightly different story).

Morality<sup>1</sup> is the accepted principles, norms, and behaviors and rules of conduct indicating “how one should behave, [and] it deals with the ability to distinguish good

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<sup>1</sup> For the purposes in the dissertation, the terms “morality” and “ethics” are used interchangeably as to indicate what is considered as right or wrong and the “what ought to be,” although some scholars claim that the two need to be distinguished (e.g. Fassin, 2015; Petrick and Quinn, 2001). Most commonly, morality relates to a personal belief and perception of what is right or wrong and answers what ought to be while ethics concerns about the studies of morality and takes more reflective moments engaging in a sensitive, reflective, and systematic endorsement of those moral norms that are imposed on the members of the professional groups, culture, and society. The reason for not distinguishing between ethics and morality is in part because philosophical and practical usage does not clearly distinguish between the two and also “the term ‘moral’ is commonly used as synonymous with ‘ethical’ (moralis being the Latin translation of the Greek term, ethakos)” (Sidgwick, 1988).

from evil, right from wrong, and propriety from impropriety” (Josephson, 1989, 2). Apart from the universal or ordinary morality that individuals believe, professional ethics discusses a system of professional norms and principles of how things should or ought to be done (Goss, 1996). With increasing professionalization of public service, the distinct fields of study of ethics are developed in the field of public administration – administrative ethics that are separate from corporate (or business) ethics both in theoretical and practical realms of public administration, emphasizing professional standards and ethics unique in public service.

In the meantime, increasing interests and emphasis on corporate social responsibility in the private sector and the New Public Management reform in the public sector, coupled with the emergence of public-private partnership and collaborative governance, are claimed to blur the organizational values and performance standards of public and private sectors (Andrews and Van de Walle, 2013; De Graaf and Van Der Wal, 2010; Van der Wal et al., 2008). Given the assertion, this might be, perhaps, also true for the public’s normative assessment of morality of government and business leaders. Despite the common thread of organizational ethics and ethical leadership, much of the organizational ethics research explicates the problems and consequences within the work environment, and casts the rubric of the values, interests, and context of business or government in a separate sphere. In other words, being drawn from the two different (or distinctively discussed) academic perspectives, academic and practical discourse talks about business ethics and public administrative ethics separately. Despite the abundance of the institutional explanations of social and organizational attitudes and behaviors under

the rubrics of public and private sector differences (e.g. Raadschelders, 2003; Kelly, 1998; Perry and Wise, 1990), it is surprising that there is a dearth of research examining the comparative nature of ethical and moral evaluations and development in public and private sectors.

Motivated by the desire to explain how the public perceives and evaluates the role of public and private leaders, particularly in the context of the U.S., the dissertation employs a randomized online survey experiment to examine 1) how the public evaluates the unethical behaviors of public leaders (both public officials and elected officials) and business leaders and 2) how the ethical evaluations are shaped through their own exposure to public and private work environments. The institutional influence does not homogenously affect the members of the institutions as the individuals' predispositions, perceptions, and attitudes are different in conceptualizing their surrounding environments and situations (Kilduff and Krackhardt, 1994; Bonner et al., 2016; James and Carpenter, 2017). Therefore, the dissertation draws insights from moral and cognitive psychology to further examine how the moral disposition of an individual moderates the effect of work experiences in public and private sectors on the normative evaluations of unethical behaviors of public and private sector leaders. In short, the central goals of the dissertation are to *describe* and to *explain* the public's moral tolerance of unethical behaviors of public and private sector leaders.

## 1.2. Understanding the Public Perception

Understanding the hidden mechanisms of the sector conception and perception is, in fact, important as 1) it affects the public expectations, public evaluations of public performance, public trust, and public participation, which are critical elements of the liberal democratic societies, on one end and 2) it addresses the attitudes and workplace behaviors of public sector employees in the organizational setting of the public sector, on the other end. A better understanding of the public perception is particularly salient as the public perception does not correspond to the actual performance or the reality of public organizations (Van de Walle and Bouckaert, 2007; Olken, 2009). More specifically, public management scholars have found the evidence of a negativity bias towards both public organizations in general (Hvidman and Andersen, 2016) and public performance at the federal and local levels (Marvel, 2016; James, 2011) in terms of efficiency, effectiveness, flexibility, and the quality of public service. Also, about 68% of Americans thought that elected officials' decisions are directly influenced by campaign contributors (Johnston, 2006) while actual quid pro quo is reportedly rare (Boatright, 2014). A field experiment comparing perception of corruption and actual missing expenditures specific to the village road project also found that the villagers' perceptions of corruption appear to be positively correlated with the more objective missing expenditures measure, but the magnitude of the correlation between reported corruption perceptions and missing expenditures was small suggesting that citizens' evaluations of unethical processes and decision making in the public sector can be biased and inaccurate (Olken, 2009). Furthermore, it has long been examined that public perceptions of other people (ranging

from elected officials to a close friend) are prone to be biased by one's political affiliation (Leeper and Slothuus, 2014), partisanship (Aduiza et al., 2013), or perceived ideological distance (Yair and Sulitzeanu-Kenan, 2015).

Whether the public perception accurately captures the actual performance of public sector organizations and employees or not, public perceptions and attitudes themselves are an important and effective base of public management and policy implementation through mechanisms of public satisfaction, trust, confidence, support, and participative behaviors (Van de Walle and Bouckaert, 2007; Van Ryzin, 2007; Wichowsky and Moynihan, 2008; Boyne et al. 2009; Brannan et al., 2006). However, public management scholars have studied the role of public administrators as focal social actors in public management and in improving citizen-state relationship, examining and understanding the role of citizens on the same respect are necessary directions for comprehensive understanding of the public management in a larger and broader context of citizen-state relationship (Jakobsen et al., 2019). Given the critical role of the public attitudes and evaluations, greater clarity and causal explanation is needed in understanding the standards of public ethics and addressing fundamental issues of who is evaluating whom, on what basis, and how such moral judgment is structured. Furthermore, as discussed earlier, the volatile and contextual concept of public perception calls for the attention to examine the black box of the convoluted relationship of the perception of sector in ethics-laden sociocultural context.



### 1.3. The Normative Evaluations of the Public Sector

As the definition of morality indicates, the popular acceptance of or tolerance for malfeasance in the society is an important standard that public and private sector leaders need to attend to. Of course, it is not to say that we can define the behaviors as immoral or unethical based on the popular opinions and perceptions, which is in fact an irrational claim, but careful evaluation of public perception of ethics in public and private sectors can be appreciated both theoretically and practically. In a theoretical aspect, understanding the differences of the public and private sectors from the eyes of the public and how to conceptualize the context of the public sector is the fundamental of the public administration (Jakobsen et al., 2019). The comparative studies of public and private sector performance found that the public negatively evaluates the effectiveness and efficiency of public sector relative to its private counterparts (Marvel, 2016; Hvidman and Andersen, 2016), but the public sector is more positively evaluated on the normative aspects – its fairness and benevolence to their clients (Hvidman and Andersen, 2016). Despite the findings that the public may exhibit different evaluations based on the normative and market-based values, there is a dearth of empirical studies on understanding normative evaluations of the public in a comparative perspective across the sectors.

Understanding how the public perceives and evaluates the moral components of public sector performance is critical given that the pernicious effect of apparent or deep-seated unethical processes can lead to inherent public distrust and loss of faith not just in the public officials but in the democratic institutions themselves (Newman, 2019). Public

trust in the government remains near historic lows in America, not to mention that it has not exceeded 30% since 2007 and only 17% of Americans today say they can trust the government in Washington to do what is right “just about always” or “most of the time” (Pew, 2019a). The dreadful statistics, perhaps accompanied by more polarizing public opinions and views, are, in fact, alerting the government that the public conceptions of the normative aspects of public sector might be a potential link to improve the citizen-state relationship. In fact, trust and confidence in the public sector may be rooted in normative aspects (e.g. honesty, benevolence, empathy, openness, integrity, and accountability) rather than market-based incompetence or inefficiency of the public organizations or officials (Newman, 2019; Pew, 2019b; Hvidman and Andersen, 2016).

As a way to capture one dimension of the normative evaluations of the public sector, the dissertation specifically focuses on the public’s tolerance of unethical behaviors of the public leaders. The term, tolerance, in the studies of unethical behaviors (including corruption) has not been clearly defined, but rather used interchangeably with moral acceptability or justifiability (Beck and Lee, 2002) or described as a combination of acceptability and willingness to act against (Gong et al., 2015) the undesirable behaviors. Extending the philosophical definition of tolerance (Forst, 2017), Burwood and Wyeth (1998: 465) define tolerance as “an intentional choice not to interfere with conduct” which one dislikes or disapproves, or which involves negative feelings. Combined together, *moral tolerance* in this dissertation is used as *an individual’s intentional acceptance of the behaviors that involve unethical and immoral elements so as not to interfere with the conduct*. Therefore, moral tolerance does not entail any form

of (moral) support of the misconduct but involves some level of compromise and endurance.

The public tolerance of unethical behaviors reveal the extent to which the unethical or deviant behaviors are socially or culturally embedded in a society. Public tolerance is largely considered as social norm or culture, especially in macro-level, cross-national corruption studies (Morris and Klesner, 2010; Gatti et al., 2003; Hernandez and McGee, 2013) and they have long been supported the importance of public perception and tolerance of unethical behaviors as a key factor of creating the culture to fight against the deviance (Manzetti and Wilson, 2007; Melgar et al., 2010). More importantly, it is important to understand the public tolerance of unethical behaviors, particularly that of the leaders, as all governments are striving for good and reliable governance in the eyes of the citizens. The public plays critical roles in public administration other than paying taxes or voting and the public attitudes are effective base of public management and policy implementation. Therefore, understanding the public moral tolerance can give an important normative base for the public managers and policy makers to better address and guide the public opinions and evaluations of the public sector performance – not only in its market-based measures but also in the normative values, perhaps unique to the public sector.

#### 1.4. Purpose and Significance of the Study

The changing nature of the public sector brings new challenges to governance and ethical decision making. For instance, emergence of hybrid organizations in which the

traditional attitudes, values, and rules of “public” and “private” are mixed and mingled, and the collaborative efforts of public and private sectors in providing public services may perhaps make these old categories of public and private less meaningful for at least a large part of the organizational world. In substantiation of the claims and results, the distinction of public administration and business ethics might not be necessary.

However, such claim requires the comparative examination at least to warrant the understanding of the ethical ground of the public and the private sectors. More specifically, examining the public and private sector workers’ perceptions and evaluations of the unethical conduct of the public and private sector leaders can provide the insights to the standards of conduct that they are exposed to and whether the behaviors or practices are tolerated. Understanding the effect of such sector differences in the moral tolerance of the public and scrutinizing the sectoral environments that might induce different attitudes towards unethical practices of public and private sector leaders can together provide the directions to address ethical governance in the era of collaborative governance.

Furthermore, the dissertation aims to bring down the public perception to a micro level to recognize how the public is, in fact, a group of individuals having different sectoral experiences (therefore, different perceptions of sector) and with different moral attitudes. This theoretical convergence of public management, organizational studies, and social psychology is reflected in the practical concerns of understanding how the normative performance of public and private sectors is perceived and evaluated in the

eyes of the public as well as the public and private sector workers' perspectives on ethics in the organizational environment.

This dissertation makes no attempt to gauge the behavior or action as right or wrong by measuring the public tolerance or the level of tolerance of public and private sector workers. It instead focuses on attitudes and perceptions of the individuals, with a particular attention to the effect of sector orientation of the leaders on the public's moral tolerance. In other words, the study takes a perceptual approach towards both sector and unethical behaviors. The context of the experimental study is to understand the cognitive processes of how the unethical elements exercised by different social actors (with either public or private sector roles) differentially trigger the respondents' moral sensitivity. The rationale of using "public" as an institutional logic to understand the public is rooted in the normative character of public and private distinction before it takes any descriptive explanations (Perry and Vandenabeele, 2008). The notion of public then includes the importance of acting on behalf of the community – distinct from self-interest – and further extended with the public logic where public institutions are aimed for a set of democratic and societal values (Raadschelders, 2003) or public values and interests (Bozeman, 2002; 2007) that are distinct from a profit-oriented business sector or that the market may not be able to achieve. Therefore, based on the public logic, the dissertation takes a normative approach on "publicness" of a sector orientation of the wrongdoer by them working in government – either as a public manager or as an elected official. The moral elements of behaviors and situations given in the experimental scenarios are perceived and viewed in the eyes of the public, and the focus is not to define a concrete

boundary of what is considered as morally “right” or “wrong” or “public” or “private” but rather how and what are perceived as so.

### 1.5. Structure of the Dissertation

The dissertation aims to understand the effect of sector perception and experiences on the public’s tolerance of unethical behaviors. In particular, three specific research questions are asked: 1) How does the public evaluate the unethical or deviant behaviors of public and private sector leaders differently? 2) How would the individuals’ sector experiences in government and business organizations affect the tolerance of unethical behaviors of public and private sector leaders? Lastly, 3) how does the individuals’ moral disposition (namely, moral disengagement) moderate the effect of sector experiences on the tolerance of the unethical behaviors of public and private sector leaders?

In order to examine the joint impact of sector perception and moral attitudes of the public, Chapter 2 develops a theory about the effects of perception of sector on public’s evaluations of unethical behavioral choice of public and private sector managers. It derives hypotheses to evaluate the public’s perceptions and tolerance for morally questionable workplace behaviors of a public manager, elected official, and business manager. Chapter 3 then sets out how the work experiences in public and private sector affects the perception of sector and moral evaluations toward public and private sector leaders. As properly conducted randomized experiments offer a good way to obtain unbiased estimates of the causal effects, Chapter 4 discusses the survey vignette

experiment designed to evaluate the hypotheses. Chapter 5 further delivers the details of the surveyed population, Amazon's Mechanical Turk, which is one of the largest crowdsourcing platforms utilized in social science research, to further discuss the implications and consequences of the study population in investigating the research questions. After the measurement of the study is further explained in Chapter 6, Chapter 7 shows the findings of the average and heterogenous treatment effects. The discussion section (Chapter 8) sets out the implications of these findings by more closely examining the empirical findings of the moral evaluations toward public and private sector leaders in their petty and grand ethical violations. Furthermore, the implications for public and private sector employees in the era of collaborative governance and the priorities for future research are discussed, followed by the concluding remarks in Chapter 9.

## CHAPTER 2

### PERCEPTION OF SECTOR AND TOLERANCE OF UNETHICAL BEHAVIORS

The dissertation examines the joint impact of sector and moral tolerance from the two aspects: from the side of the those who are evaluated and from the side of those who evaluate. The Chapter 2 examines the potential effect of sector through the sector orientation of the leaders (who are being evaluated by the public) and the Chapter 3 discusses the effect of sector through the sectoral work experiences of the public (the evaluator of the leaders).

To test the primacy of moral evaluation that are distinct in public and private sector, first, Chapter 2 examines the environmental, structural, and functional differences of public and private sector to claim that the public's expectations toward government and business agents might be different, resulting in a differential level of moral tolerance. Underlying proposition is that public morality – whether the actions and practices of the social leaders are directed to the interests and welfare of the public both at the procedural and substantive aspects – exists in the mind of the public, leading to a stringent ethical evaluations toward the public authority. This section revisits the legitimacy and philosophy of public sector, public organizations, and public employees to draw the standards expected of them in the eyes of the public, largely drawn from the public management literature.



## 2.1. Founding Principles and Public Accountability

The major differences between government organizations and private firms are the founding principles and legal and formal rules guiding each sector organization. The constitutional and social rules guiding the establishment of the public sector and its operations and the embedded legitimacy provide the unique coercive power and authority for the purpose of serving the public and public interests. The descriptive purpose of public sector has its economic and social and political rationale; the economic perspective emphasizes the role of public sector in providing remedies to information asymmetry, negative externality, or provision of public goods to protect and serve the public, while the political and social perspectives describe its role as to protect individual freedoms, liberty, justice and rule of law, and to stabilize and keep physical, economic, and social security of the public the state serves. For instance, the Preamble of the Constitution of the United States says that the government agencies exist to “establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity.” Therefore, the founding principles of the modern democratic government is to represent the people and secure the rights of the public.

In return to achieve these purposes for the public, the government exercises coercive, monopolistic, or “unavoidable” nature of actions, a fundamental distinction that public and private organizations have (Rainey et al., 1976). The public cannot avoid participation in the financing of government activities and if so, government also has unique sanctions and coercive powers to the mandatory responsibilities of the public, and

the public can naturally enjoy the consumption of many of the services that the government provides. Naturally, the government is accountable to the public of what they do and how they use the public money. The spending of the tax money requires justification for using government funds derived from such mandatory taxation of all citizens. If they are used in a way to benefit a small number of people (particularly the outgroup) or for the private interests of the public authorities themselves, the indignation from the taxpayers is unavoidable (Conway, 2012; Feinberg, 1994).

Furthermore, public sector organizations are exposed to the environments where management, politics, and policies mix together in many contradictory ways as a result of bureaucratic and democratic base they are built upon (Kelly 1998; Thompson and Ingraham, 1996). As a result of the environmental and political influence, intensity and significance of informal influences (e.g. public opinions, interest group reactions, and supporting systems of constituencies) are supposedly greater in the decision making of the public sector organizations and its leaders.

Therefore, public sector workers are likely to be held higher accountability and responsibilities as the public needs assurance that they are responsible of securing public values and interests and the money they provide in the form of tax is spent wisely. Therefore, coupled with its founding principles of serving the public interest, the public may drive the evaluative criterion of the public sector and its employees to be extra stringent in their tolerance of unethical issues than they do to private firms. One of the empirical findings further indicates the public responsibility applies to anyone holding a public office while the value standard imposed on the position can be different by the

nature of the public office. That is, the public holds higher standards on a judge, one with a non-political role, by viewing the conflict of interest involving a judge as more odious than that involving legislators (Peters and Welch, 1978). Extending this aspect, the dissertation examines the public's ethical evaluation toward public administrators and elected officials, further discussed in Section 2.4.

## 2.2. Perceived Organizational Values of Public Organizations

Naturally related to the constitutional principles rooted in the public sector organizations, organizational values attached to public and private organizations are different in the eyes of the public. The organizational values attached to the public sector are not only multi-dimensional but also less clear and normative or descriptive in nature relative to the quantitative market-based indicators used in business organization such as customer preferences, prices, sales, or profit (Rainey et al., 1976).

More specifically, perceived organizational values attached to government and business sector are closely related to how the performance of government and business organizations and employees are evaluated and in what standard. Values are defined as 'important qualities and standards that have a certain weight in the choice of action' (Van der Wal et al., 2008); therefore, are considered important to a person when evaluating or making decisions of any kind. Traditionally, impartiality, lawfulness, and neutrality are considered as public sector organizational values (see Frederickson, 1997; Eikenberry and Kluver, 2004) which is a unique value set that are distinct from those of private sector (Maesschalck, 2004). On the other hand, efficiency, effectiveness, innovativeness,

and profitability are few of the private sector values (Van der Wal et al., 2008). Despite the emergence of new public management (NPM) and corporate social responsibility (CSR) movement, a comparative study of ethical value differences between public and private sector found that they seem to be still distinct (Van der Wal et al., 2008). More specifically, it found that lawfulness (act in accordance with existing laws and rules), impartiality (act without prejudice or bias toward specific group interests) and incorruptibility (act without prejudice and bias towards private interests) are considered as most important public sector values, while profitability (act to achieve financial and other gain) and innovativeness (act with initiative and creativity to invent or introduce new policies or products) are identified as the business values that are absent from the public sector values at least in Netherlands (Van der Wal et al., 2008).

Although there is a limited empirical study of directly comparing values attached to public and private organizations in the U.S. context, investigation among public sector workers supports the similar trend despite of the businesslike movement in public administration (Berman and West, 2012). Given that the specific normative value standards are attached to the public sector such as lawfulness (by its legality), impartiality, and incorruptibility, it is likely that the moral tolerance of the violation of these moral values in the public sector is much lower than that of the private sector.

### 2.3. Moral Virtues of Public Employees

Not only at the organizational level, but moral obligations and responsibilities are also attached to representative roles at the individual level. Perhaps, there is an added

responsibility in those who are involved in public affairs, as responsibility falls heavily on the lives and fortunes of the public (a greater number of people) by the consequences of policies which might or might not be known to the legislators and public administrators, those who form and implement policies (Goss, 1996). Goodsell (2004) suggests values like equality, justice, honesty, fairness, and the protection of individual rights as moral virtues of public administrators. Aligned with the purpose of government organizations, Jennings and colleagues identified the common good and the public interest as obligations and responsibilities of public managers (Jennings et al., 1987).

More recent studies emphasize the importance of moral foundation of public officials in the context of ethical decision making, perhaps in relation to the conflicting values that are also required by them – efficiency, economy, responsiveness, and order (Frederickson, 1997) (see, for instance, Quirk, 2019; De Graaf and Van Der Wal, 2010; Guindo et al., 2012; Andrews and Van de Walle, 2013). Quite apart from this but one of the popular domains of interest in public management also addresses a related moral element of the profession of public administration: public service motivation. The theory suggests that public employees on the whole are strongly motivated to serve others and protect the public values and interests (Ritz et al., 2016; Perry and Wise, 1990) given the presumption that this is perhaps required by the public officials at least at some level. These discussions and observations convey the conflated nature of moral and economic virtues imposed on public employees.

It is, however, unclear whether these moral virtues are uniquely defined for and expected upon the public administrators or public leaders that are different from what is

expected from the private sector leaders or businessman. Given the high accountability of the money the public authorities use given the founding principles and legitimacy of public organization, it is expected that when the public evaluates the morally questionable behaviors or practices of public and business sector leaders, public sector leaders are likely to be held a higher moral standard resulting in lower tolerance.

**H1A.** A public manager's unethical behaviors are less likely to be tolerated than the same behaviors of a business manager, controlling for the base case with no sector information.

#### 2.4. Public Employees: Bureaucrats vs. Elected officials

The dissertation takes a closer look at the differences in the public's moral tolerance toward non-elected public bureaucrats and elected officials – the two different positions in public sector. The public responsibility applies to anyone holding a public office while the value standard imposed on the position can be different by the nature of the public office. The difference is particularly important to be reckoned with in reference to the accountability concerns in public sector as a whole. It is likely that the individuals are less likely to tolerate the violations of elected officials as their legitimate power is given to them through democratic voting system and that they are accountable to the public, unlike the public bureaucrats who are not only accountable to the public in general but work under the traditional bureaucracy and accountable to the upper managers and elected officials (Hessami, 2018; Nielsen and Moynihan, 2017; Rainey, 2014). Therefore, in consideration of the effect of perception of sector on the public's

moral tolerance, it is likely that public would exhibit different levels of tolerance for an ethical violation of elected officials and that of public managers.

Furthermore, bureaucrats and politicians perform very different tasks and share different instrumental motivations (Alesina and Tabellini, 2004; Niskanen, 1975). Among many differences between the two, the implicit incentive schemes are distinct as bureaucrats are based on the career concerns, possibly similar to that of private sector white collar workers, while politicians are striving for reelection. Because of this very concept of representativeness of the public, elected officials' behaviors and decision are perceived as more accountable to the public than those of public managers. Given the differences in their motives and the legitimacy of the work position, the occupation of public bureaucrats or elected official can be used as a status characteristic to evaluate one occupation over the other in considering the morality or moral competence of the person (Foschi, 2000). Citizen's performance evaluation is fundamentally a relative process where the social reference points are almost twice as important than historical reference (Olsen, 2017); therefore, general disaffection and distrust of the ethical capacity of elected official both exhibited by the public opinion surveys and the media can exhaust the public's tolerance towards unethical behaviors of elected officials .

**H1B.** Compared to public managers, an elected official's unethical behaviors are less likely to be tolerated, controlling for the base case with no sector information.

### CHAPTER 3

#### PUBLIC AND PRIVATE SECTOR EXPERIENCES AND MORAL DISENGAGEMENT

Chapter 2 discusses the public's moral evaluations of unethical behaviors of public and private sector leaders to examine the effect of perception of public authority. However, traditional theories of moral reasoning, including cognitive development of morality (Kohlberg, 1969; Rest, 1986; Jones, 1991), argue that moral judgments and evaluations are developed through one's educational and work experiences (and their understanding of the experiences) and are further made to justify preexisting social and political beliefs and attitudes. These moral judgment processes generally occur automatically or subconsciously when individuals encounter others' unethical or deviant behaviors which are followed by moral reasoning or moral justifications (Haidt, 2001; Paxton et al., 2012). People tend to demonstrate different responses when processing others' unethical behaviors depending on who they evaluate or what situations they are encountered to. For instance, partisans are less likely to consider the political scandal or offense a severe problem when it affects their party than it is involved with the rival party particularly if their political awareness is low (Anduiza et al., 2013). Drawing on the insights of the research on moral reasoning, the chapter seeks to understand the sources of the differential moral tolerance to public and private sector leaders as the public is a group of individuals with different work experiences and moral disposition. Therefore, Chapter 3 examines the sources that might influence the moral tolerance towards public



and private sector leaders, namely work experience in government and business organizations and the individuals' moral disengagement level.

### 3.1. Work Experience as a Moderator: Cross-Sector Tolerance

The context of public administration rests upon the leader of a politicized administration or complex networks being accountable for the work of nonprofit and private enterprise contractors. These political and administrative complexities are not freed from ethical complexities that the collaborative work may bring. Therefore, understanding the cross-sectoral moral evaluation of public and private sector employees, which is deeply embedded in sociocultural beliefs and systems, would require scrutinizing how public sector workers would perceive public officials (in-group) and business sector managers (out-group) differently and vice versa for business sector workers.

In evaluation of others, individuals subconsciously combine status information to form aggregated expectation states for themselves and others obtained through their work and social experiences (Humphreys and Berger, 1981; Foschi, 2000; Correll and Ridgeway, 2003). Furthermore, not everyone uses the same standard to assess in-group and out-group members. In other words, a low ethical bar to in-group members would not necessarily guarantee the same lower bar or ethical criteria in evaluating others' behaviors or situations; and rather stringent and higher ethical bar can be put forward due to the perceived social status difference or experiential differences in the work environment.

### 3.2. Understanding the Sources of Moral Tolerance toward Public Sector

The question of what drives or who commits the unethical or fraudulent behaviors has spawned rich literatures in economics, political science, organizational behavior, and social psychology. Personal traits and characteristics such as honesty, risk attitudes, or moral disengagement predict people's engagement in fraudulent behaviors (De Vries and Van Gelder, 2015; Gino and Margolis, 2011; Moore, 2015). However, social, organizational, and political factors of the environment that the individuals are embedded in also drive such behaviors through socialization processes (Anand et al., 2004; De Graaf, 2007; López and Santos, 2014). The reality that individuals face and socialize shapes the way individuals perceive the world around them, and the way they react can talk about their perceptions and attitudes of what might be considered as right or wrong, or acceptable or not. For instance, socialization processes can generate "seemingly innocuous process" inducing employees to accept corrupt practices through subtle rewards, small and incremental exposure to morally questionable acts, and compromise to resolve pressing role conflicts or dilemmas even if the acts can initially cause cognitive dissonance or ethical lapses (Anand et al., 2004). By embedded in organizational structures and processes through either conscious or subconscious rationalization processes, employees may become more or less sensitive toward moral and ethical elements associated with the situations or actions.

When someone evaluates the morally questionable behaviors of public and business managers, one's perception and conceptualization of public and private sector would likely play a role. The work experience in the government and business sectors

enhances the employees' understanding of the organizational structures and processes, therefore, the organizational reality and perceptions of sector. The key question to ask in the context of moral tolerance, however, is whether or not the organizational structure and value orientation in government and business organizations are meaningfully different such that employees exposed to supposedly different institutional environments would exhibit different levels of moral tolerance. The hypothesis is yes, the institutional environments of the government and the private firms are different in terms of their structure, organizational design, the legitimacy and values they have, as has long been studied in the field of public management such that individuals who are exposed to different sectoral environments are likely to go through different cognitive and socialization process.

### 3.3. Socialization of Moral Tolerance in Work Organizations

To examine the effect of institutional environments shaping the concept of ethical behaviors and further, tolerance attitudes, the institutional differences between the public and private sector need to be first addressed. Public sector organizations are exposed to the environments where management, politics, and policies mix together in many contradictory ways as a result of the bureaucratic and democratic bases they are built upon (Kelly, 1998; Thompson and Ingraham, 1996). The work experience in government is more likely to make employees more sensitive to the ethical elements of an action or practice and less likely to consider unethical or immoral practices as acceptable. The elements in the political environment of public organizations coupled with the mechanisms that ensure an open democratic society purportedly cause public employees

to experience more informal pressures to constrain their behavior than, perhaps, private employees (Baldwin, 1990; Rainey and Bozeman, 2000). Although the media, interest groups, elected officials, and political parties may not resort to legal actions or professional sanctions, their proclivity for politicizing problems and bashing bureaucracy exert a constant influence over public employees. (Baldwin, 1990; Garrett et al., 2006).

Furthermore, public organizations have their own shared value systems, and such organizational values are often promulgated to and among public employees through formal and informal socialization processes (Mosher, 1982; Frederickson, 1997; Bozeman, 2007; Jørgensen and Bozeman, 2007), which would likely affect the moral sensitivity and awareness of an employee (Trevino, 1986; Anand et al., 2004; Stazyk and Davis, 2015). For instance, institutional values and practices influence employees' tolerance of fraudulent behaviors given the context of the job and perceived structure of the organization (Beck and Lee, 2002; Alatas et al., 2009). Beck and Lee (2002) found that the perception of having a plenty of opportunities to be involved in corrupt situation decreased as the individuals get more training (i.e. comparing the first year to the fourth year of training) and once they become police officers (Beck and Lee, 2002). The research illustrates the significance of actual experience in the field and the sector to better understand the environment. In fact, the perception of the first-year trainees, who are technically not yet public sector workers, that the structural and managerial context of the public sector is unethical or amoral with greater opportunities for extortion might be similar to the perception of the public. However, it is also important to note that the police officials became prone to be tolerant of the petty nature of corruption in their study

(Beck and Lee, 2002). Furthermore, Alatas and colleagues (2009) compared the current public servant and students and found that in general current public servants reported a lower tolerance for corruptive behaviors than students do, but public servants provided specific rationalization or justification of why public employees may engage in unethical processes. A few examples of justification were a low government salary, beliefs that corruptive process is a necessary evil in public environments, or more direct exposure to corruptive practices while students provided simplistic moral reasoning such as their religious belief or identifying bribery as a bad/evil thing. An empirical study based on the World Values Survey and experimental study, however, found that civil servants with higher wages are more likely to tolerate corruption, which suggested that higher pecuniary incentives for public service might bring more justifications for accepting bribes (Navot et al., 2016; Foltz and Opoku-Agyemang, 2015) unlike it is used (perhaps) misleadingly as a rationalization among public employees to be involved in a petty-nature unethical behaviors.

The institutional differences in public and private sector can be also observed in the discussion of organizational ethics in terms of its context and focus. With increasing professionalization of the public bureaucrats, accentuated further by the NPM movement, public sector ethics are regulated through professionalism – a field and practice called as administrative ethics. An important aspect of administrative ethics, mainly governed by the professionalism, is that public administrators are expected to act with public integrity, defined as being adherent to “shared ethical values, principles and norms for upholding and prioritizing the public interest over private interests” (OECD, n.d.) to earn public

trust. In other words, administrative ethics focuses on rules of law, legitimacy, and accountability while business ethics (or corporate ethics) largely focuses on financial integrity and market and economic needs and values (Crane et al., 2019). Of course, operations of business organizations are required to become more conforming to the principles and opinions that the society accepts, as illustrated in Uber, Facebook or Apple scandals in 2017-18. However, despite the increasing emphasis of corporate social responsibility and securing business ethics (Trevino and Nelson, 1999; Kolk, 2016; Quarshie et al., 2016), the fundamental focus of organizational ethics in public and private sector is different, going back to the issues of *raison d'être* and legitimacy of the public and private sector.

Furthermore, relative to business ethics, public and administrative ethics are more legally settled (Cooper, 2001) such that, in nature, the ground of corporate ethics and administrative ethics are likely to be different, and such differences would generate different weight of ethics and morality perceived by the employees. Svensson and Wood (2004) also noted that more robust codes of ethics in government agencies encourage the public employees to focus on the right things to be done (in Swedish context) resulting in high ethical scores of public employees. Related, one of the earlier empirical studies have found that emphasizing the economic goals and motivations decrease the level of support for professional ethics while an increased interest in non-economic goals tends to increase the level of support for professional ethics (Fiore et al., 1992). Therefore, a greater emphasis on economic motivation in business sector is likely be associated with

higher tolerance towards unethical behaviors, particularly towards business sector managers.

#### 3.4. Cross-Sector Moral Evaluations

An empirical research shows that, ironically, when people distrust, they become moral hypocrites themselves (Weiss et al., 2018; Valdesolo and DeSteno, 2007) suggesting that individuals display different levels of ethical standards towards in-group and out-group members. Experiencing distrust alerts the public to the possibility that others – the public employees, both public bureaucrats and elected officials (although the effect of distrust is expected to be greater for elected officials) – may intent to exploit them, and that such looming expectation differentially can affect moral standards for business managers and public officials. In other words, the in-group bias of displaying a greater generosity to the perceived in-group and regarding the perceived out-group as deviating from the norms (Walczus et al, 2003) are likely to be the case for those who are more exposed to business sector organizations. It is also well known that people tend to attribute bias to others with whom they disagree, especially in value-laden domains (e.g., Ross and Ward 1996; Pronin et al., 2004). Considering the individuals who have not worked in government and as ordinary citizens exposed to private sector, the effect of distrust and lack of confidence towards public sector and officials may accentuate the lower tolerance of the unethical conduct of public sector leaders than they do toward business sector managers.

Furthermore, widespread disaffection with politics and the perception of politician as an occupation (e.g. enjoying political perquisites) induces greater negativity in evaluating ethically questionable behaviors of elected officials. In fact, media coverage of public officials (here, meaning both bureaucrats and elected officials) is merely negative (Bok, 2001; Soroka and McAdams, 2015). A high degree of negative reporting on the public sector and frequent reporting on political scandals appears to affect citizens' perceptions of the public sector negatively (Sohn and Geidner, 2016; Boggs, 2001; Mancini and Mears, 2013; Kumlin and Esaiasson, 2012; Ares and Hernández, 2017; Klein, 1991; Chanley et al., 2000) given the significance of media framing effects (Rosenson, 2015; Cappella and Jamieson, 1996). These negative feelings can, in fact, affect the individuals' moral tolerance as they witness just another incident of unethical practices. More importantly, it has long been known in psychology that individuals perceive their social environments through schematic categorization such as in-group vs. out-group, majority vs. minority, or good vs. evil to reduce complexity in reality adding an extra layer of potential bias towards negatively imaged group of social actors drawn from the media (Fiske and Taylor, 2013).

However, public sector workers are exposed to public institutional values over time with greater public scrutiny that make themselves particularly sensitive towards administrative ethics and morality and other public employees' fraudulent behaviors. Whether or not the more stringent attitudes will result in monitoring or punitive action or preventive behaviors is another story as there are more complicated decision making process in structural and social standing of the employees to act upon; however, the



standards that the public sector workers have within themselves are likely to be high or at least more sensitive towards the fraudulent behaviors of the same public sector workers. Furthermore, Goss (1996) found that the bureaucrats are less different from their elected representatives than they are from the public in their normative expectations and their values, because the public administrative ethics is tied closely to a larger public service ethics encompassing all government service including elected officials. Therefore, even though elected officials are not direct in-group members to the public employees, the sectoral orientation of the public service may bind the elected officials to public sector employees as in-group members.

With regards to their moral evaluations toward business managers, they often have a more positive view of the private sector in terms of its innovativeness and productivity along with the business-like public reform and increased public-private partnership experiences (Borins, 2001; Vigoda-Gadot and Meiri, 2008; Stazyk et al., 2017). For instance, studies on sector switching from public to private sector showed the positive value attached (particularly on incentives and rewards) to private sector (Hansen, 2014). Although whether or not the relevant positive perspective of public sector can be extended to the questions related to moral tolerance, it is suggested that they are more likely to be lenient toward the same misconduct of business managers than they do toward public managers. It is still anticipated that the longer they work in government, the lower the tolerance of any unethical behaviors practice by any leaders in the society. The empirical evidence sheds a light on the comparative analysis of how the public and

private sector workers evaluate and tolerate the unethical behaviors in and out of one's sectoral environment.

**H2A:** Individuals with *more work experience in government* are *less likely to tolerate* the unethical behaviors of *any social leaders* (i.e. business managers, public managers, and elected officials). However, it is anticipated that they are relatively less tolerant of the unethical behaviors of public managers and elected officials, than they do toward business managers.

**H2B:** Individuals with *more work experience in business organizations* are *more likely to tolerate* the unethical behaviors of *business managers*, and they are *less likely to tolerate* the unethical behaviors of *those who hold the public authority* (both public manager and elected officials).

### 3.5. Moral Disengagement as a Higher Order Moderator

So far, we have discussed how the work experience in government or private firms may shape the moral evaluations of the public toward the public and private leaders. However, how and when is the exposure to public and private sector environments more likely to affect the individuals' moral tolerance of unethical behaviors of the public authorities? This question is particularly salient in order to understand the efficacy of organizational values and ethical environments carried by each sector and its impact on the employees' moral evaluations and attitudes. Many organizational studies assert the importance of the personal predispositions (e.g. positive/negative affectivity or personality) as not all employees react to the organizational factors or experience in the same way (Xu et al., 2019; Samnani et al., 2014; Reknes et al., 2019). The moral disengagement describes an individual's dispositional difference with regards to the moral issues (Moore et al., 2012) and the dissertation claims that such moral disposition is likely to influence the employees' susceptibility to be affected by a larger sectoral

environment in their evaluations of ethically related issues (Bonner et al., 2016; Kouchaki and Smith, 2014).

*Moral disengagement* refers to the cognitive mechanisms that decouple the internal moral standards from one's action or the moral consequences of an action (Moore, 2015). More specifically, individuals deactivate moral self-regulation or self-censure by reframing the situation or the action in a way that allows them to rationalize and justify the action. The cognitive restructuring can be done through the mechanisms of moral justification, euphemistic labeling, advantageous comparison, diffusion or displacement of personal responsibility, distortion of consequences, and blaming or dehumanization of victims (Bandura, 1986). The prevailing impact of moral disengagement so far studied in the literature is that moral disengagement facilitates the individuals to engage in unethical or deviant behaviors without feeling much distress or guilt by rationalizing the act (e.g. Beu and Buckley, 2004; Moore et al., 2012; Detert et al., 2008; Page and Pina, 2015). Furthermore, in organizational context, moral disengagement of managers and employees are found to influence organizational moral decisions and culture-making (Beu and Buckley, 2004; Moore et al., 2012; Chen et al., 2016) and in a particular issue related to, for instance, sexual harassment (Page et al., 2016) or misconduct in sports (Hodge et al., 2013). Moral disengagement can be also observed at the group or organizational level where morally disengaged norm and culture is patterned and shared across people (Huang et al., 2017; Egels-Zandén, 2017).

Like personality or public service motivation, moral disengagement is a dynamic disposition modified and developed through the interplay of behavior, cognition, and

environmental influences (Bandura, 1999; Perry and Wise, 1990). Therefore, more recent studies investigate how moral disengagement operates in different organizational settings (see Newman et al., 2019 for an overview). The predisposition to morally disengage is found to be positively associated with negative or deviant behaviors such as bullying (Gini et al., 2011), workplace misconducts (Moore et al., 2012; Duffy et al., 2012; Huang et al., 2017; Zheng et al., 2019, Valle et al., 2019), and unethical behaviors in general (Moore et al., 2012; Detert et al., 2008). Moral disengagement is not only associated with behavioral factors but psychological response and attitudes towards unethical or immoral behaviors. For instance, morally disengaged people are more likely to dehumanize others (Leidner et al., 2010; Waytz and Epley, 2012), have unethical consumer attitudes (Egan et al., 2015), oppose government healthcare policies to reduce inequality (McAlister, 2010), or endorse violence (e.g. war, execution) that they go through (McAlister et al., 2006; Osofsky et al., 2005).

Furthermore, the level of influence that the organizational and situational factors can have on the employees is found to be contingent on the level of moral disengagement of an employee. That is, several empirical studies found that individuals with high moral disengagement are less likely to be affected by the situational factors than those with low moral disengagement because individuals with high moral disengagement are prone to easily disregard ethical elements or discussions and give less attention to the justification made outside of their own (Bandura, 1986; Moore et al, 2012). For instance, Bonner and colleagues (2016) found that individuals with high moral disengagement are less likely to be affected by the benefits of having ethical leaders; that is, ethical leadership only has a

positive effect on employees with low moral disengagement. In particular, they found that the individuals with high moral disengagement showed a little difference in their perception towards a supervisors' moral disengagement because perhaps they care less about the supervisors' ethical stance and subsequent behaviors (Bonner et al., 2016). Similarly, Kouchaki and Smith (2014) found that individuals with low moral disengagement were more susceptible to self-control failures when they were tired in the afternoon, while individuals with high moral disengagement showed a consistently high level of cheating behaviors and a lower level of self-control, yielding a little to no variability all day long.

These findings suggest that individuals with high moral disengagement are less likely to change and modify their behaviors than the individuals with low moral disengagement who are more susceptible to the environment that they are surrounded. Therefore, the current study hypothesizes that the individuals with high moral disengagement are less likely to be affected by their sectoral work environments. Their moral self-regulatory processes are more likely to be already deactivated, given that they exhibit high moral disengagement, and they are less likely to draw on self-monitoring resources from the organizational environments they work in when they evaluate the unethical behaviors of the public and private sector leaders. In other words, whether or not they are exposed to public or for-profit organizations, the values promoted and emphasized by each sector might make no difference, exhibiting rather consistent moral tolerance towards the leaders regardless of which sectoral work environment they are exposed to. Therefore, based on the argument, it is hypothesized that there will be a

three-way interaction between the public authority of the leaders, the participant's years of work experience in public organizations or for-profit organizations, and the participant's moral disengagement to predict the moral tolerance of the participants towards the leaders. More specifically, the two-way interaction between the leaders' public authority and an individual's years of work experience in either public organizations or for-profit organizations will be stronger for the individuals with low moral disengagement. In other words, the hypothesis is reiterated as the following:

**H3:** Individuals with a low moral disengagement are more likely to be affected by the sectoral work experiences in their moral tolerance toward the public and private sector leaders than the individuals with a high moral disengagement.

Despite the flourishing empirical evidence of moral disengagement, this construct has not been studied in the context of work environments of public organizations or particularly in the sector comparisons<sup>2</sup>. Given its inchoate stage of development in the context of public employees and the comparative studies across the sectors, the discussions and empirical analyses developed in this study are more or less exploratory in nature.

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<sup>2</sup> Moral disengagement is a relatively new construct employed in organizational research (Moore, 2015). The closest related discussion made in the field of public administration is in Bellé and Cantarelli (2017) where they identified various potential explanatory variables of unethical behaviors that public management scholars can pay attention to, based on the meta-analysis of experimental research in fields outside public administration. The objective of the discussion made in the article is to better connect Public Administration work to other disciplinary research to “begin to transform public administration research about ethics” (327).

## CHAPTER 4

### RESEARCH DESIGN: THE EXPERIMENTAL MODEL

#### 4.1. Vignette Experimental Design

This section presents the specifics of a vignette experimental design to address the central questions of joint impact of perception of sector and moral tolerance. Examining the impact of perception of sector on moral judgment involves two methodological challenges. First, isolating the effect of perception of sector on evaluation of unethical conducts from other factors that may be systematically related to sector is challenging as differences in conception of morality may be driven by general differences in personality, personal, social, and political values, clientele, job tasks, or size of organization that the respondents are affiliated with rather than the perception toward public sector itself. Second, tendency of respondents to answer questions in a manner that others would view favorably – that is, social desirability bias – might be a concern. An issue of moral acceptance towards unethical practices is, in and out itself, ethical and moral decision making that is highly affected by social influence. Therefore, asking people directly about how they perceive public and private managers' misconduct and that of elected officials may induce respondents to answer as they are socially expected to respond (or as they suppose most people would respond) rather than giving an unbiased response of what they truly perceive and evaluate.

The dissertation deals with these challenges by using a between-participant randomized survey experiment design. The use of randomized survey experiment has two major advantages. First, it enables the researcher to manipulate the information to which

individuals are exposed, providing a means of creating the distribution of data that allows valid comparisons of treatments (Fisher, 1947; Easterling, 2015). Second, randomized experiments help to rule out most of the major threats to internal validity (Shadish et al., 2002). The experimental research design allows to explicitly model the causal relationship by providing stimuli and measuring participants' reactions to those stimuli making the causal predictions clear, thereby isolating the effect of sector from other confounding factors (Shadish et al., 2002). A random allocation of the stimuli is used to minimize the distortion of the results of a survey or the confounding of the effects of known or unknown noise factors with the treatment effects being studied. Given the strong causal warrant of the methods, there has been an increase in the number of survey experimental studies in public management (e.g. Hattke and Kalucza, 2019; Andersen and Guul, 2019; George et al., 2018; Jilke et al., 2016; Marvel, 2016; Bækgaard et al., 2015).

The respondents were presented with a vignette describing a fictitious administrative work-related situation with moral elements associated with it and that can happen in any types of organization. The vignette is employed for the experimental design because it possesses several advantages over direct questioning. With vignettes, the contextual information is minimized such that the examining the impact of information presented to the participants' evaluative processes can be done in a relatively neutral and uncontaminated way (Greenberg and Eskew, 1993) while respondents tend not to be insightful about the factors that influence their own decision-making processes (Alexander and Becker, 1978). More importantly, vignettes enable researchers to



standardize the social stimulus across respondents while making the evaluative and cognitive process less abstract or more realistic to visualize the morally questionable situations. Furthermore, rather than directly asking about “morality” or “ethics,” respondents are less likely to exhibit social desirability bias. For these reasons, research in business ethics has used written vignettes frequently (e.g., Schaltenbrand et al., 2018; Hoyt and Price, 2015).

The generalizability of the vignette experiments raises concerns about the primacy of survey experiments and their usefulness compared to the observational field experiments that can offer practical advantages over vignette experiments (e.g. Wulff and Villadsen, 2019). However, the vignette experiments have been used among social psychologists to examine the relationship between social structure and cognition (Stolte, 1994; Hughes and Huby, 2012). More importantly, comparative studies of survey experiments and field experiments on public opinions showed that the survey experiments well capture the effect corresponding to the field experiments although the treatment effects in the survey experiments were nearly always larger than what was observed in the natural settings (Barabas and Jerit, 2010). In other words, the effect size of the causal results might be smaller in general social and organizational setting where the multiple factors are convoluted. The variables obtained via vignette experiment is contextual in nature requiring a cautious interpretation of the findings, as for any empirical research. However, the usefulness of different research methods in examining the citizen-state relationship and involved perception should not be neglected given the advantages each research methods and design entails (Stolte, 1994). The advantages and

the critical use of vignette experiments are at the least providing the useful contextual and causal background knowledge which the leaders of the society need to understand and adapt in setting the direction of the policy and management strategies in ethics reform.

There are at least two other ways to examine the moral tolerance of the public as well as that of the public and private sector employees. First, providing the real corruption case, a legally confirmed amoral case, reported on the news or second, asking the survey participant to think of their experience of certain unethical administrative process. There are associated concerns with each choice. First, using the real corruption case can bias the respondents' view on certain company and organization or a particular public official rather than their sector association itself (i.e. familiarity, regional and political background such as partisanship) which would seriously affect the experimental treatment effect of examining the perception of sector. Anchoring the moral acceptance question in personal experiences of unethical administrative practices is also a viable option given that the respondents have cognitive attachment and better understanding of the phenomenon. However, because of this exact reason, it is problematic in a way that the valid answer can be only obtained by those who personally experienced or witnessed the relevant situation. Furthermore, the relevance and accuracy of the scenario rest solely on the recall ability and experienced perspectives of the respondents. Therefore, the research on moral tolerance of the public in the U.S. would be limited by the level of the personal experience, while unethical administrative practices and processes are, in fact, a general extension of human interactions and universal social attitudes. A study examining the relationship between the Corruption Perception Index and Global Corruption

Barometer had shown that the experience is a poor predictor of perceptions, and the distance between experiences and opinions varies widely across societies making it hard to understand the relationship between the two (Abramo, 2008). Therefore, despite the drawbacks of using hypothetical vignette as any other experimental techniques would have, providing a standardized context of unethical situations to isolate the socially embedded attributes from the evaluation of moral tolerance appears to surpass the costs.

## 4.2. Sector Treatment and Scenarios

### 4.2.1. Sector Treatment

As the objective of the dissertation is to disentangle the moral tolerance from the perception of sector, the experimental treatment is the sector orientation of the protagonist of the vignette. The scenario varies in terms of whether the protagonist involved in an unethical administrative process in the workplace is described as business manager, public manager, or elected official. The base case (a control) is also tested with no information about the sector orientation of the wrongdoer.

### 4.2.2. Scenarios of Unethical Behaviors

To test the suggested hypotheses, two different scenarios were developed in which the standards of violation and the scale of violation are distinct. Whether in sensational corporate or political scandals or more ordinary deviance, individuals often violate ethical or moral principles to serve their self-interest posing a societal challenge.

As mentioned earlier, morality is the accepted principles, norms, and behaviors and rules of conduct distinguishing right from wrong or propriety from impropriety. However, it is not always a clear-cut to identify certain actions, practices, and processes as morally or ethically right or wrong and good or evil. The fact that we are unsure of what is “accepted” principles and norms or trying to find the general consensus of how the public evaluates are the counterevidence that there is a room for moral ambiguity and interpretation at the individual level. For instance, the role of lobbying in democratic societies is viewed either as a distortion of democratic values where power of special interest groups manipulate the system to their own advantage that can subvert the public interest or as inalienable democratic right that citizens have as a part of freedom of expression to petition government and interact with public decision makers as a process of public administration and policy formulation (Bitonti, 2017). In other words, any practices and behaviors lie in the continuum of moral ambiguity rather than having all or none, which is important point to consider in understanding the perception of the public (Friedrich, 1966; Jos, 1993).

Moral ambiguity becomes critical “when there is an issue, situation, or question that has moral or ethical elements, but the morally correct action to take is unclear, either due to conflicting principles or situational perspective” (Pittarello et al., 2015). The dissertation aims to examine how the public perceives and further, how the public sector and private sector employees differentially perceive a particular administrative process as morally acceptable or not given such conflicting principles and situational perspectives. Given that, the two scenarios tested exhibit differing levels of ethical failures when the

protagonist of the story face ethically tempting situations and their self-serving behaviors (Bazerman, 2014; Bazerman & Tenbrunsel, 2011).

The context of moral element should not be related to public roles or business role in nature as the causal chain to be tested is to examine how the same unethical behaviors are perceived differently when displayed by public officials and business managers. Studies on public administration ethics often discuss the moral judgment and moral conflict in the context of public policy or programs, but this dissertation focuses on the situations where the violation of rules, norms, and principles can happen in any sector organizations or by both public and private sector leaders, namely a travel reimbursement process (S1) and a personnel hiring process (S2).

The first scenario is a smaller scale (\$150) violation of organizational travel reimbursement policy by consciously reporting the undue amount of travel expense than it is prescribed in the organizational policy. The second scenario is a larger scale (\$50k) violation of social norms and principles<sup>3</sup> (namely, conflicts of interests and fairness) by engaging in personnel hiring process to recommend a relative to an organization. (See below for the full description of the scenarios.) Two scenarios are intentionally made distinct in nature to examine how the purveyors' sector orientation influences the moral tolerance across different contexts of the violations.

The scenarios presented in the survey experiment are the followings:

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<sup>3</sup> In modern liberal-democratic society, moral component is addressed and sublimated through the law and code of conducts. Therefore, both scenarios exhibit a violation of law and code of conducts – although the explicit ground of violation differs. The universal principles of fairness, integrity and justice, for instance, are also reflected in rules and regulations. As such, the regulations and policies related to equal opportunities or conflicts of interests can be seen in the written rules in the organization (e.g. code of conducts) or in the society (e.g. laws). However, these universal principles and norms are not only bounded by these written rules such that the violation of fairness and conflicts of interests in the personnel hiring case is considered as the violation of norms at large.

Scenario 1 (S1): Jessie, [no further description/ a senior business manager at the Brownline Corp./ a senior public manager at the Federal Office of Personnel Management (OPM)/ a member of the U.S. Congress] attended a work-related conference. Due to a flight delay, Jessie had to catch a cab to get to the meeting venue on time and the quickest way was to hire a limousine. The limousine cost \$150, three times as much as a cab ride would have cost. Based on [the organizational travel expense policy/ the Brownline Corp.'s travel expense policy/ the Office's travel expense policy/ the congressional allowance policy], reimbursement for local transportation costs cannot exceed the cost of a taxi. All employees including Jessie attend the organizational training for up-to-date guidelines every 6 months. However, Jessie thought the extra expense made sense, all things considered, so claimed full reimbursement in the expense report as taxi expense and got fully reimbursed.

Scenario 2 (S2): An organization is planning to hire a manager to fill a position that has been vacant for three months. Among the final top candidates, Riley had the minimum amount of managerial experience required in the position. However, Casey, a relative of Riley, [no further description/ who happens to a senior business manager at the Brownline Corp./ a senior public manager at the Federal Office of Personnel Management (OPM)/ a member of the U.S. Congress] offers an anonymous donation of \$50k to the organization, suggesting that they may want to hire Riley in their organization. Casey implies that more donations could be coming in the future if Riley is hired. After considering both candidate qualifications and possibilities for future donations from [Casey/ renowned businessman/ the senior public manager/ the public official], the organization decides to hire Riley.

In undue reimbursement case, the organizational rule and policy is violated while in personnel hiring case, broader norm and principles of social contract are violated. Extending the earlier discussion of moral ambiguity, the two scenarios have a differing level of tolerance depending on how the respondents think and perceive the scenario which are the reality of the many administrative process in the workplace with multiple

accountability<sup>4</sup>. The two scenarios are devised as well to intentionally reduce the expected skewness in the dependent variable to zero moral tolerance.

The main focus of this dissertation is examining the effect of perception of sector (that is, the experimental treatment effect of the sector orientation of the wrongdoer).

Two distinctive scenarios are tested to check the robustness of the impact of perception of sector and potential contingency in explaining the relationship between the perception of sector and moral tolerance as shown in **Table 1**.

**Table 1.** Treatment Cues for Between-Participant Comparisons

		<b>Sector orientation of a wrongdoer</b>			
		Base (No information)	Business manager	Public manager	Elected official
<b>Types of ethical violation</b>	Petty violation of organizational rules	S1_C	S1_BM	S1_PM	S1_PO
	Large-scale violation of democratic principles	S2_C	S2_BM	S2_PM	S2_PO

<sup>4</sup> During the scenario development and pre-test, whether or not the scenarios is considered as unethical or immoral is separately asked to the respondents. For the smaller scale violation of organizational reimbursement case (the base case – no information about the sector or work affiliation – is given), the notion of professionalism and being on time for business meeting regardless of what happens, the perspective that the extra costs are incurred for work purpose, too stringent organizational policy, and the availability of per diem costs in organization to deal with these issues are raised as the reasons not to consider the case as unethical or immoral. On the other hand, other respondents who thought that this can be considered as unethical focused on the fact that Jessie intentionally reported full costs knowing that this is a violation of the policy is greed, limousine is unlikely to be more time efficient than taxi – intention to enjoy the luxury with a company’s money, and Jessie was careless in time management for an important business meeting and shifted responsibility to the organization. Relative to the larger scale violation of conflict of interest in personnel hiring, therefore, the smaller scale violation of organizational policy is more morally ambiguous scenario for the respondents on average.

For personnel hiring case, a few respondents (of either pre-test or the study sample of this dissertation) said that ‘people like to hire someone they know,’ ‘hiring managers are trying to do whatever is best from the perspectives of senior management,’ ‘few people see it being harmful,’ and ‘decay of meritocratic principles in the U.S.’ as potential reasons that this process happens. However, majority of the respondents identified this as unethical or immoral given the reasons of the involvement of money, power, and connection, abuse of capitalism, nepotism, feeling of entitlement, unqualified candidate, lack of integrity, personal greed, ‘putting short-term petty, usually personal, goals ahead of principle,’ a class of group supporting each other, and political control, to name a few. Identification of the two scenarios as more or less morally ambiguous is normative and descriptive judgment based on these responses from the participants.

Prior to designing the final questionnaire, two pilot studies were conducted to determine whether respondents comprehend the situation described in the vignette or require additional details about the incident in order to answer the questions. The first pilot study was conducted among the MPA/MPP (Master of Public Administration/Public Policy) students in February 2019 where both scenarios were given to them while only the sector affiliation cue were randomly assigned. They were also asked to order the most accountable actor to the least accountable person appeared in the scenario and asked their rationales as an open-ended question. About 73% of the 66 students have thought that interviewers hold the most responsibilities in this type of hiring while 19% said Casey (offering donation in exchange for the hiring of his or her relative) hold the most responsibilities in the unfair hiring process. Similarly, majority of the students pointed out that the administrator who approved the expense report in the final stage needs to be accountable the most although the greed of the Riley (reporting excess amount for reimbursement) is also problematic for the undue travel reimbursement process.

Also, in order to examine the moral justification of the unethical situations, students were asked to provide possible reasons that these incidents happen in the U.S. organizations. Students reported that the flight delay is an inevitable situation and that being on time for the meeting is a required professionalism to the managers/officials, displaying more rooms for tolerance for the travel reimbursement case, regardless of the sector treatments. However, for the case of conflicts of interests and bribery in personnel hiring, the process of justifications was less apparent while a few students described it as



a generic power game, a lack of funding in the hiring organization, or simply a networking practice.

The specific names (Jessie, Riley, and Casey) are used to increase the contextual reality of the vignettes which are the top three most common unisex names in the U.S. based on the data from the U.S. Social Security Administration (Flowers, 2015). The gender perception of the name Jessie and Casey were also asked during the pilot study and most of the students mentioned that there was no gender image drawn as reading the scenarios for either case. For those who pictured Riley and Casey as men said it was due to the positional description as a manager and the nature of the misbehavior. Also, students who have friends with the name of Riley or Casey are more likely to associate their friend's gender, regardless of the scenarios. The respondents' perception of work affiliation and the perceived corruptiveness of the behavior might be affected by the perceived gender of the purveyor, but the stereotypical perception on gender is beyond the scope of this dissertation, and the random assignment of the scenario would control the unsystematic gender perceptions towards sector affiliation, types of ethical violation, and positional description. The revised eight scenarios were randomly assigned for the second pilot study on MTurk platform to obtain 80 valid responses in April 2019 with open-ended questions, which confirmed that no further information about the situation is needed to answer the questions.

### 4.3. Experimental Process

The actual experiment is conducted using the Qualtrics survey platform, and the randomization process is done through Qualtrics' randomizer with the even group size feature. The respondents were randomly assigned to one of the eight vignettes to obtain an unbiased estimate of the effect of the sector treatment. As previously discussed, social desirability bias would be a concern if the respondent is aware of the treatment comparisons. However, respondents were not aware of the experimental treatment as the purpose of the survey was to study work and social values of the respondents, mediating the risk of social desirability bias that is particular to the sector affiliations, along with the randomization technique. More importantly, social desirability bias can influence the response itself, regardless of the treatment cues, given that the questions are ethics-related questions. However, the intentions or motives of socially desirable responses would be no way different in the base case relative to other treatment groups such that examining the differential effect of perception of sector on moral tolerance would not be systematically problematic. In other words, tolerance level reported may be biased by the social desirability bias, but such bias can be observed across the group including the base case such that the main causal relationship of the interest still holds the merit of study. Furthermore, before respondents complete the survey, the survey collected a measure of social desirability bias to control for the unbiased estimates of the effect of perception of sector, if any.

Once the randomized scenario is given to the respondents, respondents were asked to locate how much they think the unethical behavior of the protagonist of the

scenario (Jessie, if S1 is assigned and Casey, if S2 is assigned) is acceptable, from a scale of 0 to 100, to capture their moral tolerance. Other scenario-contingent questions were also asked such as the perceived prevalence of the described practice in the U.S. organizations, the assumed percentage of U.S. population considering the situation as corruption if corruption is defined as the misuse of an authority, position, or discretion for personal or organizational gain, and the most critical reason why the incidents like the one described is happening in U.S. organizations to qualitatively sort out how the sector perception appears to be a source of intolerance or moral evaluation in general. Although open-ended questions require more time and effort, and therefore, take a higher cost per completed questionnaire (Peterson, 2000), employing a combination of open- and closed-ended question can capture some of the advantages of both approaches (Finch, 1987). Furthermore, open-ended questions allowed the researcher to address the Bot issues by sorting out the irrelevant context in the response supposedly answered by a computer system. The detailed questionnaire and the survey flow are presented in **Appendix A and B**, respectively.

#### 4.4. Study Sample

The survey experiment is created using Qualtrics software and administered online to U.S.-based respondents who volunteered to participate for a cash payment of \$1.00 through Amazon's Mechanical Turk (MTurk) crowd source marketplace. The size of the final sample of the experiment is 1,569 respondents surveyed in July and August 2019. To recruit participants, the task description informed the potential participants in

the MTurk platform that they would be asked to complete the 2019 Citizen Value Survey examining the citizens' beliefs and attitudes on their work and social life. Once the researcher published the survey on the MTurk platform, MTurkers can either find the survey on the recent list of the Human Intelligence Task (HIT) or get a notification based on the keywords provided by the researchers. The researcher set the target number of responses submitted (or approved), and the survey is a first-come, first-served process. The respondents were free to drop out at any time during the survey but were only paid upon completion. To ensure the validity of the results, several important procedures were implemented. First, the survey was restricted only to workers who resided in the U.S. Second, a prescreening measure is used in order to prevent MTurkers from taking the survey twice (using in-house qualification criteria), outside of the U.S., or using proxies to block their location (using an IP and VPN detection code). Finally, to ensure that the participants paid attention to the information provided, the screens for the questionnaires were timed and limited to proceed within a short period of time (e.g. 5–15 seconds) (Fleischer et al., 2015).

The initial Human Intelligence Task (HIT) (that is, a survey task) was opened to participate without any prescreening measures (e.g. qualification requirements other than IP detection) to minimize any selection bias (Chandler et al. 2014) in July 11, 2019 and then after the first HIT is closed, another HIT only available to government sector workers was opened to collect data in July 20, 2019. The two in-house qualification criteria are used: (1) employment industry: Government & Non-Profit and (2) employment sector: Non-Profit to target government sector workers, and the survey

description is only displayed to those who satisfy these criteria (i.e. ‘True’ for the former and ‘False’ for the later) and have not participated in the previous HITs (the earlier one without these qualifications and the pilot study). The first HIT collected 1,403 respondents within a day, but the second HIT was much slower and took almost three weeks to collect 179 responses, partly because the initial pool in MTurk that has information for both criteria is limited apart from the size of the pool who satisfied the conditions. The total number of people who accessed the survey through MTurk platform was 1,852 where 100 respondents dropped out after checking participant criterion written in the warning and introduction page (before the participation consent page) and 94 are automatically screened out after an embedded IP check as they are either not based on the U.S. or they use a VPS or VPN to block their IP address. Because MTurkers can participate in the HIT by simply clicking the button “Accept and Work” in a list of HITs without reviewing the description of the HIT in detail, a large number of people dropping out earlier in the warning and introduction page is not surprising. Among those who passed the IP check and proceeded to the participation consent page (1,658 respondents), attrition rate is 4.64% (77 respondents)<sup>5</sup>. After eliminating the respondents who responded from outside the U.S. but could finish the survey due to the IP check error and the time outliers (1% and 99% percentile), the final sample of study became 1,569<sup>6</sup>.

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<sup>5</sup> MTurk samples are said to be at risk of worker non-naïveté and selective attrition as a function of experimental condition posing a risk for both completeness and the accuracy of inferences drawn (Chandler et al., 2014). However, among the 77 dropouts, about a half stopped responding before the experimental condition is given and about 10 dropped out at the scene of the scenario or during the scenario-related question, and the rest dropped out during the work-related questions. Relative to a large number of observations, it is difficult to argue that the responses obtained are contaminated by selective attrition.

<sup>6</sup> Two main factors are considered to determine the number of respondents required in the study: the power analysis to ensure certain effect size and the budget. The priori power analysis using G\*Power has shown that with eight experimental groups, for the power of 95% and  $\alpha = 0.05$ , the effect size of 0.20

Details about the MTurk population, screening and qualification processes, and implications for generalization from MTurk sample are discussed extensively in Chapter 5.

Among 1,569 respondents, 67% are employed full-time and 14 % are part-time employees. Compared to the national demographics in 2016, more full-time and part-time workers were captured in the current study (48% and 11%, respectively). About 5.5 % are unemployed looking for a job, 2% unemployed, not looking for a job, 2.4% retired, 1.8% disabled, and 4% are students. About 48% are female respondents, 77% are White, one-tenth are Black or African American, and about 13% have identified themselves as Hispanic across the ethnic groups. On average, the respondents are 38 years old ranging from 18 to 78 years old with a median age of 35 years old. The respondents are slightly more liberal than conservative as it is often considered as a character of an MTurk sample (Berinsky et al., 2012; Huff and Tingley, 2015; Clifford et al., 2015). Accordingly, about 41% of the respondents identified themselves as Democrat, less than one-fourth as Republican, about 28% as independent, while about 2.6% said they do not have any political affiliation. The household income was surveyed using a categorical variable and the mean value is 3.41 which is at the level of \$40,000 - \$59,999, slightly lower than the U.S. national average (Difallah et al., 2018). About 42% are married which is slightly lower than the 48% in general population in the U.S., and 37% have a child. As a common feature of an MTurk sample, the current MTurk sample is also more educated

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requires total of 601 respondents, the effect size of 0.15 requires 1,094 respondents, and for the most conservative case (effect size of 0.10), the sample analysis requires 2,448 respondents. Given the budget limitation, the moderate level of power with the effect size of 0.15 was targeted that would provide at least a valid empirical result to test the theoretical hypotheses.

than the general population as 57% have a BA or a higher degree while only 30% and 50% hold bachelor's degree or higher for the probability sampling based on US Census Bureau (2016) and American National Election Study Survey (ANES) (2016), respectively. This is partially explained by the younger age of MTurkers but may also reflect higher levels of education among early adopters of technology and their participation in gig economy such as Turking.

#### 4.5. Validation of Experiment

Two questions are important to address before assessing the empirical merits of the theoretical propositions. First is whether the experimental groups are not different in a significant way at the outset and second is whether the experimental treatment is successfully triggered. All characteristics potentially affecting respondents' moral acceptability should be equally distributed across the groups by design (i.e., obtaining balanced treatment groups), and the posttest treatment estimates are therefore unbiased ensuring the causal interpretation. **Appendix C** compares mean scores of employees' trust in different social institutions, moral disengagement, as well as a series of background variables (i.e., demographics and work-related factors) by treatment groups. As the respondents are randomly assigned to scenarios, no systematic differences in the distribution of covariates across the eight experimental groups is expected. Means are tested using ANOVA against the mean of the control group of the petty violations (undue travel reimbursement case) to assess whether the randomization was successful in creating similar compositions of working population in the eight groups ex ante and

found that the experiment groups are not marked by any significant differences in the distribution of covariates except for having a child (significantly different at 5% level). Given that there are more than twenty covariates compared and only one variable is statistically different across the treatment groups at 5% level, it is not overly concerning that the main findings are merely a product of an initial difference between having child or not. However, in regression analysis, covariates in which the mean difference is significantly different at 10% level are included to control for potential bias it may cause – as discussed in Section 7.1. Lastly, the level of moral disengagement and current sector affiliation were also not statistically different across the experimental groups.

Secondly, to examine whether the treatment was successfully implemented, the manipulation check question was asked (Cozby, 2009). Asking the work affiliation of the protagonist, there is a “correct” answer that would correspond to the given scenario, providing evidence that the respondents read the vignette and correctly remember the treatment. About 79% of the respondents correctly identified the work affiliation of the wrong doer. The average rate is lowered due to the respondents who were assigned to the base case where no sector information is given. As it is cognitively difficult to be confident of the absence of the information and select “not indicated” among other choices, a relatively lower rate was expected for those who were assigned to the base scenarios (61% and 71% for base case of S1 and S2, respectively). For all the other sector treatment cues, the rate of successful identification was above average at the range of 79 to 90 per cent. Given that the treatment was a subtle cue about the sector affiliation of the wrong doer, this result suggests that the manipulation was moderately effective. A



robustness check is conducted to consider the factors affecting the probability of the correct identification of the treatment cues, which is further discussed in the result section, particularly in Section 7.1.2.

## CHAPTER 5

### ONLINE EXPERIMENTS: AMAZON'S MECHANICAL TURK

Amazon launched Mechanical Turk (MTurk) in 2005 as a crowdsourcing website where employers can outsource jobs or tasks to a large group of people, who could pick and choose any specific job or task to complete for the pay the employer was willing to offer (Mason and Suri, 2012). Now, MTurk has a database of over 500,000 workers from over 190 countries (Amazon Web Services, 2016). According to Stewart et al. (2015), the average lab reaches about 7,300 MTurkers while an earlier estimation was between 15,059 and 42,912 and that 80% of the tasks are carried out by the 20% most active (3,011-8,582) Turkers (Fort et al., 2011). MTurk has been successfully used in academic research (Samuel, 2018) for both survey and experimental research in social psychology (Buhrmester et al., 2011; Ferguson et al., 2019), clinical psychology (Strickland and Stoops, 2019), political science (Schneider et al., 2016; Berinsky et al., 2012), economics (Arechar et al, 2018; Horton et al., 2011), public management (Thomassen et al., 2017; Jilke et al., 2016; Marvel, 2015) and in organizational studies in general (see Keith et al., 2017). The demographics on MTurk have been studied extensively (Paolacci and Chandler, 2014) finding that samples from well-constructed surveys and experiments, as noted by Buhrmester et. al. (2011), “are at least as reliable as those obtained via traditional methods,” particularly comparing with the student population (Chandler et al., 2014; Roulin, 2015), and no more problematic than other approaches using social media or face-to-face behavioral testing (Casler et al., 2013). The MTurk population is particularly useful in experimental research in public administration and data collection

from citizens (Stritch et al., 2017) which is already a popular practice in the political science field (Faravelli et al., 2017; Schneider et al., 2016; Berinsky et al., 2012). It is a popular and methodologically sound platform used by many social scientists to remedy issues with low response rates, the availability of relatively diverse and large respondents, thereby, mediate small sample size problems and high recruitment costs associated with traditional lab and survey experiments. While there are issues of selection and representation associated with MTurk, such caveats are discussed further in relation to the implications and contributions of the empirical results of the current study.

MTurk offers many advantages, including its cost and speed. A low-cost alternative for survey experiments offers many researchers the opportunity to conduct studies (Porter et al., 2019). Even relatively small population-based surveys and survey experiments can easily cost more than \$15,000 (Mullinix et al., 2015: 110) while the cost of the current dissertation was less than \$3,000 (paying \$1.00 for the participants, qualification requirement fee for government sector workers, and MTurk fee paid to Amazon) for pilot tests and the two HIT assignments. When paying \$0.50 to participants, Berinsky et al. (2012, 353) was able to recruit approximately 300 participants per day. As the MTurk population has continued growing, the current dissertation recruited more than 1,400 participants in a day (without any qualification requirements) and obtained about 200 government sector workers for three weeks (with qualification requirements). MTurk samples are not representative of the general population as in the population-based surveys. However, MTurk samples have been shown to be more diverse and demographically representative than other convenience and student samples in social

science research (Berinsky et al., 2012; Renzetti and Lynch, 2018) as in the case in the current dissertation (see **Table 2** and **Appendix C** for sample characteristics). In order to measure the inherent variability, the experiment needs to have a sufficient number of experimental units to create the distribution of data for valid comparisons of treatments (Fisher 1947; Easterling, 2015). MTurk is particularly beneficial in that sense, strengthening the statistical experimental error over a large sample, considering the cost and the availability of respondents.

### 5.1. MTurk Sample Characteristics and Data Collection Process

MTurk samples are often more representative of the U.S. population than in-person convenience samples (Chandler et al., 2014) or social media or web-based data (Clifford et al., 2015) but are less representative than subjects in professional online-based panels (e.g. Qualtrics, StudyResponse, Zoomerang) or national probability samples (such as election surveys) (Berinsky et al., 2012; Arditte et al., 2016). Nonetheless, MTurk can provide national coverage of relatively large numbers of participants at relatively low costs, allowing the reliable measures for the studied constructs (Baer et al., 2018). As is typical with MTurk samples, the respondents for this study tend to be younger (Berinsky et al., 2012; Paolacci et al., 2010), educated (i.e. at least some college experience), Democratic, and liberal (Berinsky et al., 2012; Mullinix et al., 2015), and Whites and Asian Americans are overrepresented while Latinos and African Americans are underrepresented (Berinsky et al., 2012).

In order to examine the effect of work experiences on the public tolerance of unethical behaviors of public and private sector leaders, employment status would be an important factor to consider as well. Some scholars are concerned that MTurk respondents might all be unemployed or overwhelmingly drawn from a small number of industries. However, the percentage of MTurk respondents employed in specific industries is found to be similar to a national probability samples of Cooperative Congressional Election Survey (CCES) (Huff and Tingley, 2015). The percentage of government sector workers without any prescreening qualification (i.e. the first HIT in this dissertation) was 15.5% compared to the 2016 U.S. labor statistics of 14.7%. MTurk attracts more self-employed workers when no qualification was imposed as the freelancers may have a better access to the side work of participating in MTurk in terms of time and space (15% relative to 6.14% in the U.S. labor statistics). Non-profit sector workers captured in the data were similar to the U.S. working population (7.59% and 7.88% respectively).

When recruiting rare populations (e.g. government sector workers as they only accounts for only about 15% of the U.S. working population), it is essential to use prescreening measures such as masking qualification criteria or preventing duplicate responding to reach to the target populations and to prevent fraudulent responses (Chandler and Paolacci, 2017; Buhrmester et al. 2018). Although the objectives of the study are to examine the public tolerance, to better compare the working population of the public and private sector by balancing the sample size, the second HIT was published to oversample public sector workers. Therefore, the final sample included 50% of the

respondents working in the business sector, 20% in government (5.6% in federal, 9.47% in state, and 5.8% in local government), 8% in non-profit and 13% were either self-employed or business owners, slightly oversampling the current government sector workers in the sample. The potential motives of online-platform workforce and its implications are discussed in Section 5.4.

Several methodological concerns about MTurk samples in academic research have been extensively discussed in other studies (see, for example, Chandler et al., 2014; Hunt and Scheetz, 2018) while the current chapter will mainly focus on validity of the self-reporting and its responses (Section 5.2), quality crisis due to bots (macro program with fraudulent responses) and inattentiveness of the respondents (Section 5.3), and representativeness and external validity of the study based on the MTurk population (Section 5.5). Before discussing the issues of generalizability, motives of MTurking are discussed in detail to examine the validity of comparing public and private sector workers using MTurk sample (Section 5.4). The following sections discuss each concern in detail and how the dissertation deals with the concerns.

## 5.2. Validity of Self-Reporting and the Response Bias in MTurk

Despite the fact that the anonymity and self-reporting would reduce the social desirability bias, anonymity and lack of direct observation can undermine participants' motivation to sufficiently engage with and understand experimental tasks. Although the inattentiveness or response bias issues are not unique to the MTurk population, the physical isolation and experienced paid work mechanism may make them more salient.

However, attention failure rates tend to be in the same range for those employed in the lab or other online environments and those observed on MTurk when similar attention check methods were used (Thomas and Clifford 2017; Ran et al., 2015; Berinsky et al. 2012; Paolacci et al. 2010) while another study found that MTurk workers appear to be more attentive than subject-pooled nationally representative samples (Hauser and Schwarz, 2016) or student populations (McGonagle et al., 2016). Furthermore, consistent with standard judgement or decision making biases, MTurkers are also risk-averse for gains, risk-seeking for losses, and showed delay or expedite asymmetries, certainty effect, framing effects, conjunction fallacy, and outcome bias with almost no significant differences in effect sizes from other samples (Walter et al., 2018; Goodman et al., 2013; Paolacci et al., 2010). Walter et al. (2018) examined series of psychometric properties and found out that the MTurk responses generally fall within the credibility intervals of existing meta-analytic results from conventionally sourced data inferring that the potential self-reporting and response biases do not seem to be statistically different from the responses from any other sources or in daily life. Despite the concerns on the inattentiveness of MTurk populations, it is also unclear that people are especially attentive in any other aspects of their daily life and decision making (Fiske and Taylor, 2013). Nonetheless, in order to address the potential issues of inattentive, inconsistent, and patterned responding, the dissertation adopted series of remedies.

By large, one remedy is addressed in research design portion and the second is post-hoc approach after the responses are gathered. During the survey, participants were given a comprehension question about experimental materials (see Berinsky et al. 2014;

Horton et al., 2011), the webpages for certain questions were restricted to move forward right away given the interval of 5-15 seconds depending on the length and importance of the questions, and lastly the response time was timed for each page and response. For the post-hoc approach, outliers in time needed to complete the survey were examined for pattern responding, the time outliers were excluded for the analysis, and the detected IP addresses were compared. As discussed in the validation of the experiment (Section 4.4), the manipulation check showed 79% of the respondents correctly identified the treatment cue. Given that the treatment was moderately imposed on participants and it includes two base cases with no sector information, the attention rate is a moderate level compared to other online experimental studies. There was no observable pattern responding in the final responses, and partly because the participation was strictly excluded based on the detected IP addresses, there were no duplicate IP addresses.

Utilizing attention or comprehension check after experimental materials raises the concerns of post-treatment bias by potentially creating post-exclusion imbalance across experimental conditions (see Thomas and Clifford 2017; Berinsky et al. 2014). Therefore, the failure of the manipulation check is further examined whether it correlates with any variables of interest. As consistent with the findings from Alvarez et al. (2019), younger respondents are more likely to misidentify the treatment cue, although education level was not significantly correlated. The pairwise correlation between correctly identifying the treatment cue and tolerance was significantly negative; however, the correlation was run across different treatment groups for the variables of interest, and there was no significant difference in the size of correlation across different treatment groups.



Furthermore, inattentiveness does not necessarily reduce data quality for all phenomena of interests such as examining the role of stereotypic preconception (Bodenhausen, 1990) which is the core of the sector treatment cue in the current study (Chandler et al., 2014). In other words, it is expected that the perception of sector would also differentially trigger respondents depending on which scenario they encounter based on their stereotypic preconception. Although this is not the main hypothesis of interest, from a theoretical perspective, it is expected that participants who have a stronger disaffection toward political corruption are more likely to remember the treatment when they were assigned to an elected official than that of a business manager and vice versa. Finally, the empirical models were run only with those who have correctly identified, and the relationship of the interests was not different from the model including all samples (see the details in Section 7.1.2). In order to avoid the unnecessary selection bias, the reported final results include all samples with viable responses.

### 5.3. Quality Check in MTurk Survey

There has been a data reliability concern with the MTurk responses due to the discovery of the use of Virtual Private Server (VPS), proxy, and bots in providing or generating responses for the cash payment (Turkrequesters, 2018; Dennis et al., 2018). Accordingly, researchers found different mechanisms to screen out these users. The current study has both ex ante and ex post exclusion where ex ante would by definition prevent participants from completing the survey, therefore, no compensation for them. This is designed specifically to block the non-U.S. residents or non-human responses.

Several warning statements were provided at the beginning of the survey that they are not the subject of interest in the study.

As much of the bots problem are related to IP addresses; first, the appropriate checks using IP addresses were implemented. The IP addresses outside the U.S. are blocked and the respondents are immediately directed to the end of survey as indicated in the introduction of the survey. Furthermore, respondents or bots using a Virtual Private Server (VPS), Virtual Private Network (VPN), or proxy to hide the country were excluded from the survey using a protocol developed by Burleigh and colleagues (2018). This would include those who use ad-block applications, and the participants were advised to turn off the ad-block application before they participate in the survey to screen out possible bots answering the responses, which is a conservative way to address the bot issue. The participants of the study are individuals who currently reside in the U.S. to understand the U.S. culture in the context of public and private sector; therefore, the justification of such block was not violating any exclusion criteria. Second, there are many couples and adult children working on MTurk along with roommates. Participants can discuss MTurk and how they earn money on the platform, so duplicate IP addresses are possible. Therefore, as a post-check, duplicate IP addresses are checked and there were no same IP addresses detected. Once duplication IP addresses were checked, it is unlikely that the same respondent would provide multiple responses as social security numbers are verified by Amazon for federal tax purposes and each worker ID is attached to a single participant making it difficult to generate another account.

Third, the response format of the survey was designed to enhance the reliability of the responses. First, a reCAPTCHA was used in the introduction of the survey as a way to consent to participate per the institutional review board (IRB) and to continue the survey which can block the participation of bots. The use of reCAPTCHA in the introduction page was particularly useful because it secured the time needed to process the IP check without holding the respondents with no apparent reason. To be secure enough, the survey questionnaire included two ‘fill in the blank’ questions in the mid and the end of the survey. Because both inattentive participants as well as bots would provide an irrelevant response to the questions, the different response format provided a means to sort out invalid responses.

#### 5.4. Motives of MTurkers and Public Sector Workers in MTurk

The target population of the study is the working population of the U.S., with a particular focus on the differences between public and private sector worker experiences in their tolerance of unethical behaviors of public and business sector leaders. Therefore, it is important to consider how the causal effects may vary across these different subgroups of the working population. As it is important to consider how individual differences in financial and social domains may interact with the experimental manipulation in any ways (Goodman et al., 2013; Huff and Tingley, 2015), this section examines the motivation to participate in the online labor market and its possible implication in serving the purpose of the current study.

With regards to the financial domain, several studies have found that MTurk is a supplementary income source rather than the primary or sole source of income for the MTurkers (Behrend et al., 2011; Mason and Suri, 2012; Paolacci and Chandler, 2014) and that the MTurk workers often report lower annual household income than the average of U.S. population (as is the case in the current study) (see the introduction of Chapter 5). Furthermore, MTurk participants value money more than their time compared with the community sample and they also score higher on materialism (i.e. the values attached to the material goods in the respondents' lives) but similar to students' valuation of money and time (Goodman et al., 2013). The most common motivation of registering as an MTurk worker is to make money followed by filling spare time, finding the HITs interesting, educational, or fun (Paolacci and Chandler, 2014). It is not surprising, therefore, that the most commonly used criterion for participation is by compensation, leading the "high-paying" (e.g., \$1 or more; or corresponds to federal-level minimum wage) HITs to be completed most quickly (Buhrmester et al., 2011). Interestingly, though, research suggests that payment does not appear to affect the response quality (Buhrmester et al., 2011; Mason and Watts, 2009).

Despite an increase in digital platform markets such as Uber, Lyft, airBnB, or MTurk, there is a lack of data on the labor activities at the national level (Katz and Krueger, 2019). The Current Population Survey (CPS) initiated such effort in 2018 to investigate the electronically mediated workers along with their general population survey, which are defined as short jobs or tasks that workers find through websites or mobile apps that both connect them with customers and arrange payment for the tasks,

either working as a main work, a second job, or an additional work for pay. According to the survey, 75.8% of the nationally represented respondents worked in business while about 14% worked in government, and 9.9% were self-employed (CPS, 2018). The distribution is, in fact, similar to the current MTurk study for the first HIT that did not have any required qualification, suggesting that the MTurk sample is not particularly different from those who participate in any other digital labor economy in terms of their primary sector of employment. Given that it oversampled public sector workers using the MTurk's in-house record of the workers, about 21% of the sample is public sector workers at all levels of government (higher than the representative population, 14.7% in 2016 according to the Bureau of Labor Statistics). Among the 21% of government sector workers, 73 (26%) are from federal, 128 (46%) are from state, and 78 (28%) are from local government which are different from the general working population of the U.S. (13%, 23%, and 65% for each, respectively as of July 2019 according to the Bureau of Labor Statistics). Although the current study does not attempt to compare government employees at different levels, the fact that local government employees are not well captured in the sample requires a closer scrutiny. Among state and local government workers, about 48% and 41% of the respondents are working in educational institutions (e.g. state college/universities or in school district) compared to 48% and 55% in national employment status in the U.S. (Bureau of Labor Statistics, 2019).

Government sector workers captured in the MTurk sample were relatively older than business sector workers (which is the case in the representative working population as well), slightly more likely to be a female, less likely to be White, and more educated

(i.e. more likely to hold master's degree and higher) even when those who work in educational institutions are excluded. Public sector workers in the sample were also more likely to be married and have children which might be a reason for the public sector workers to participate in the platform economy as a side job. In fact, participating in the MTurk platform can be a second stream of income for public sector workers as long as it does not violate the ethics rule of employment (e.g. conflict of interests, working in a financial or procurement processes), as it has been promoted by the media during the government shutdown of 2018-2019 (Healy, 2019; O'Donovan, 2019). Government employees' moonlighting activities have been examined from the perspectives of public-private wage differentials in the past; however, with rising consumer demand patterns in this sector of the platform economy and changing feature of the U.S. labor market (Dokko et al., 2015), some full-time workers performing on-demand jobs as secondary or tertiary employment do not seem to be limited to any one particular sector workers' employment trend (Wile, 2015).

### 5.5. External Validity: Representativeness and Generalizability

Often cited limitation of MTurk sample is its representativeness over the general population. The dissertation is interested in estimating causal effects, not descriptive population parameters; therefore, a descriptively representative sample, or surface characteristics of the surveyed population or the general population, is not as critical as answering the following question. Is it reasonable to expect that some individuals outside MTurk will respond differently to the experimental treatment or would MTurk population

be atypical in a particular dimension such that the effect of perception of sector on moral evaluations is different among the other populations in the U.S.? Given that the MTurk samples are not entirely representative in terms of the money and time incentives, the monetary amount of the scenarios (\$150 or \$15k) might trigger the MTurk population more severely than it does to the representative population. However, in relation to the sector treatment effect, it is hard to imagine that the MTurkers would experience a differential triggering effect of money across different sector treatment cues that might be meaningfully different from the sector treatment cues that the non-MTurkers would perceive. The MTurk population is slightly more liberal than the general population and the liberals tend to be more forgiving and tolerant of the unethical behaviors or at fault, therefore, the findings from the current study might have suppressed relationship than that conducted across the general population. In other words, if more conservative and less tolerant population is included in the survey, they are more likely to react to the unethical behaviors of the social leaders (perhaps more so toward the unethical behaviors of the public authorities), making the treatment effect larger than the one observed in the current study.

Nonetheless, with regard to experimental designs, the past research examining the MTurk platform has generally replicated various common experimental paradigms and effects (Paolacci et al., 2010; Horton et al., 2011; Berinsky et al., 2012) suggesting a level of generalizability in social behaviors or behavioral intentions (Keith et al, 2016). Furthermore, experiments do not necessarily have to rely on random samples (Bouwman and Grimmelikhuijsen, 2016) or nationally representative population (Mullinix et al.,

2015), and the MTurk platform provides opportunity to examine a broader population for public experiments interested in their attitudes and opinions (Jilke et al., 2016; Stritch et al., 2017). Furthermore, given the acknowledgement of potential limitations of the study sample, any research population is likely to be atypical on some dimensions and all samples are samples of convenience as Shadish and colleagues (2002: 18) said, “most experiments are highly local but have general aspirations.”



## CHAPTER 6

### MEASUREMENT

#### 6.1. Dependent Variable: Moral Tolerance

After a scenario is randomly given to the respondents, moral tolerance as a result of evaluative process is measured by asking the following question: “To what extent do you think it is acceptable for Jessie to claim the transportation expense in this manner? and “to what extent do you think it is acceptable for Casey to recommend a relative in this manner?”. Instead of using a categorical variable (i.e. acceptable-not acceptable format), a 0 to 100 scale is used to have a magnitude to moderate the inability of providing quantitative measures of subjective questions (Iarossi, 2006). For the scale format, visual analog scales (VAS), a 10-cm line with the marked position converted to a 101-point scale (0–100) was displayed on which respondents place a mark to provide a rating. Because it might generate cognitive complexity, only the extreme values and the middle points were labeled in a scale from definitely not acceptable, somewhat not acceptable, middle of the road, somewhat acceptable, and definitely acceptable (Weijters et al., 2010). (See Gil and González-Rodríguez (2012) for the discussion of 0-100 scale vs. Likert scale and Lewis and Erdinç (2017) for VAS scale vs. Likert scale).

As shown in **Table 2**, on average, respondents exhibited more tolerance towards a smaller scale violation of organizational rule (mean=38.93) than in a larger scale violation of democratic principles (mean = 22.84). The skewness of the responses is also different in the two scenarios (skewness = 0.36 vs. 1.15, respectively). By the sector treatment cues, in a petty violation of organizational rules (S1), the public is least likely

to tolerate the elected officials' ethical violations (mean = 27.79, std. err. = 1.92), followed by public managers (mean = 37.32), business managers (mean = 43.53), and the base case (mean = 48.02). For the large-scale violation case (S2), public managers were the least tolerated group by the respondents (mean = 19.76, std. err. = 1.75) followed by the base case (mean = 21.76), elected officials (mean = 23.99), and business managers (mean = 25.81). The variance across the sector treatment cues was greater in a small-scale violation of organizational rule than a large-scale violations of equal and fair opportunities in hiring process. In other words, a stronger consensus in a large-scale violation indicates the lesser amount of moral ambiguity in the scenario than the petty violation of organizational reimbursement policy.

**Table 2.** Summary Statistics of the Variables of Interest

Variables	N	mean	Std.dev.	min	max
<i>Dependent variable (by experimental group)</i>					
Tolerance: Violation of organizational rule	769	38.93	32.85	0	100
S1_B: Base	179	48.02	32.96	0	100
S1_BM: Business manager	197	43.53	34.65	0	100
S1_PM: Public manager	194	37.32	33.11	0	100
S1_EO: Elected official	199	27.79	27.02	0	100
Tolerance: Violation of democratic principles	800	22.84	27.07	0	100
S2_B: Base	190	21.76	24.97	0	90
S2_BM: Business manager	203	25.81	29.21	0	100
S2_PM: Public manager	205	19.76	25.06	0	100
S2_EO: Elected official	202	23.99	28.46	0	100
<i>Moderators</i>					
Years of work experience in for-profit	1,463	10.07	9.724	0	50
Years of work experience in government	1,463	2.434	5.647	0	39
Moral disengagement	1,569	12.19	9.509	0	48
<i>Covariates</i>					
Age	1,569	37.92	11.75	18	78
Woman	1,561	0.479	0.500	0	1
Hispanic	1,569	0.129	0.336	0	1
Minority	1,569	0.150	0.357	0	1
Have a child	1,564	0.366	0.482	0	1
Married	1,551	0.418	0.493	0	1
U.S. citizen	1,569	0.985	0.120	0	1

Education level	1,569	4.310	1.306	1	7
Household income	1,536	3.412	1.662	1	7
Employed	1,569	0.84	0.366	0	1
Sector affiliation: For-profit	1,319	0.561	0.496	0	1
Sector affiliation: Government	1,319	0.212	0.409	0	1
Sector affiliation: Non-profit	1,319	0.10	0.295	0	1
Sector affiliation: Self-employed	1,319	0.131	0.338	0	1
Trust in federal government	1,569	2.187	0.827	1	4
Trust in state government	1,569	2.426	0.792	1	4
Trust in local government	1,569	2.599	0.770	1	4
Trust in large corporations	1,569	2.064	0.787	1	4
Trust in small and medium-sized business	1,569	2.889	0.711	1	4
Political view (More conservative)	1,569	4.222	2.910	0	10
Social desirability bias	1,569	22.05	7.235	0	40
<hr/> <i>Experimental covariates</i> <hr/>					
Perceived prevalence: Violation of organizational rule	769	2.56	0.87	1	4
Perceived prevalence: Violation of democratic principles	800	2.62	0.85	1	4

## 6.2. Work Experience in Public and Private Sector

As the research question is to understand the institutional influence of public and private sector work experiences on the evaluation of public and private leaders' misconduct, information of their work experiences is gathered. The survey not only asked the sector affiliation of the current workplace but also requested to provide years of work experiences in different sectors – federal, state, and local government, non-profit organization, for-profit business organization, and self-employed. The responses from the two questions were cross-checked to examine the validity of the response. On average, the respondents have worked in for-profit organizations for about 70% of their total work years and the minimum and maximum years of work experience in for-profit organization in the sample was 0 to 42 years. About 15% of total work years were spent in government agencies either at federal, state, or local government with the years of work experience in

government ranging from 0 to 32 years. The measurements and questionnaires for demographic information (e.g. gender, age, race and ethnicity), socio-economic status (e.g. educational level, marital status, children, political affiliation, household income), and other work-related factors (e.g. employment status, past work experiences, work position, sector affiliation, and hierarchical position) are shown in **Appendix A**.

### 6.3. Moral Disengagement

The measure of moral disengagement was developed by Bandura (1999) with 32-item scale proposing that people often disengage the self-regulatory processes through anticipatory “moral disengagement” processes. Moral disengagement frees the individual from the self-sanctions and guilt that would normally accompany violations of one’s ethical standards. Moore et al. (2012) have developed the reduced 8-item version of moral disengagement scale which is widely used in social psychology in organizational context (Kouchaki and Smith, 2014; Cohen et al., 2014) and leadership studies (Valle et al., 2019; Moore et al., 2019; Bonner et al., 2016) (See **Appendix A** for the items tested). The internal consistency of the 8-item was 0.87 and the measure is constructed by a simple sum of the eight items and centered at 0, ranging from 0 to 48. Public sector workers displayed the highest moral disengagement scale (mean=15.26, se=0.69) followed by the self-employed (mean=11.98, se=0.66), for-profit sector workers (mean=11.65, se=0.33), and non-profit sector workers (mean=10.21, se=0.70).

#### 6.4. Covariates

*Trust in social institutions.* The first part of the questionnaire asked the level of trust in social institutions, particularly in government (federal, state, and local) and business entities (large corporation and small and medium-sized business). Social institutions were displayed in random order and asked before the scenario was provided. Given that the degree of psychological and information proximity between citizens and governments affects the level of public trust (Mutz and Flemming, 2018), different levels of government were asked separately. The performance of governments and political institutions is long been known as one of the causes of diminished public trust in government (Newton and Norris, 2000). Moreover, in forming impressions and attitudes, morality information tends to dominate (objective) performance information (De Bruin and Van Lange, 2000), and moral evaluations are rooted in motivated reasoning anchored in political beliefs and ideology (Hatemi et al., 2019). The question was devised based on the trust and confidence in social institution questions in public opinion surveys such as Gallup, Pew research, General Social Survey (GSS), World Values Survey, and national election survey (NES) (see Cook and Gronke (2005)). The respondents have the highest trust in small- and medium-sized business (mean = 2.89), local government (mean=2.60), state (mean=2.43), and federal government (mean=2.19) with the large enterprise ranking the lowest (mean=2.06) which are consistent with other public opinion surveys such as Pew Research Or Gallup.

*Socially Desirable Response bias.* In a high situational demand such as in ethical decision-making processes, respondents may deliberately distort their answers to manage

a certain impression of themselves (Steenkamp et al., 2010). The risk of socially bias responses is first mediated by experimental design with confidential self-reporting online surveys (Lee, 1993). However, to control the response bias in the analysis, the dissertation adopted the reduced version of Balanced Inventory of Desirable Responding (BIDR) (Paulhus, 1984). The initial BIDR measure consists of a 20-item of self-deception enhancement scale (honest but overly positive responding, e.g., “I never regret my decisions.” Or “My first impressions of people usually turn out to be right.”) and a 20-item of impression management (IM) scale (bias toward pleasing others, e.g., “When I hear people talking privately, I avoid listening.” Or “I never cover up my mistakes.”). There has been a great effort of reducing the length of the survey items from the original 40 items (Asgeirsdottir et al., 2016; Hart et al., 2015). The BIDR-20 (10 items for each dimension) is originally developed in marketing studies – consumer, supply chain, green marketing (Steenkamp et al., 2010) as a part of the effort which has been further used in organizational behavior studies (Chen et al., 2016), in economics of education studies (Bennett et al., 2018) and in experimental studies of public management and political science (Smith, 2016; Tappin et al., 2017). The current study only asked on impression management dimension (10-items in BIDR-20) which has shown higher internal consistencies across different studies and across different populations (Hart et al., 2015). Although two dimensions are found to be distinct in many studies in terms of the dimensionality, they are highly positively correlated (Steenkamp et al., 2010), and the purpose of the measure for this study is not the construct itself but to seek for a propensity for an individual to respond to socially desirable responses in order to ensure

the validity of the survey responses. Given the length of the experimental scenario and questions related to work experience and moral disengagement measure, reducing transient errors as a result of fatigue or boredom was important. The internal consistency of the BIDR-IM measure was 0.76 which is slightly lower than the other studies having a range of 0.77-0.85 for IM (Paulhus, 1991). For the analysis, the 10 items are simply summed and centered around 0. For a full list of the items, please refer to **Appendix A**. The self-employed (mean = 22.92) and the for-profit sector workers (mean =22.30) exhibited higher social desirability bias than the non-profit sector workers (mean = 21.28) or the government employees (mean = 20.93).

## CHAPTER 7

### EMPIRICAL ANALYSIS AND RESULTS

#### 7.1. Moral Evaluation Towards Public Authorities and Business Managers

##### 7.1.1. Average Treatment Effects

To first examine how the public differentially evaluates the unethical behaviors of public and private sector leaders, the average treatment effects across the experimental conditions are first examined using simple OLS regression. **Table 3** provides pairwise comparisons of each sector treatment cue to examine how the tolerance of unethical behaviors is affected by the sector affiliation (sector treatment cues) of the wrongdoer. Relative to the base case where the sector orientation of a wrongdoer is not indicated, generally a petty nature violation of organizational travel reimbursement policy (S1) is more likely to have statistically significant treatment effects on the respondents' tolerance. On the other hand, whether the wrongdoer is the public authority or not does not have a statistically salient effect on the tolerance level of the respondents in the larger scale violations of personnel hiring process (S2). It is expected that the public would exhibit similar moral tolerance toward the unethical or morally questionable behaviors of the public authorities that involve any monetary elements; however, the results show that, the sector affiliation of the wrongdoer plays a more critical role in a smaller scale violation than a larger scale violation.

Comparing public and private sector officials, business managers' misconduct is more likely to be tolerated than that of the public authorities – both public managers and elected officials – on average although the statistical significance differ by the situations.



Elected officials' intentional neglect of the reimbursement policy (S1) is significantly less likely to be tolerated than that of business managers at 1% level ( $b = -15.90^{**}$ ) and that of public managers at 5% level ( $b = -8.04^*$ ). Furthermore, public managers' violation of organizational travel reimbursement policy was marginally less likely to be tolerated than the same misconduct of business managers ( $b = -7.87 \dagger$ ). This suggests that despite the same nature of the misconduct, the public is most likely to be tolerant of the violation of business managers, and then public managers, and elected officials, exhibiting the order effect.

However, the average treatment effect of sector orientations of the wrongdoer on the tolerance level was not observed in the larger scale violation of fairness in personnel hiring (S2) as indicated by the statistical insignificance. As the large-scale violation of democratic norms and principles (i.e. conflict of interest and fairness) has normatively and descriptively less space to dispute its unethicity of the process (that is, the act itself is less likely to be considered as acceptable regardless of who is involved) (see Section 4.2.2.), the variance in the tolerance level induced by "who" the wrongdoer is seems miniscule. Section 7.2 further examines what drives the differing levels of tolerance in a larger scale as the dissertation discusses the heterogeneous treatment effect. In the large-scale violation of social norms and principles, the ethical tone of the practice itself has a greater triggering effect on the respondents' evaluations than who is practicing the potentially unethical behavior. Nonetheless, similar to the case of violation of organizational policy (S1), the public is more likely to tolerate the same misconduct of business managers than that of public managers and elected officials ( $b = -5.74$  and  $b = -$

1.64, respectively). However, unlike the case of a smaller scale violation of organizational rule (S1), the elected officials' violation of democratic norm is more likely to be acceptable than that of public managers (S2) ( $b = 4.10$ ), giving a warrant to examine the public's expectations toward the two different groups of the public authorities. For the robustness check, the average treatment effects were also tested among the respondents who correctly identified their sector treatment cues and the directions and the statistical significance for the pairwise comparisons were same as the ones presented in **Table 3**.

H1A is supported given that the business managers' misconduct is more likely to be tolerated than that of public managers while H1B is in strict sense inconclusive given the differential average treatment effects across the two scenarios. However, in a small scale violation of organizational rule, the elected officials' violation of organizational policy is least likely to be morally accepted compared to public managers or business managers, partially supporting H1B.

**Table 3.** Pairwise Comparisons of Marginal Linear Predictions with and without Covariates (Simple OLS Regression)

	Without covariates	With covariates <sup>1) 3)</sup>	Without covariates	With Covariates <sup>2) 3)</sup>
Contrast (Std. Err.)	S1. Undue reimbursement claims: Violation of organizational policy		S2. Conflict of interest (COI) in personnel hiring: Violation of democratic principles	
No sector affiliation vs. Business manager	-4.48 (3.31)	0.80 (3.25)	4.05 (2.73)	5.12 (2.58)
No sector affiliation vs. Public manager	-10.70 ** (3.32)	-7.07 (3.25)	-2.01 (2.72)	-0.62 (2.58)
No sector affiliation vs. Elected official	-20.23 *** (3.30)	-15.10 *** (3.26)	2.22 (2.73)	3.48 (2.61)
Business manager vs. Public manager	-6.21 (3.24)	-7.87 † (3.14)	-6.06 (2.68)	-5.74 (2.52)
Business manager vs. Elected official	-15.74 *** (3.22)	-15.90 *** (3.12)	-1.83 (2.69)	-1.64 (2.54)
Public manager vs. Elected official	-9.53 * (3.23)	-8.04 * (3.12)	4.23 (2.68)	4.10 (2.53)
Observation	769	762	800	800
Adj. R-squared	0.050	0.152	0.004	0.115

Included covariates are the respondents' characteristics in which the mean difference is significantly different at 10% level across four experimental groups in each scenario:

<sup>1)</sup> Undue reimbursement claims: Hispanic, Education level (Bachelor's degree), Married, Having child, Democrat, Trust in local government, Trust in small and medium sized business, Age

<sup>2)</sup> Conflicts of interest in personnel hiring: Socially desirable bias, Age

<sup>3)</sup> Experimental covariates: Perceived prevalence, Correct response

Standard errors in parentheses

\*\*\* p<0.001, \*\* p<0.01, \* p<0.05, † p<0.10 (Based on Tukey's post-hoc test)

### 7.1.2. Probability of Correct Treatment Manipulation

Given that the perception of sector can induce different levels of triggering effect in conceptualizing the scenarios provided, several demographic and socio-economic factors are examined to estimate the probability of correct manipulation. About 79% of the respondents correctly identified the work affiliation of the wrongdoer. The average rate is lowered due to the base (control) case in which only about 61% and 71% of the respondents who were assigned to the case (in which no sector information is given) identified their treatment correctly, respectively to each scenario (S1 and S2). As it is cognitively difficult to be confident of the absence of the information and select “not indicated” among other choices, a relatively lower rate of correct manipulation is not surprising. Therefore, relative to the base case, the respondents assigned to the case of business manager, public manager, and elected official are significantly more likely to correctly remember the scenario given to them. However, the pairwise comparison of the coefficients confirmed that there was no significant difference across the three treatment cues (business manager, public manager, elected official). Furthermore, whether or not they received the petty rule-based violation case (S1) (78.5%) or the grand principle-based violation (S2) (79.1%) did not affect the probability of the correct recognition of the sector treatment.

Examining the characteristics of the respondents, individuals with longer work experience in federal government are less likely to be attentive or less sensitive to the treatment cues to correctly identify the sector treatment ( $b = -0.05^{**}$ ), while opposite is true for those who worked longer in state and local government ( $b = 0.06^{**}$  and  $b = 0.05^{**}$ , respectively). Individuals who have high moral disengagement are less likely to be attentive and correctly identify the treatment cue ( $b = -0.01^{***}$ ).

Given that the two moderators in interest, years of work experience in public organizations and moral disengagement level, are significantly associated with the probability of correctly identifying the sector treatment cues, whether or not a respondent correctly identified the treatment is controlled as an experimental covariates in examining the public's moral tolerance toward public authorities relative to business managers. Furthermore, all the empirical analyses were also examined only among those who correctly identified the sector treatment cues and the estimates were stronger (in terms of the effect size) or more statistically significant (in terms of the p-value). However, concerned with the selection bias by limiting the analysis to the subgroup of the sample, the presented findings are based on all samples controlling for whether the respondents correctly identified the given treatment or not.

## 7.2. Heterogeneous Treatment Effect: Public and Private Sector Work Experience

As suggested in Chapter 3 with a series of hypotheses, the dissertation examines two moderators to better understand the nuances hidden underneath the average treatment effects. The key moderator is the respondents' years of work experience in either

government or business organizations as to capture the effects of the exposure to each organizational environment and value. A higher-order moderator considered is the moral disengagement, a cognitive moral reasoning process of an individual that restructures the morality of an unethical behavior. This section, first, discusses the findings of the moderating effects of the key moderator, years of experiences in government or business organizations.

A joint effect of sector affiliation and moral tolerance can be examined through the cross-comparisons between the evaluator's sector experiences and the sector affiliation of the evaluatee (i.e. wrongdoer). How would the respondents' (i.e. evaluators') work experience in government and business organizations affect their moral perception and evaluation of public and business leaders? The full nested models of the analyses are provided in **Table 4** and **Table 5** where model (1) – (3) provide the average treatment effects (ATE) with and without covariates and model (4) – (5) show the heterogeneous treatment effects (HTE). In particular, model (4) examines the moderating effect of work experiences in government and business organizations on their moral tolerance to public and private sector leaders. Model (5), then, examines the three-way interactions of two moderators (years of work experiences in each sector and moral disengagement) and the public authority of a social leader (sector treatment cue) on the respondents' moral tolerance towards the leaders. Both **Table 4** and **5** display the results from the clustered OLS regression results by the current sector affiliation of the respondents.

As shown in model (4) of **Table 4**, the analysis for the petty violation of organizational reimbursement policy (S1), years of experience in either government or business organizations absorb the direct sector treatment effect on the tolerance toward public or private sector managers. Similarly, in the case of the grand, principle-based violation, as shown in model (4) of **Table 5**, the sector treatment does not meaningfully explain the moral tolerance of the public but the interactions with the years of experience in government does. The model was not able to rule out the sampling effect; however, years of work experience in government are negatively associated with moral tolerance ( $b = -0.92^*$ ,  $b = -0.40$  for each scenario) while the interactions with the public sector treatment (i.e. evaluating a public manager and an elected official) are positive for the petty rule violations ( $b = 0.39$ ,  $b = 0.47^\dagger$ ) and negative for the grand principle violations ( $b = -0.57^\dagger$ ,  $b = -0.12$ ). Although the interaction terms with the private sector treatment are not statistically significant, they are positive in both scenarios ( $b = 0.25$ ,  $b = 0.0034$ , respectively). To better understand the moderating effects of the interaction terms, the graphs are shown in **Figure 1A** and **1B** to illustrate the marginal effect of years of work experiences in the case of the petty rule violation and in **Figure 2A** and **2B** to illustrate the marginal effect in the case of the grand principle-based violation.

**Table 4.** Estimates of clustered OLS regression (by sector): The case of violation of organizational travel policy

VARIABLES	(1)	(2)	(3)	(4)	(5)
Undue reimbursement claim	ATE: Without covariates	ATE: With covariates	ATE: With covariates	HTE: Sector experiences	HTE: Three-way interactions
<i>Sector treatment</i>					
2.Business manager	-2.55 (3.30)	-0.76 (2.28)	3.03 (3.71)	0.94 (5.34)	-14.4 (7.99)
3.Public manager	-7.02*	-7.38*	-3.04	-1.77	-21.8 <sup>†</sup>

	(1.26)	(1.66)	(1.54)	(0.96)	(7.97)
4.Elected official	-16.4**	-16.3**	-11.1*	-11.1	-30.1*
	(2.11)	(1.37)	(2.23)	(5.63)	(8.73)
<i>Covariates</i>					
Hispanic		11.4	8.63	6.54	3.56
		(7.75)	(7.16)	(6.92)	(5.33)
Education level (Bachelor's degree)		-1.67	-1.39	-0.80	-0.85
		(2.99)	(3.18)	(2.53)	(3.68)
Married		1.01	0.00055	-0.79	-2.07
		(2.81)	(2.12)	(1.84)	(1.96)
Having child		3.27	4.26	3.88	3.53
		(4.89)	(4.13)	(4.57)	(3.79)
Democrats		6.16	6.48†	6.64†	7.83†
		(3.32)	(2.51)	(2.57)	(2.67)
Trust in local government		4.27†	1.81	2.12	1.47
		(1.54)	(1.24)	(1.13)	(0.87)
Trust in small business		0.24	1.29	1.34	1.73
		(1.25)	(1.06)	(1.79)	(1.49)
Age		-0.25*	-0.20†	0.22	0.15
		(0.060)	(0.080)	(0.25)	(0.23)
<i>Years of work experience in...</i>					
For-profit organizations				-0.47	-0.70
				(0.22)	(0.35)
Government organizations				-0.92*	-2.23**
				(0.24)	(0.19)
Non-profit organizations				-0.51	-0.25
				(0.36)	(0.32)
2.Business manager*Years of for-profit experience				0.15	0.54
				(0.10)	(0.34)
3.Public manager*Years of for-profit experience				-0.12	0.90
				(0.26)	(0.41)
4.Elected official*Years of for-profit experience				-0.074	0.40
				(0.16)	(0.30)
2.Business manager * Years of govt experience				0.25	0.86†
				(0.50)	(0.35)
3.Public manager * Years of govt experience				0.39	2.28*
				(0.34)	(0.46)
4.Elected official * Years of govt experience				0.47†	2.51**
				(0.18)	(0.23)
Moral disengagement					-0.18
					(0.47)
Years of for-profit experience* Moral disengagement					0.034
					(0.027)
Years of government experience* Moral disengagement					0.10*
					(0.020)
2. Business manager * Moral disengagement					1.01
					(0.44)
3. Public manager * Moral disengagement					1.54*
					(0.46)
4. Elected official * Moral disengagement					1.34*
					(0.38)
2.Business manager *For-profit work exp.*Moral diseng.					-0.027
					(0.032)
3.Public manager * For-profit work exp.*Moral diseng.					-0.091*
					(0.019)
4.Elected official * For-profit work exp.*Moral diseng.					-0.034
					(0.024)
2.Business manager *Govt work exp.*Moral diseng.					-0.014
					(0.030)

3.Public manager *Govt work exp.*Moral diseng.					-0.14† (0.049)
4.Elected official *Govt work exp.*Moral diseng.					-0.17* (0.026)
<i>Experimental covariates</i>					
Perceived prevalence of the unethical behaviors			-8.26*** (0.52)	-8.05** (0.63)	-7.13** (0.98)
Correct response			-11.4* (2.43)	-10.8** (1.65)	-8.06† (3.12)
Constant	45.5*** (1.13)	38.1** (4.02)	66.4*** (4.20)	55.9*** (3.39)	56.2** (8.19)
Observations	645	639	639	602	602
R-squared	0.037	0.086	0.151	0.148	0.212

Robust standard errors in parentheses  
 \*\*\* p<0.001, \*\* p<0.01, \* p<0.05, † p<0.10

**Table 5.** Estimates of clustered OLS regression (by sector): The case of violation of conflict of interest in personnel hiring

VARIABLES	(1) ATE: Without covariates	(2) ATE: With covariates	(3) ATE: With covariates	(4) HTE: Sector experiences	(5) HTE: Three- way interactions
<i>Sector treatment</i>					
2.Business manager	5.38 (3.05)	4.96 (3.01)	6.31 (3.80)	0.056 (3.94)	-1.95 (6.44)
3.Public manager	-0.27 (0.36)	-0.78 (0.76)	1.09 (1.52)	-1.04 (2.76)	-9.93 † (3.12)
4.Elected official	2.95 (3.08)	1.00 (2.86)	3.77 (3.68)	-2.40 (6.51)	-20.3** (2.58)
<i>Covariates</i>					
Socially desirable bias		-0.65** (0.085)	-0.63*** (0.027)	-0.57** (0.067)	0.096 (0.062)
Age		-0.22* (0.068)	-0.16* (0.043)	0.29 (0.17)	0.041 (0.072)
<i>Years of work experience in...</i>					
For-profit organizations				-0.78* (0.22)	-0.29 (0.24)
Government organizations				-0.40 (0.19)	-0.48 (0.23)
Non-profit organizations				-0.45 (0.34)	0.072 (0.093)
2.Business manager * Years of for-profit experience				0.38 (0.18)	0.47 (0.26)
3.Public manager * Years of for-profit experience				0.20 (0.16)	0.48 (0.40)
4.Elected official * Years of for-profit experience				0.32 (0.33)	1.42* (0.25)
2.Business manager * Years of govt experience				0.0034 (0.62)	-0.19 (0.65)
3.Public manager * Years of govt experience				-0.57 † (0.23)	0.90 † (0.31)
4.Elected official * Years of govt experience				-0.12 (0.68)	0.83 (0.66)
Moral disengagement					1.27*



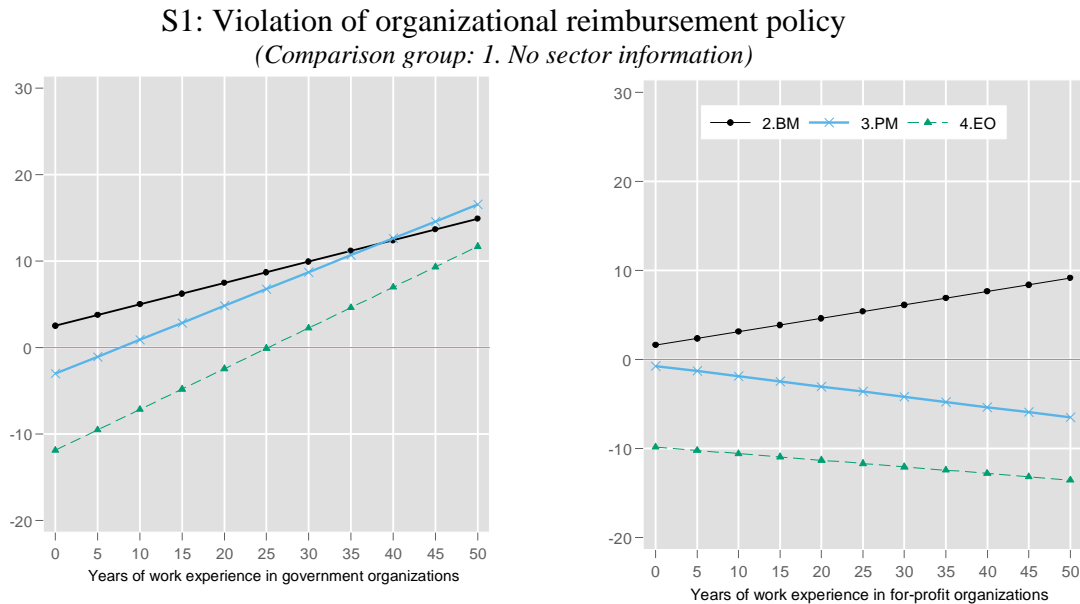
Years of for-profit experience* Moral diseng.					(0.24)
					0.00017
Years of government experience* Moral diseng.					(0.025)
					-0.0099
2. Business manager * Moral disengagement					(0.034)
					0.41
3. Public manager * Moral disengagement					(0.39)
					0.88 †
4. Elected official * Moral disengagement					(0.34)
					1.14*
2.Business manager *For-profit work exp.*Moral diseng.					(0.20)
					-0.020
3.Public manager * For-profit work exp.*Moral diseng.					(0.019)
					-0.039
4.Elected official * For-profit work exp.*Moral diseng					(0.061)
					-0.079**
2.Business manager *Govt work exp.*Moral diseng.					(0.013)
					0.0043
3.Public manager *Govt work exp.*Moral diseng.					(0.043)
					-0.11*
4.Elected official *Govt work exp.*Moral diseng.					(0.031)
					-0.050
					(0.082)
<i>Experimental covariates</i>					
Perceived prevalence			-4.62**	-4.75**	-1.34
			(0.46)	(0.65)	(0.77)
Correct response			-17.8 †	-13.3 †	-6.50***
			(7.53)	(4.66)	(0.35)
Constant	21.3***	44.5**	66.5**	55.3**	13.7†
	(1.11)	(4.75)	(6.01)	(5.08)	(4.93)
Observations	674	674	674	614	614
R-squared	0.007	0.044	0.137	0.126	0.416

Robust standard errors in parentheses  
\*\*\* p<0.001, \*\* p<0.01, \* p<0.05, † p<0.10

More specifically, **Figure 1A-B** and **2A-B** illustrate the marginal effects of the years of work experiences in government (1A and 2A) and for-profit organizations (1B and 2B) on the relationship between the sector orientation of a leader and the respondents' tolerance. That is, the figures explain how the tolerance towards different sector leaders' unethical behaviors change as the years of experience in each sector change. The tolerance toward business managers is indicated by a solid, black, and circled line; a solid, blue, and cross(x)-marked line for the tolerance to public managers,

and a dashed, green, triangle-marked line for the tolerance to elected officials relative to the base case.

**Figure 1A and 1B.** Average marginal effect of the years of work experience in government (Figure 1A) and for-profit organizations (Figure 1B) on moral tolerance towards different social actors



**Figure 1A.** Years of experience in government

**Figure 1B.** Years of experience in business organizations

Note: Drawn from Model (4) in Table 4

First, the petty violation of organizational reimbursement policy is examined. **Figure 1A** illustrates that on average, as individuals work longer years in government, they are likely to be more accepting of a small-scale violation of organizational rule regardless of the sector orientation of the wrongdoer. In other words, public sector employees become more lenient toward a small scale (\$150) rule-bending behaviors, and this is perhaps considered as more acceptable to them because Jessie (a protagonist in S1) got the full reimbursement even if she or he is not supposed to, based on the formal

policy. In other words, even if it is a rule violation, since the rule-bending is perceived as permissible in the depicted organization, the public employees might be more willing to tolerate the practice. The slope indicating the tolerance to business managers (BM: solid, black, circle) is consistently located above 0 as the years of experience increase in government agencies. This means that public employees are consistently more likely to tolerate the petty rule violation of business managers. However, the increment of slope is steeper for the public managers (PM: solid, blue, x-marked) and, at around 7 years of experience in government organizations, individuals, in fact, become more lenient toward the petty rule violation relative to the base case (above 0). As individuals work longer years in government, they also become more lenient toward the petty violation of elected officials (EO) as the steep upward sloping graph indicates in Figure 1A, which is not at all the case for those who work in for-profit organizations.

As individuals are exposed to for-profit work environments longer, they become marginally more tolerant of the deviance of their own sector managers (BM: solid, black, circle) while they are less likely to think that the same deviant behavior of public managers is morally acceptable (PM: solid, blue, x-marked) (see **Figure 1B**). Throughout the years of experience in for-profit organizations, the marginal tolerance to both public managers and elected officials are located below 0 and continuously decreasing, which indicates that they are less and less likely to be tolerant of the petty rule violations of the public authorities.

Another point to note is that in the case of the petty rule violation, the individuals who worked longer years in government exhibit similar moral evaluations across

different social actors while the opposite is true for those who have worked longer in business organizations. That is, as shown in Figure 1B, the tolerance toward business managers and public managers are diverging with additional years of work experience in for-profit organizations. As a result, the discrepancy between tolerance toward business managers and public managers is becoming greater as individuals are exposed longer in for-profit organizational environments, controlling for the age and the current sector affiliation. Considered together, this perhaps portrays the increasing distance between the ordinary citizens and the government employees in how they perceive and evaluate the ethical elements of the petty rule violations in the workplace, especially those occurring in public sector (as only about 15% of the working population work in government in the U.S. and the others are more or less exposed to for-profit work environments).

Can we expect the similar case for the large-scale violation of social norm, namely violation of conflicts of interest and fairness in personnel hiring process? The effect of years of work experience in government is exhibited in **Figure 2A** and those in for-profit organizations is exhibited in **Figure 2B**. As shown in **Figure 2A**, unlike in the case of a smaller scale rule violation, as individuals work longer years in government, they are significantly less likely to tolerate the grand violations of public managers ( $b = -0.57\ddagger$ ) (see PM: solid, blue, x-marked) as suggested in the hypothesis H2A. Relative to the individuals with no government experience (i.e. zero years of work experience in government organizations), individuals with some levels of work experiences in government exhibit a lower tolerance of unethical violations of elected officials although the magnitude of the decrement is far less than the tolerance towards public bureaucrats.

A greater tolerance of the ethical violation of business managers, relative to the base case, is consistent across the years of work experience in government, as depicted by the horizontal line drawn above 0 (BM: solid, black, circle).

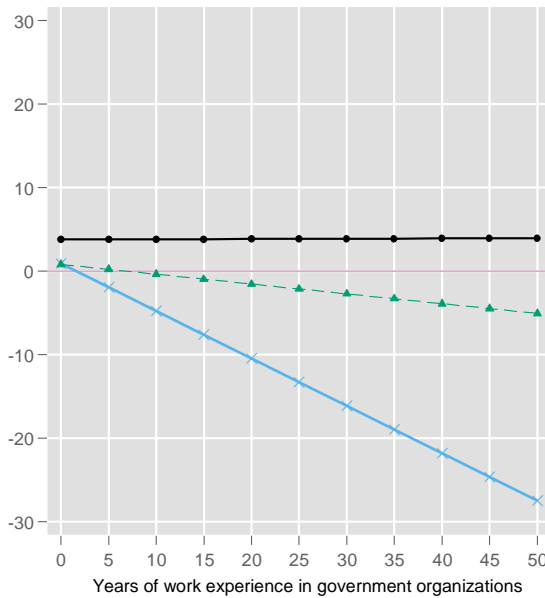
On the other hand, similar to the case of the petty rule violation, individuals with a greater exposure to for-profit work environments are increasingly more likely to be tolerant of the business managers' violation of fairness in personnel hiring process (see **Figure 2B**, BM). They exhibit a similar increasing tolerance to the public leaders, but the increment of tolerance is still greater for their own sector managers resulting in diverging tolerance attitudes toward public and private leaders. However, the post-hoc pairwise comparison indicates that there is a no statistically significant difference in the level of tolerance in between business managers and public managers or public managers and elected officials.

To examine how the respondents' sector experiences correlate with the evaluation of their own sector managers, changes in the slope in **Figure 2A** for the public managers (PM: solid, blue, x-marked) and one in **Figure 2B** for the business managers (BM: solid, black, circle) need to be examined. The marginal decrement of the lower tolerance to the public managers become significant at 5% level once the individual works about 5 years in government. On the other hand, the marginal increments of tolerance to the business manager's unethical behaviors become significant at 5% level once they reach 15 years of experiences in for-profit organizations. Therefore, it can be implied that working in government organizations induce a greater attitudinal change (in particular more stringent

to the violations of social norms of the public manager) within a shorter period of time than it does for working in for-profit organizations.

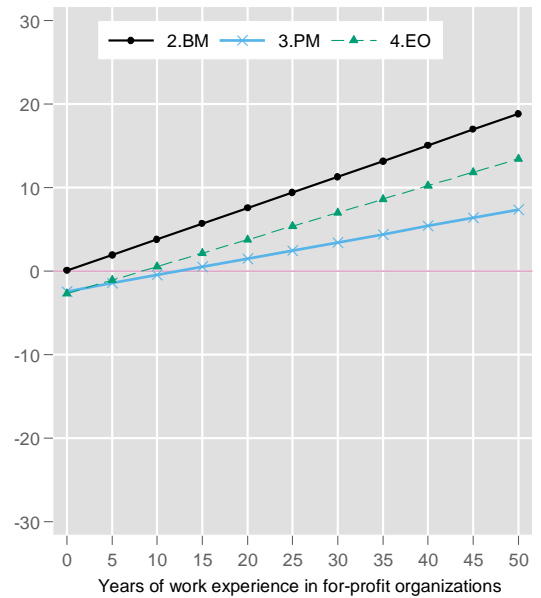
**Figure 2A and 2B.** Average marginal effect of years of work experience in government (Figure 2A) and for-profit organizations (Figure 2B) on moral tolerance towards different social actors (Without considering moral disengagement)

S2: Violation of conflict of interest in personnel hiring  
(Comparison group: 1. No sector information)



**Figure 2A. Years of experience in government**

Note: Drawn from Model (4) in Table 5



**Figure 2B. Years of experience in for-profit organizations**

A notable difference that extends the findings of the average treatment effects (section 8.1) is the order of tolerance toward different leaders. Even though the public employees become increasingly tolerant to the public managers' petty rule violations such that they become more tolerant toward public managers than business managers after about 40 years of service in government (**Figure 1A**), the respondents are, in general, most lenient toward business managers, public managers, and elected officials, respectively, regardless of the work experiences. However, in the case of violating

democratic norms in personnel hiring, the public is least likely to tolerate the unethical behaviors of public managers, more so than elected officials. This is perhaps because the moral tolerance toward different social actors is not just a function of the expectations of how the public role and public money needs to be exercised but also the level of confidence and beliefs of the actualization of such expectations. In other words, a high degree of negative reporting on the public sector and frequent exposure of political scandals may lead the public to question the morality or moral capacity of the elected officials in the first place (Sohn and Geidner, 2016; Mancini and Mears, 2013). Furthermore, the widespread public disaffection with politics (Boggs, 2001) and politician as an occupation having political perquisites to exercise their power (especially in personnel hiring process) (Lau, 1982; Soroka and McAdams, 2015) may explain seemingly more tolerant attitudes toward them relative to public managers. However, again, the post-hoc comparison indicates that the order effect in the grand ethical violation is not statistically significant.

In conclusion, *H2A is partly supported*: individuals with longer work experiences in government are less likely to tolerate the public managers' grand ethical violations (Figure 2A). It is partly not supported because in the case of petty rule violations, those who worked longer in government in fact become significantly *more* tolerant to elected officials (and public managers, not statistical significance). On average, work experiences in government does not meaningfully change the tolerance toward business managers in either type of ethical violations. *H2B is also partly supported* because a longer experience in for-profit organizations is positively associated with the tolerance to business

managers' violation of both petty rules (statistically different at  $p = 0.038$ ) and grand principles (not significant), but it is negatively associated with the tolerance toward public manager's violations of organizational rules. In general, individuals with a greater exposure to public sector work environment display a greater change in their tolerance attitudes particularly toward their own sector leaders relative to those who worked longer in for-profit work environment, implying a unique and strong environment of public sector organizations in shaping one's moral tolerance.

### 7.3. Heterogeneous Treatment Effect: Sector Experience x Moral Disengagement

Although the sectoral characteristics and experiences can explain differences in moral attitudes towards different sector leaders, the impact of the institutional factors can be largely explained by his or her personal level of moral attitudes. Therefore, the dissertation moves one step further to examine how the respondents' own cognitive moral reasoning process, namely moral disengagement, would influence the level of impact that their work environments have on their moral tolerance toward public and private sector leaders. Therefore, years of work experience and the moral disengagement of the respondents are considered as the two moderators explaining the public's tolerance of unethical behaviors of different sector leaders. The full models of the three-way interaction are shown in the model (5) in **Table 4** and **Table 5** (S1 and S2, respectively).

Regardless of the individuals' exposure to different sectoral work environment, individuals who are morally disengaged are likely to exhibit greater moral tolerance of unethical behaviors as they can see the rationalization or justification of the behaviors



more or better than those who are not morally disengaged. Briefly revisiting the hypothesis of the relationship, it is expected that the individuals with low moral disengagement are more likely to be affected by their work environment than those with high moral disengagement as the individuals with high moral disengagement do not care much about what other people or the embedded organizational culture needs to say given their own sets of moral justification and rationalization. Therefore, depending on the employees' own moral attitudes, there could be a limited space for an organization to promote moral sensitivity and awareness.

First, examining the coefficients from the clustered OLS regression model of the petty violation of organizational reimbursement policy (S1) (model 5, **Table 4**), once the moral disengagement is included as a high-order moderator, 21.2% of the variance is explained by the model compared to 14.8% in the previous model of examining the moderating effect of years of work experience. Once three-way interactions are examined, the effect of treatment variables become stronger and significant. However, the pairwise comparisons suggest that the significant differences are only observed in relation to the base case. That is, there is no statistically significant difference in between the tolerance toward public managers and business managers or public managers and elected officials once the moderating effects are considered. The three-way interaction terms are statistically significant in the model, assuring the meaningful correlations of the sectoral work experiences, moral disengagement, and the sector orientation of the leaders in explaining the public's tolerance of unethical behaviors of the leaders. For instance, the three-way interaction coefficients for the sector treatment, years of experience in for-

profit organizations, and the level of moral disengagement are statistically significant at 5% level ( $b = -0.091^*$ ) and those with years of experience in government are also marginally significant ( $b = -0.14^\dagger$  for the treatment of a public manager and  $b = -0.17^{**}$  for the treatment of an elected official).

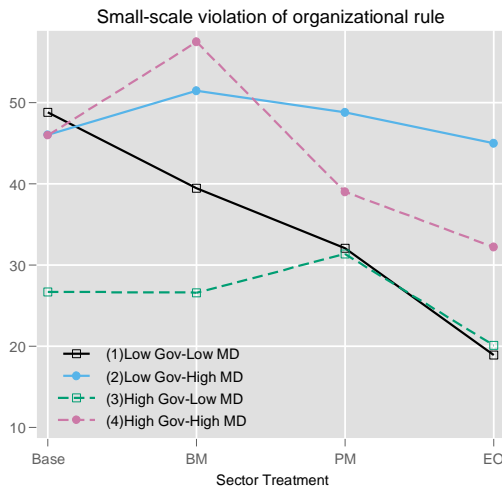
The statistical significance is also observed in the large-scale violation of social norms and principles (S2). The full model with moral disengagement and its interaction terms increased the explanatory power of the model to 0.416 from 0.126 in the model 4 or 0.137 in the model 3. One of the noticeable differences from the earlier scenario (S1) is the significant main direct effect of moral disengagement in the principle violations (S2) ( $b = 1.27^*$ ) compared to the effect in the rule violation case (S1) ( $b = -0.18$ ). In other words, the effect of moral disengagement is likely to be greater in a grand violation and perhaps less contentious unethical violations than petty rule violations.

Given the significant coefficients of the independent variable (sector treatment), the moderators, and the interactions, visualization of the three-way interactions are drawn. A three-way interaction is illustrated using a simple slope computation method adapted from Dawson and Richter (2004). The slopes of the moral tolerance on the sector treatment cues are computed when the two moderating variables, the respondents' moral disengagement and years of work experience in each sector, are held constant at different combinations of high and low values. High and low values of the moderators are calculated as one standard deviation above the mean and one standard deviation below the mean, respectively. **Figure 3A** and **3B** illustrate the predictive means of moral tolerance (from 0 to 100) in the four different combinations of the two moderators (work

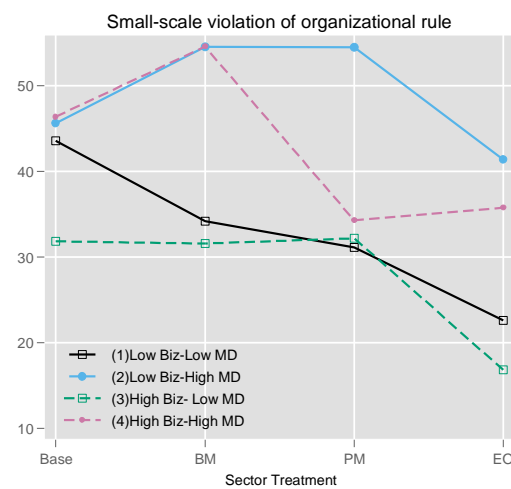
longer in government/for-profit organizations with high and low moral disengagement or work shorter years in government/for-profit organizations with high and low moral disengagement). **Figure 4A** and **4B** illustrate the same relationship in the second scenario of the grand violation (S2). First, individuals with high moral disengagement are generally more likely to tolerate any sector leaders' ethical violations (marked in blue and red circled lines compared to black and green, hollow-squared lines).

To examine whether the individuals with low moral disengagement are affected by their sectoral environment more than the individuals with high moral disengagement, in **Figure 3A**, for instance, we need to examine whether the change in the slope in between (1) and (3) (individuals with *low* moral disengagement who have *low* government experience and *high* government experience; hollow squared lines) is greater than the changes in (2) and (4) (individuals with *high* moral disengagement who have *low* government experience and *high* government experience; solid circled lines). In other words, is the effect of working longer years in government greater for those who have low moral disengagement than those with high moral disengagement on one's moral tolerance to different sector leaders? The corresponding slope differences are shown in **Table 6**. As it can be seen in the table, the statistical significance was not achieved in most of the slope differences such that the robust arguments cannot be made to support the hypothesis H3. Nonetheless, the descriptive discussions are provided to examine how individuals with high and low moral disengagement respond differently within one's sectoral work environment.

**Figure 3A-3B.** Three-way interactions of moral tolerance: The case of organizational reimbursement policy (*Comparison group: 1. No sector information*)

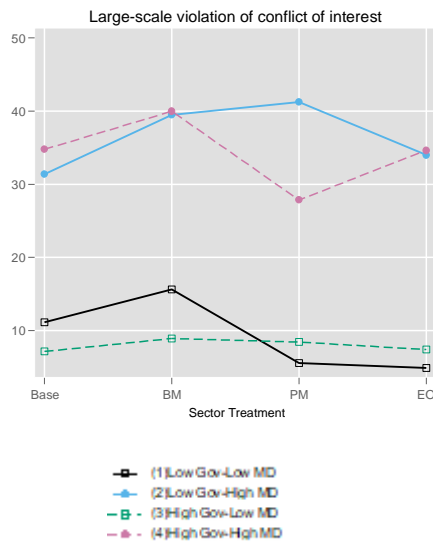


**Figure 3A.** Experience in government  
Model (5) of Table 4

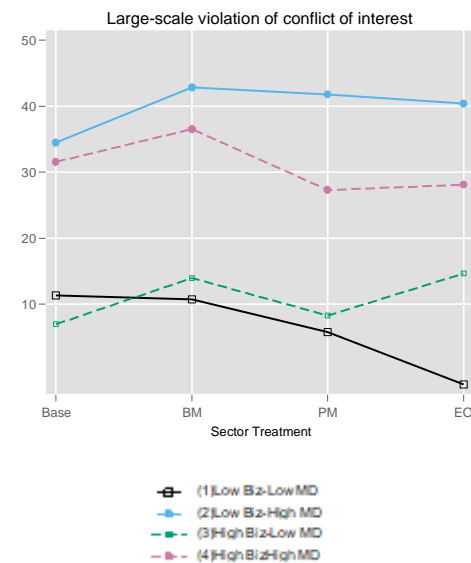


**Figure 3B.** Experience in for-profit organizations  
Model (5) of Table 4

**Figure 4A-4B.** Three-way interactions of moral tolerance: The case of personnel hiring (*Comparison group: 1. No sector information*)



**Figure 4A.** Experience in government  
Model (5) of Table 5



**Figure 4B.** Experience in for-profit organizations  
Model (5) of Table 5

**Table 6.** Pairwise comparisons of average marginal effects for the three-way interactions*(Comparison group: 1. No sector information)*

<b>S1: Years of work experience in government</b>						
	2. BM		3. PM		4. EO	
Figure 3A.	Slope difference	Bonferroni P> t	Slope difference	Bonferroni P> t	Slope difference	Bonferroni P> t
(3) vs (1) Low MD: High gov vs. Low gov	9.22	0.596	21.39	0.124	23.32 **	0.006
(4) vs (2) High MD: High gov vs. Low gov	6.11	1.000	-9.70	1.000	-12.71	0.282
<b>S1: Years of work experience in for-profit organizations</b>						
	2. BM		3. PM		4. EO	
Figure 3B.	Slope difference	Bonferroni P> t	Slope difference	Bonferroni P> t	Slope difference	Bonferroni P> t
(3) vs (1) Low MD: High biz vs. Low biz	9.15	0.941	12.81	0.983	5.99	1.000
(4) vs (2) High MD: High biz vs. Low biz	-0.78	1.000	-20.98 **	0.002	-6.41	1.000
<b>S2: Years of work experience in government</b>						
	2. BM		3. PM		4. EO	
Figure 4A.	Slope difference	Bonferroni P> t	Slope difference	Bonferroni P> t	Slope difference	Bonferroni P> t
(3) vs (1) Low MD: High gov vs. Low gov	-2.72	1.000	6.83	0.497	6.49	1.000
(4) vs (2) High MD: High gov vs. Low gov	-2.93	1.000	-16.83	0.228	-2.80	1.000
<b>S2: Years of work experience in for-profit organizations</b>						
	2. BM		3. PM		4. EO	
Figure 4B.	Slope difference	Bonferroni P> t	Slope difference	Bonferroni P> t	Slope difference	Bonferroni P> t
(3) vs (1) Low MD: High biz vs. Low biz	7.63	1.000	6.89	1.000	21.21 †	0.061
(4) vs (2) High MD: High biz vs. Low biz	-3.40	1.000	-11.57	1.000	-9.41	0.618

\*\*\* p&lt;0.001, \*\* p&lt;0.01, \* p&lt;0.05, † p&lt;0.10

If the slope change (i.e. the absolute value of the slope differences) in (1) and (3) is greater than that of (2) and (4), it means that the individuals with low moral disengagement are more likely to be affected by their work environment on their moral

tolerance to the specific social actors. Unlike it is hypothesized in H3, it is only true in the case of the small-scale violation of organizational rule and for the work exposure in public organizations as shown in **Table 6** (corresponding to **Figure 3A**). Individuals with a low moral disengagement are likely to exhibit greater differences in one's moral tolerance to public managers (slope difference = 21.39) as they work longer years in government than those with high moral disengagement (slope difference = |-11.62|). Similarly, individuals with low moral disengagement are more likely to experience changes in the moral tolerance to the elected officials' petty violation of rules (slope difference = |23.32| \*\*) than those with high moral disengagement (slope difference = |-12.71|) as they work longer years in government. The findings descriptively indicate that individuals with a low moral disengagement are more likely to be affected by the organizational culture and values. However, due to the weak or no statistical significance in terms of the slope differences across the groups, such interpretation needs substantiation with future research.

The work experience in for-profit organizations speak a different story. In general, individuals with low moral disengagement are more likely to experience the change in their moral tolerance of unethical behaviors of business managers and elected officials as they work longer years in for-profit organizations, it is not true for their moral tolerance to public managers. In fact, those with a high moral disengagement experience a greater change in their tolerance toward public managers' unethical behaviors as they work longer years in for-profit organizations. For instance, if we examine Figure 3B, individuals with high moral disengagement with low for-profit experience is more likely

to tolerate public managers' petty rule violation (2 Low Biz-High MD, solid, blue, circle line) than individuals with a high moral disengagement with high for-profit experience (4 High Biz-High MD, dash, red, circle line) – and therefore, the slope difference between (2) and (4) is  $|-20.98|$  ( $p=0.002$ ) which is a greater change than the individuals with a low moral disengagement would display working longer in for-profit organization (i.e. slope difference between (1) and (3) is  $|12.81|$ ). Considering the business sector employees evaluating business managers, individuals with a low moral disengagement are more likely to become tolerant to their own sector managers as they work longer years in the for-profit organizations relative to the individuals with high moral disengagement (e.g.  $|9.15|$  vs.  $|-0.78|$  for petty violations and  $|7.63|$  vs  $|-3.40|$  for grand violations).

However, keeping eyes away from the magnitude of the impact and examining the general patterns of how the respondents' moral disengagement affects the level of moral tolerance, there is a clear pattern that was not anticipated nor discussed as a hypothesis. Individuals who are less morally disengaged are becoming more generous to any social leaders (relative to the base case) as they work longer, either in for-profit or government organizations, as indicated by the positive slope differences. In contrast, individuals who are morally disengaged become less tolerant as they work longer in either organizations, indicated by the negative slope differences between those who have high and low work experience (except for the public sector workers' tolerance to business managers in a petty violation of organizational rule). In other words, individuals with a high moral disengagement are, on surface, more likely to be tolerant of unethical behaviors than those with a low moral disengagement. However, they are more likely to

be intolerant of the unethical behaviors of the public authorities as they are exposed to work environments while the individuals who are less morally disengaged, in fact, become more tolerant as they accumulate work experiences.

Furthermore, individuals with a high moral disengagement and have worked longer in for-profit organization are significantly less likely to tolerate the public manager's petty violation (see dashed, red, circle lines) while such difference is not observed among those who have a low moral disengagement, suggesting that the individuals with high moral disengagement with greater work experience exhibit a rather discrepant tolerance across public and private sector leaders, particularly between business managers and public managers. Despite the general pattern the analysis found, insignificant results indicate that the sampling effects cannot be ruled out and call for the future studies to confirm the impact of individual moral attitudes and sectoral work environments on the moral evaluations of different sector leaders.

Despite the loose relationships of the two moderators on the evaluations of public and private sector leaders, one important takeaway is that as the level of moral disengagement affects the way an individual reacts to the sectoral environments and unethical behaviors, displayed by differing levels of moral tolerance toward public and business sector leaders, a contextual understanding of how the institutional level efforts of ethics infiltrate (or not infiltrate) is critical in the efficacy of the efforts.



#### 7.4. Ancillary Subgroup Analysis: The Age Effect

Even if the age is controlled in the empirical model as a covariate to adjust the potential bias, years of work experience in either of the sectoral organizations would entail the age effect apart from the exposure to those organizations (Stensöta, 2010). Therefore, ancillary subgroup analyses by different age groups are conducted as to see whether the age is, perhaps, solely driving the effect of work experience. The age group is arbitrarily divided (at the age of 40 and 60) accounting for the mean age of the employed in the current sample and the generational difference (i.e. Millennials and Generation X). The three different age groups were separately analyzed: less than or equal to 40 (N=1,031), 40 to 60 (N=450), and more than 60 years old (N=88). It is important to note that each subgroup results in a smaller sample size for three-way interactions and eight different treatment groups. Therefore, the statistical significance is hardly achieved across coefficients especially in the latter two groups. Therefore, the following discussion is presented to intuitively sort out the age effect, whether or not the age is mainly driving the moderating effects of the respondents' sector experiences and moral disengagement on their normative tolerance toward public and business sector leaders. In general, the patterns of the relationships were not much different across different age groups confirming that the age is not the driver of the effect of work experiences, but some of the findings are worth noting.

- The observation was similar across the group except that the older generation (those in 40s and 50s) with greater for-profit sector experience are, in fact, less likely to tolerate the public authorities' large-scale

violation unlike it is shown in Figure 3B. In other words, the more tolerating attitudes in the full sample as shown in Figure 3B is largely driven by the effect of millennials due to the larger sample size in those who are younger than 40 years old.

- The marginal effects of years of work experience among the older generation (more than 60 years old) show that the individuals older than 60 are significantly *more* likely to be tolerant to business managers as years of work experience increases in for-profit organizations (i.e. a steeper slope) and significantly *less* likely to be tolerant with elected officials as years of work experience increases in government, exhibiting a clear divergence across the two leader groups.
- The three-way interaction graphs for the older respondents (in between 40 and 60) with a high moral disengagement fluctuate more across the different sector treatments than the graphs for the younger generation, indicating that the individuals in their mid-career with a high moral disengagement are likely to exhibit differential tolerance given the sector orientations of a wrongdoer.

## CHAPTER 8

### DISCUSSION AND IMPLICATIONS

The dissertation first describes how the public tolerance of unethical behaviors of public and private sector leaders differ and then brings it down to a micro level to better examine how this macro-level phenomenon can be shaped by the organizational experience and the moral attitudes of the individuals. Therefore, the implications of the dissertation are twofold: first, the importance of understanding the differences in public and private leadership in the eyes of the public in the context of unethical behaviors and second, the public organizations' efforts in ethics reform in shaping employees' tolerance of unethical behaviors relative to for-profit organizational environment.

The dissertation illustrates that the public opinions and moral tolerance of unethical behaviors are indeed fairly complex. More specifically, the public is more tolerant of business managers' unethical behaviors than the same misconduct practiced by public authorities (i.e. public managers and elected officials). This is particularly more apparent among those who work longer years in for-profit organizations relative to those who are less exposed to for-profit work environments. Although the nature of the ethical violations also matters, the elected officials' petty rule violation is least likely to be tolerated followed by public managers' and business managers' violations, respectively. In fact, the experimental study found that the public reacts to the petty violations of public authorities more than the large-scale violations of public authorities compared to the business managers. Furthermore, consistent with the hypothesis, the public's moral tolerance toward different sector leaders is affected by the sectoral work environments

and individuals' moral disengagement level. The study found that individuals who are morally disengaged are more likely to exhibit greater discrepancy in their tolerance toward the same misconduct of public and private sector leaders – that is, more tolerant of business managers' violations and less tolerant of the same violations of public managers or elected officials. The empirical findings, therefore, reveal a complex relationship of perception of sector, sectoral work experiences, and moral disengagement in predicting the public's moral perceptions and tolerance of the leaders' misconduct. The discussion section is divided into four parts to discuss methodological limitations and implications and then theoretical implications and suggestions for the future directions.

#### 8.1. Methodological Limitations

Although the dissertation reveals the contingencies of how the public's moral tolerance to different public and private leaders is shaped, it is important to emphasize the potential caveats before delving into the theoretical and empirical implications and contributions.

##### *Weak treatment effect: Ruling out the sampling effect*

There are some methodological limitations that resulted in weak statistical significance in pairwise comparisons (i.e. relative effect across business managers, public managers, and elected officials). The weak experimental effect can be understood in two ways. First is that the sector orientation of the leaders does not matter in a large-scale ethical violation of social norms as it is found in the study. That is, when the public judge whether a certain misconduct is acceptable or not, the scale and type of the ethical

violation is the more important criteria than who is practicing. Furthermore, given that both public managers and business managers are perceived to be in power in the society (whether or not such power lies in public or private sphere), the public may exhibit similar moral attitudes toward those in power – especially in a large-scale violation of democratic principles or what the public considers as corrupt or violating public interests. Therefore, as found in the study, the public becomes particularly more sensitive toward the sector orientation of the leaders in the petty nature of the moral violations and care much about how the tax money is used and whether the public authorities act to serve the public interests or not.

Second, the experimental effects are there but not well captured due to the lack of sound research design. This can be illustrated with several methodological limitations of the current study. A major challenge of conducting a sound experimental study to examine the evaluative process is creating a compelling laboratory stimulus that captures the essence of moral judgment processes that people deploy in the real world, holding other factors constant. Creating strong experimental stimuli is essential to ensure that results are sufficiently generalizable to support the type of inferences researchers would like to make. In particular, the objective of the dissertation is to examine whether the same context of unethical behavior is perceived and evaluated differently by the public depending on who is practicing the unethical behaviors. Therefore, the context of the unethical behaviors had to be carefully chosen such that the nature of the behavior is not bounded by any one particular sector. Furthermore, providing a high degree of contextual information about the unethical behaviors can imply the context of one particular sector

which would generate different stimuli other than the sector orientation of the wrongdoer. Therefore, generating the same level of sector-neutral contextual information about the unethical behaviors and, at the same time, imposing a strong experimental treatment effect of sector orientations of the leaders were challenging tasks. Although 79 to 89 percent of the respondents correctly identified the sector treatment cues, it is by no means an absolute measure to ensure the triggering effect of the respondents' evaluative process.

Furthermore, the challenge of generating a strong stimulus is particularly difficult in the moral domain as there are obvious constraints on the ability to create genuine moral tradeoffs or opportunities and interests for high stake corruption or immorality in a laboratory environment. If there is one undisputable fact about the human capacity for moral judgment and evaluative process, it is that the capacity itself comprises a diverse array of distinct psychological processes affected by both personal and environmental factors. This tremendous complexity gives rise to methodological and theoretical challenges for research in moral psychology. This challenge become manifold considering the effects of institutional intervention to manage and train employees' moral attitudes and ethical decision-making and to also understand the complexities of the public opinions and evaluations. The dissertation takes a step to untangle the knots as further discussed in Section 4.1. and shown that the sector orientation of the evaluatees and evaluators matter in moral evaluations of the leaders, despite its weak treatment effects.

### Measurement issues

The measurement of the dependent variable, the tolerance of unethical behaviors, has room for improvement in terms of the construct and face validity. Although the dissertation specifically defines the moral tolerance as “an individual’s intentional acceptance of the behaviors that involve unethical and immoral elements so as not to interfere with the conduct” (Burwood and Wyeth, 1998: 465; Forst, 2017), it is true that the term, tolerance, in the studies of unethical behaviors (including corruption) has not been clearly defined nor studied such that the social perception and attitudes entangled with the construct “tolerance” is not crystal clear. For instance, tolerance for corruption has been used to capture different ranges of social attitudes and behaviors in the past literature such as willingness to engage in corrupt practices (Alvarez, 2015), the citizen’s support for corrupt politicians (Anduiza et al., 2013), or willingness to punish when corrupt practices are seen (Gong et al., 2015; Beck and Lee, 2002; Alatas et al., 2009). Further discussion and development of the construct of “public acceptance” and “public tolerance” would help the policy makers and the scholars better nail down the nuances that shape the public evaluations of the ethical leadership in the public and private sector.

Related, the survey question specifically asked how acceptable the wrongdoer’s behavior is to the respondents, given the presumption that the act involves a certain moral element to the respondents. If the respondents did not believe the behavior has a morally questionable element or, in fact, were indifferent about the business manager’s ethical violations, being indifferent and being “definitely acceptable” (score of 100) would have clearly different implications. The current research design may not capture the

respondents' attitudes of not considering the situation as unethical or viewing it as not problematic. However, at this stage of the dissertation, being indifferent about unethical behaviors is another way to show social acceptance (i.e. what the bystanders do). The nature of the attitudes is clearly different, however, such that future studies can further examine the differences of the public's indifference and intolerance. Although being indifferent and being acceptable carry a similar level of tolerance in the current study, the explicit identification of the passive and active nature of acceptance given the perceived moral elements of *who is practicing what types of unethical behaviors* can uncover the more nuanced differences to better understand the public attitudes.

The dissertation examines the years of work experience in government organizations and for-profit organizations separately, resulting in a blind spot of individuals who are exposed to both government and for-profit organizations about the same amount in terms of the years of experience in each sector (more likely be the case of older employees and those who started to work in public organizations and then switched to business organizations). For this group of the respondents, it is uncertain whether the influence of working in government organizations played a stronger effect on their moral tolerance than that of working in for-profit organizations. Furthermore, the learning curve and the impact of socialization processes would be higher and greater in earlier career than later such that the order of sectoral work experience (if the respondents worked in multiple sectors) would be also important (Feldman, 1976; Farnese et al., 2018). The dissertation was not able to disentangle these effects calling for future studies to confirm the findings from the analyses.



External validity: Study population

As discussed in Chapter 5, the study sample in this study is not representative of the general public in the U.S. bringing the issues of generalizability of the findings. The significant factors that can make the generalizability particularly more difficult is the age distribution of the MTurk sample. Most of the sample (about 73%) are 18 – 44 years old and 24% are in 45 – 64 years old. Therefore, the current MTurk sample could not capture the older generation (65 years old and older, 3% of the sample) which accounts for about 13% of the U.S. population. Based on the responses from the individuals older than 64 years old, they were generally less tolerant of both petty and grand violations although the differences were not statistically different from other age groups. However, because the older generation in the general population is likely to be different in terms of their work and social experiences and political views and expectations toward the government and the public role, the findings of the current study largely driven by the individuals younger than 65 years old need to be cautiously extended to the larger population.

Furthermore, there might be a fundamental difference in the characteristics of the people participating in MTurk platform and those who only work in a more traditional job field. The discussion of the external validity, particularly for the public sector employees, is developed in Section 5.4. Even though the expansion of digital platform markets such as Uber, Lyft, airBnB, or MTurk makes the boundary of the first and the second job blurring and that many of the empirical studies on MTurk assert that the MTurk population is not much different from the representative sample, the possibility that the MTurk sample may exhibit unique tolerance that are different from the other

population still remains. However, a recent study examining the public opinions on data fraud and selective reporting found that MTurk sample was less punitive toward the misconduct in science field than the general public (Pickett and Roche, 2018), which infers that the treatment effect found in the current study may also be smaller than that of the general public given its less punitive attitudes in the evaluative process .

*External validity: Context of moral situations and the vignette survey experiment*

Although the dissertation did not aim to study how the different types of unethical behaviors affect the moral tolerance, since the context of the moral element of the situations (e.g. how many people are harmfully impacted or how much money is involved) matters in the way people process the moral situations (Beard and Horn, 1975), examining whether the suggested relationship is a general pattern of the tolerance across the different types of the ethical scenarios is important. In supporting the external validity of the tested scenarios, the two questions need to be answered: are they realistic and representative of the moral situations people may see in the real world, and do they elicit the same (or similar) psychological evaluative processes as other unethical behaviors (and more specifically, violations of rules and principles) of the leaders? Admittedly, the given scenarios are the simplified prototypes of any moral violations of organizational rules and principles which can range from workplace bullying to the money laundering. Although the scenario is designed to portray the situations that can happen in reality, the two scenarios are definitely not representative of the all ethical violations of the leaders in the context of organizational rule or democratic principles across the sectors. Nonetheless, only 9% and 7% of the respondents thought that the described scenario is

“rarely” happening in the U.S. organizations, suggesting that it is not uncommon or unrealistic situations. As discussed in Section 4.1., the variables obtained via vignette experiments is contextual in nature requiring a cautious interpretation of the findings, as for any empirical research. Nonetheless, the advantages and the critical use of vignette experiments are at the least providing the useful contextual and causal background knowledge of understanding the public’s cognitive evaluative processes of their leaders. The experimental designs have high internal validity from orthogonal design plans and the controlled intervention or treatment. However, single experiments have the drawback of low external validity mainly due to the non-representativeness and oversimplified setting. The survey experiment combines the ideas from the classical experiments and survey methodology to counterbalance the weakness of each, as traditional surveys derive a relatively high external validity through multivariate and multivalent measurements (although suffering from multicollinearity). The methodological limitations of the survey vignette study, therefore, ask for a future research in a different context of ethical situations faced by the employees and the managers or the same context with different methodologies.

The dissertation also needs to acknowledge another weakness associated with this research design. A study in a single organization may have isolated the effects of contextual factors at the organizational level (e.g. ethical climate, organizational culture, industrial environment). Nevertheless, the dissertation balanced this with the benefits of gathering responses from a broad set of population from multiple organizations. In doing so, the factors inherent in the culture or climate of the organization are averaged out and

less likely to have inflated the results than if the study had investigated in a single organization. More importantly, one of the main objectives of the dissertation is a comparative analysis of the public and private sector environment in shaping the moral perception of the employees reflected on their evaluations of different sector leaders. Therefore, reaching out to and examining the diverse working population across the sectoral organizations are the most critical parts of the study.

## 8.2. Methodological Implications

The dissertation demonstrates the value of using an experimental approach within institutional theory, as a way to complement existing research methodologies and to re-discover some of the roots of institutional theory to make the micro-foundations of the institutional theory (Zucker, 1991; Powell and Colyvas, 2008; Aguinis and Bradley, 2014). The scholars asserted that instead of considering the institutionalization as a “black box” at the sectoral, field, or global level and treating the organizations and institutions holistically, a richer understanding of how individuals locate themselves in social relations and interpret their context would provide more depth to our understanding of the macro-level situations and relationships (Zucker, 1991: 105; Powell and Colyvas, 2008; Raaijmakers et al. 2015). A similar account also emerges in the field of public management emphasizing a micro-level perspective of individual behaviors and attitudes by drawing insights from psychology (Grimmelikhuijsen et al., 2017). From this perspective, the dissertation deems the key advantage of an experimental approach of its ability to test previously posited relationships of the public and private differences 1) in

the context of ethics and 2) in the way public perceives and evaluates the different sector leaders.

A vignette survey experiment is particularly useful in gathering evidence regarding causation of how the public leaders and business leaders, and how the public bureaucrats and elected officials are, in fact, evaluated differently by the public while excluding other social, political, economic status and values attached to the perception of sector orientations of the leaders and the respondents. If designed properly, experimental designs can effectively confirm (or disconfirm) cause-and-effect relationships that are often regarded as true, but difficult to isolate in context-rich case studies or surveyed-based organizational studies (Kennedy and Fiss, 2009: 38; David and Bitektine, 2009; Raaijmakers et al. 2015). Of course, as mentioned earlier in the limitation, the trade-offs between internal validity and external validity cannot be avoided. The experimental design does not investigate the actual moral situations conducted by the public and business leaders nor the actual organizational responses in the field setting, the findings still need to be cautiously interpreted for the generalization to the U.S. public or the other countries with different social systems, or in the context of other morally questionable situations.

### 8.3. Theoretical Discussions and Implications

Keeping in mind the foregoing caveats and methodological merits, the results of the analysis indicate that the sector orientations of the leaders affect the public's tolerance of the unethical behavior itself; that is, who is involved in the unethical situation matters

in the public tolerance of unethical behaviors. More specifically, the unethical behaviors of a business manager is, in general, more likely to be tolerated than the same misconducts of public authorities (both public bureaucrats and elected officials) while those of a public manager are more likely to be tolerated than those of an elected official, particularly in a petty nature of violating organizational rule. In a large-scale (in terms of the monetary amount) violation of democratic principles, namely the fairness in personnel hiring processes, the dissertation found that sector orientation of the wrongdoer does not significantly cause a differential level of tolerance while the violation itself was significantly less likely to be tolerated than the petty rule violation on average.

The insignificant differences in the public tolerance of more appalling behaviors across different sector leaders seem reasonable as after all, leadership in any sector is expected to act ethically in accordance with the social norms and principles, whether or not they are public managers, political or business leaders. Furthermore, as the behavior is more egregious given the involved money and the violation of equal and fair opportunities in the hiring process, it is likely that the “badness” of behavior itself weigh more than the sector affiliation of the wrongdoer, resulting in a clear sector treatment effect on the petty violation case but not on the other. Despite the statistical insignificance, it is still worth noted that business managers’ grand violations are also more likely to be tolerated than that of the public authorities’, while the violation of fairness in personnel hiring among public managers is less likely to be tolerated than that the elected officials unlike in the case of the petty rule violation. Therefore, the public is

more likely to be disturbed by the public bureaucrats' violations of fairness and faulty engagement in personnel hiring processes than those done by elected officials.

Using an experimental design, the dissertation found that the individuals are least likely to tolerate the elected officials' petty rule violation, followed by public managers and business managers exhibiting the ordering effect in public's tolerance of petty rule violation. It confirms that moral standards of tolerance are not equalizing across sectors and the public is, indeed, more sensitive about the ethical violations of the public authorities. However, such statistically significant ordering effect was not found in more egregious violations of fairness in personnel hiring indicating that the public is not as sensitive or intolerant of the grand violations of public authorities as they do in the case of petty violations relative to the violations of business managers. This perhaps suggests two things. First is that the individuals' cognitive reaction is contingent on the more experienced or relatable incidents such that they react to the petty violations more easily than they do toward the grand violations. It might be also related to psychic numbing where the individuals become more sensitive and receptive at the small level of incidents and small amount of loss while become more apathetic as the magnitude gets larger and broader as in the case of the large-scale violations of democratic principles (Slovic, 2010). Therefore, such psychic numbing effect may explain why the public may be more reactive and sensitive to the petty violations of the public authorities than they do toward the egregious violations of the public authorities.

Second possible explanation can be understood from the context of the vignette. Perhaps, the public pays attention to different aspects in the information of "public"

sector affiliation<sup>7</sup> as they evaluate the unethical behaviors of public and private sector leaders. That is, there might be a clear difference between “using tax money” and “being in public service position” as they “tolerate” unethical behaviors of the public authorities. The case of a petty violation of travel reimbursement policy is, in essence, misappropriating the public organization’s money, therefore, the public tax money, while the case of a large-scale nepotism involves the money coming from the wrongdoers’ pocket – whether or not the bribe money is attained from working in the public organization is not clearly given in the scenario. Therefore, it is true that individuals are generally less tolerant of the unethical behaviors of public authorities but this is, in fact, more so because they are using the tax money to serve one’s own greed than the fact that the public sector employees are working in the public service position. It is consistent with the other studies in which the taxpayers’ indignation arise as they perceive that the tax money is used to benefit a small number of people or for the private interests of the public authorities themselves (Conway, 2012; Feinberg, 1994). The dissertation further

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<sup>7</sup> In the dissertation, the publicness of the sector orientation is simply represented by the work affiliation of the purveyor – either working as a public manager at the federal office or a member of Congress. The notion of “public” or “Congress” expects to have a priming effect even in the absence of specific details about public features characterizing the sectors or organizations in which the wrongdoer works. In other words, the dissertation takes the normative character of public and private distinction before it takes any descriptive explanations (Perry and Vandenaabeele, 2008) where the publicness of the job and the work position include the importance of acting on behalf of the community – distinctive from self-interest – and further extended with the public logic where public institutions are aimed for a set of democratic and societal values (Raadschelders, 2003) or public values and interests (Bozeman, 2002) and lastly, managed by the public tax money. Therefore, the perception of public sector and the normative “publicness” discussed in the dissertation is not directly aligned with the organizational publicness (Bozeman, 1987; Antonsen and Jørgensen, 1997). In fact, future studies can further examine how the organizational publicness dimensions correspond to the employees’ perceived sector orientation as well as the public service orientation of their job and work tasks, and further how the public views the certain jobs and tasks as a public-oriented one, which would provide a good insight about the nature of the public employees and the perceived public service work in the era of the blurring sectors, connecting the institutional theory and organizational behavioral theory.



sheds light on the fact that the public's intolerance and outrage of unethical behaviors of public leaders are, in fact, largely drawn from the use of tax money rather than the wrongdoer holding the public office either as a public manager or an elected official . This perhaps is an important aspect to consider in managing public evaluations of the public sector; that it is important to have a transparent and ethical use of public money (perhaps more so than being an ethical leader, which is across the sectors, important).

Combined with the finding that the individuals are becoming more lenient towards the petty nature of rule violations as they work longer in public organizations, this discrepancy perhaps provides the sources of public distrust and skepticism toward the public sector and the employees. The dissertation found that the individuals who are exposed to government organizations are more likely to become tolerant of a petty nature of the violations of organizational rules regardless of whom they are evaluating, which is particularly true for the individuals with a low moral disengagement, while they are significantly less likely to tolerate the public managers' larger scale violations as they work longer in public organizations. On the other hand, there was no marginal change in the individuals' tolerance of business managers' violations in personnel hiring as they work longer in the public organizations. The increasing tolerance level of a small-scale pocketing of travel reimbursement among the public sector employees can be associated with the basic salary differentials or the scope and the level of fringe benefits in public and for-profit organizations. The jurisdictional rules and the authority of oversight agencies in public personnel management, resulting in formalization and red tape in personnel procedures, of course, make the public sector employment more secure than

the for-profit jobs (Rainey and Bozeman, 2000); however, the relatively lower monetary rewards of working in public organizations may be perceived as the justification of enjoying the luxuries during the business trip in the expense of the organization.

More importantly, the petty nature of the violations itself may garner the justification of tolerating corruption as it is perceived to be not serious or scandalous enough to be caught under the radar of the public or the oversight agencies (Alatas et al., 2009; Beck and Lee, 2002). That is, although the public employees are more concerned about the rule-bending than for-profit sector workers (Jung et al., 2020), the findings suggest that the public sector workers might become more flexible or lenient towards the rule-bending if they see the purpose (even if it is a self-interested one) or in the case that the deviance is not punished. The public sector employees may not consider the small scale (or petty nature of) administrative or internal disciplinary infringements as serious ethical violations (Westmarland, 2005; Beck and Lee, 2002), resulting in a more lenient attitude as they work longer in public organizations. Public organizations are traditionally considered as having lower market exposure (although it has increased), more legal and formal constraints, and greater fragmentation of external sources of formal influence than the private organizations (Rainey et al., 1976; Wamsley and Zald, 1973). Therefore, opportunities or necessity of petty nature of rule-bending (whether or not it has ethical controversies) may be perceived as more acceptable as they work longer years in public sector organizations, particularly with a growing level of autonomy within the spheres of public operations.

As the organizational values of public organizations not only include the efficiency and effectiveness but also the normative values such as being fair, equal, just, or benevolent (Van der Wal et al., 2008; Berman and West, 2012) especially in their use of tax revenue, the public's moral tolerance towards public sector workers – both the public bureaucrats and elected officials – is not entirely separate from the judgment of performance of the public sector. That is, the public being more sensitive and intolerant of the petty rule violations of public authorities and the public sector employees becoming more tolerant of the petty violations may together explain a greater furor and public skepticism toward the government performance and the negative bias toward the public sector (Van Slyke and Roch, 2004; Hvidman and Andersen, 2016; Marvel, 2016) despite the fact that political, administrative, and corporate scandals unravels both in public and business realms.

As hypothesized, the influence of the work experiences in public or private sector on the individuals' moral tolerance is contingent on the individuals' moral disposition. In particular, the government sector workers with a low moral disengagement exhibited a higher tolerance to public managers' small-scale violations than they did to business managers' or elected officials'; although, they are still less tolerant than those who are highly disengaged. In the studies of rule-bending behaviors of public sector employees, the public management scholars have found that both organizational formal and informal structure and individuals' tendency to nonconformity and risk-taking matter in explaining the rule-bending behaviors (DeHart-Davis, 2007; Borry, 2017). Aligned with these empirical findings, the dissertation also asserts that the moral disengagement of the

employees needs to be considered to better understand the influence of sectoral work experience in their moral tolerance of unethical behaviors.

Unlike it is hypothesized that the individuals with a high moral disengagement are less likely to be affected by their work environment, the findings are mixed and more complex. First, the suggested hypothesis (H3) is not entirely supported as the findings suggest that the magnitude of the change in moral tolerance is sometimes greater among those who are morally disengaged than that of the individuals with a low moral disengagement. It is interesting to find that among the individuals who had a low moral disengagement, longer years of work experience in either public or for-profit organizations led to a greater tolerance especially toward the public authorities; while the opposite was true for those with a high moral disengagement. That is, working longer years in either sector, in fact, reduced the tolerance of unethical behaviors for highly disengaged individuals, except the case of public sector employees being more tolerant of unethical behaviors of business managers. Although the statistical significance across the relationships is weak, and the exact causation of how the moral disengagement mediates the influence of sectoral work experience on the tolerance of unethical behaviors is unclear, the dissertation at minimum confirms that the individuals' moral disengagement matters in understanding the effect of the organizational environment as it influences how the individuals perceive and respond to the moral elements of the unethical behaviors of the leaders (Bonner et al., 2016).

Our understandings about the individuals with a high moral disengagement is particularly important in public sector because the public sector workers exhibited a

higher moral disengagement than any other sector workers. There is a lack of research examining the moral disengagement of public sector workers (and particularly in its comparative nature with other sector counterparts); however, at least in the sample of the study, current public sector workers reported the highest moral disengagement (mean=15.26, std.dev. =11.65) followed by the self-employed (mean = 11.98, std.dev.=8.68), for-profit sector workers (mean = 11.65, std.dev.=9.04), and non-profit sector workers (mean=10.21, std.dev.=7.97). The fact that they are increasingly less tolerant of the large-scale unethical behaviors of public authorities is perhaps promising news, given that the internal monitoring within the public sector is secured and learned throughout the years of work experience. However, it is also important to note that individuals with a high moral disengagement are, on average, more tolerant of unethical behaviors than the individuals with a low moral disengagement, and the fact that individuals become more tolerant of the petty nature of violations as they are exposed to the public work environments longer.

This is perhaps an important question that the future studies need to explore as there is a possibility that the individuals with a high moral disengagement might select into the public sector. Some argue that public and private sector employees are not different in nature and they merely respond to the incentives offered and the opportunities and constraints of the organizations in which they work (Blank, 1985). On the other hand, others claim that the individuals are selected into an organization depending on the individual and organizational characteristics (Schneider, 1987) such that the individuals are differentiated as to who choose public service careers from those who select into

private sectors (Lewis and Frank 2002; Lyons et al. 2006; Perry and Wise, 1990; Rainey, 1983; Holt, 2020). Along with many of the studied factors that explain the characteristics of public sector employees, that are distinct from private sector employees (e.g. prosocial motives, valuing job security and work-life balance, risk aversion, or attitudes towards unpaid overwork or absence), moral disengagement (as a part of moral disposition) might be added on the list. Although investigating the level of moral disengagement between public and private sector workers was outside of the scope of this dissertation, a better understanding of the priori of moral attitudes can help us better examine the influence of moral disengagement in making certain policy and management decisions or managing the citizen-state encounters (McAlister, 2010; Waytz and Epley, 2012).

Based on the subgroup analysis by age, the increasingly discrepant moral attitudes toward business and public managers are, in fact, driven by the individuals who are older (more than 40 years old) than those who are younger or in their early career (born in 1980 and after). Regardless of where they work, the older employees with a high moral disengagement are significantly less likely to tolerate the public managers' and elected officials' violations of the organizational rules while more tolerant of the same misconduct of the business managers. On the other hand, the younger generation with a high moral disengagement does not exhibit such discrepant moral attitudes toward different social actors. This might further explain the generational differences on the moral evaluations toward our public leaders. The characteristics of the Millennials (those who born in between 1981 to 1996) include having high expectations of their employers, not being afraid of questioning the authority, emphasizing on moral or ethical values over

competency values, and feeling personally responsible for making a difference in the world (Weber and Urick, 2017; McGlone et al., 2011; Gloeckler, 2008). As they impose higher moral and ethical standards toward their employers as well as the public figures or the social influencers, whether or not they work in public service is not as important evaluation criterion as it is for the older generation. The older generations, however, are more likely to impose the traditional values and distinction between public and private sector role. Hence, it can be assumed, based on the findings, that the older generation with a high moral disengagement would put President Trump less accountable to his ethical violations as he portrays himself as a “businessman” than, for instance, Hillary Clinton, a traditional politician tied to a standard of serving the public service ethos, while the younger generation would not evaluate his unethical behaviors based on the sector orientations of the leaders. Regardless of the speculation, the findings suggest that for the individuals with a high moral disengagement, the information of “who” commits the unethical violations, i.e., whether or not the perpetrator holds a public position seems like a more important evaluation criterion than the nature of the behavior itself.

### *The Practical Implications*

The findings are practically important in two aspects, one for each research question that the dissertation aimed to address. First, some scholars emphasize the similarities of public and private realms and stress that the same moral criteria and values can or even should be applied to all kinds of organizations and its employees (e.g. Kaptein, 1998; Caiden, 1999) and focus on the increasingly blurring nature of the sectors

with the movement of business-like, customer-oriented public management in one end and corporate social responsibility and business ethics on the other. However, it is empirically confirmed that the public evaluations imposed on the public sector are distinct from those of the business sector, suggesting that the value intermixing might be undesirable from the management perspectives (Jacobs, 1992; Frederickson, 1997; Schultz, 2004). Given that the public sector is expected to perform effectively and morally which are both in the interests of serving the public interests with the public money, the public sector perhaps faces higher performance standards than any other sector counterparts. Therefore, it is important to consider the fact that the performance measures should not only account for the economic, market-based measures but also for the normative measures. More importantly, the ethical leadership is a critical attribution of the organizational ethical climate and normative organizational performance (Pelletier and Bilgh, 2008), therefore, the public leaders – both the senior public officials and elected officials – need to exhibit such leadership to convey to the public that the public sector is “doing the right things” for the masses. More specifically, a transparent use of public money, even if it is considered as a petty use, and communicating the effective use are particularly critical as the public is relatively more sensitive and intolerant of the public authorities’ unethical or ineffective use of their tax money.

Second, the finding lends itself the credence to the need for ethics training in all levels of the organization to recognize moral rationalization and the mechanisms to the morally disengaged. The findings recommend the abandonment of a one-size-fits-all approach to the establishment of ethical leadership or ethical climate in the organization



as the personal disposition, here the moral disengagement, affects the way individuals respond to the work environments as they are exposed longer in the organizations. For instance, the individuals who scored highly on a moral disengagement scale are more likely to exhibit greater discrepancy in their moral tolerance to business and public sector managers, which can impose a distinctive moral standards and expectations in the collaborative work between public and private sector organizations. With an increase of public-private partnership in providing public services, both public and private sector organizations need to carefully train their managers and employees working in the collaborative work to provide a consistent moral standards regardless of their sector orientations in the provision of public service. The fact that people may be unaware of the multiple ways to morally disengage, such as blindly obeying authority figures, considering the act as a business-as-usual practice, using euphemistic language, moral justification, advantageous comparison, diffusion of responsibility, distorting consequences, dehumanization, and attribution of blame (Bandura 1986, 2002); the employees and leaders are more likely to be affected by the mechanisms, if available. As employees learn to recognize such mechanisms, they may be better equipped to preserve their moral standards and to avoid the slippery slope of moral disengagement in the first place. This is especially important to realize the full benefits of ethical leadership and healthy ethical climates both in the organizations and the society as a whole. The employees need to be continuously morally engaged, rather than disengaged or being selectively ignorant about the moral elements – not only in evaluating others but one’s own actions. The effective strategies tailored to challenge the justification or

rationalization of unethical behaviors need to be in place rather than expecting a universal effect of the organizational values or sanctions on the employees.

#### 8.4. Future Directions

The dissertation employed the survey experiment to present scenarios of morally questionable administrative processes to assess the respondents' moral tolerance as observers. However, the empirical research can further investigate the processes that may be involved in choosing to engage in those behaviors such that the effect of working in a particular sector is more directly captured through the experimental treatment. For instance, people do not often have the same judgment standard towards themselves and others where they tend to make a self-serving judgment (Foschi, 2000). Therefore, examining the self versus others comparison in the engagement of unethical behaviors could shed light into the moral judgment process and the negative public sector bias of the public in performance evaluations. Furthermore, public distrust and skepticism toward the public sector may result from the two different sources – performance-related and morality-related. Therefore, a better understanding of the public's moral rationalization process of endorsing a morally tainted businessperson or politician or less competent public officials can further address the roots of the public skepticism.

It is important to note that the dissertation is not asserting that the private sector organizations are homogenous and instigating their employees to be blind with unethical or corruptive behaviors or that the public organizations are homogenous in the same account. The uniqueness and significance of work and task environments cannot be

emphasized more in many of the organizational studies (e.g. Miller et al., 1999). The organizational and task-related factors such as ethical climate of the organizations, situational constraints, existence and proliferation of code of conducts, leader-employee relationship, coworker relationship, perceived ethical leadership, task formalization, task demands, customer/client relationships and the level of discretion, and many other factors would play a role in shaping the individuals' moral tolerance and evaluations of their leaders. How rationalization process functions in shaping perceptions of the tolerance of deviant behaviors through these organizational and task environments are not much investigated, especially in the field of public management. Given that the tolerance attitudes are closely associated with the passive and active behaviors of engaging in unethical behaviors, investigating the factors associated with organizational factors or work environments would be an important task of the future research.

Furthermore, the employees' rationalization processes in the organizational environments, especially in the context of corruption, have been studied widely in the field of business ethics. However, despite the abundant studies of sector differences of public and private work environments, few studies are done to examine whether the public environments (or business sector environments) are particularly vulnerable to the specific types of rationalization process of the deviant or unethical behaviors. That is, how the public sector environments (and of what particular organizational characteristics) induce the employees to rationalize their own or others' deviant and morally questionable behaviors through emphasizing the legality of the act, denying one's own responsibility by blaming the forces beyond the individuals' control, using social weighting by

attacking the legitimacy of the rules or whistle-blowers, or believing that broad social norms can be sacrificed for the good of the others (Ashforth and Anand, 2003). Drawing the knowledge of moral psychology and organizational studies into the understanding of public sector environment would offer alternative strategies to challenge the justifications to curb deviance or the potential dark side of the increasing discretion of the public officials.

Lastly, moral disengagement is also considered as a process rather than a disposition in many of the empirical studies (Leidner et al., 2010; Gabbiadini et al., 2014) (although there is little empirical evidence showing how moral disengagement is initiated (see Shu et al. (2011)). Given this perspective, it might be possible that the exposure to government organization or business organization might either trigger, discourage, or strengthen the moral disengagement – which might provide other perspectives on the interpretation of the findings of the dissertation. With the increasingly polarized political environment and public opinion, the deeper understanding of moral disengagement may provide some useful insights in the way public perceives and evaluates the leaders, policies, or social programs.

## CHAPTER 9

### CONCLUSION

The dissertation started from a rather basic question of how the public evaluates the normative behaviors of business sector leaders, political leaders, and public bureaucrats differently. The answer to this seemingly simple question might not be at all easy if we try to understand the roots of the moral evaluations of the public. As public opinions operate at both the individual and collective level, the dissertation aimed to describe how, in aggregate, individuals evaluate unethical behaviors of public and private sector leaders and then to find the basis of the perception of the public authorities and business managers from their own work experiences in government and business organizations. In other words, the dissertation takes apart a macro-level, collective phenomenon of the public evaluations to see how the institutional experience itself and individuals' susceptibility to the institutional environment may shape the opinions of the public – connecting macro, meso, and micro level factors in understanding the public tolerance of unethical behaviors.

Basically, all governments are striving for good and reliable governance in the eyes of the citizens. In other words, citizens play critical roles in public administration other than paying taxes or voting. However, as asserted in the recent JPART virtual issue, “[d]espite the critical importance of this link in public administration, citizen-state interactions have received relatively little direct attention within the field. Instead, scholars have tended to cast administrators in the largest roles on the public administration stage” (Jakobsen, James, Moynihan, and Nabatchi, 2019: e8). Extending

the needs of a better insight of the public and their evaluations in understanding citizen-state relationship, the dissertation examined the public's attitudinal responses to the public leaders' unethical behaviors relative to business sector leaders.

Both economic and political performance and objective and normative considerations matter for understanding trust in government. The public sector faces distinct value standards of not only being effective and efficient but being lawful, impartial, and just which are often neglected aspects when the researchers and policy makers make efforts to understand the public evaluations toward public sector and figure out the way the performance is measured. Perhaps, the market-based measure driven performance evaluations has gone too far such that the balance between the emphasis of market-based values and normative values is lost and forgotten in the discussion of policy makers. As the public opinions are becoming more polarized and, therefore, the moral attitudes of the public toward the practices and behaviors of the public figures also become more contentious, in the midst of increasing government distrust, now is, in fact, a more critical time for the scholars and policy makers to understand the base of the moral evaluations, opinions, and dive deeper into the polarizing and discrepant opinions and evaluations of morality and ethics expected upon the leadership.

The purpose of this dissertation is to shed light on the understanding of the public evaluations of morality towards public and private leadership and how the perceptions of the evaluations can be shaped through one's work experience in different sectors. An important point that drove the research is that the public (or the citizens) does not exist in vacuum – they are the neighbors working in the grocery store, bank, local post office,

police officers, and teachers. Therefore, identifying the sources of moral evaluations and reasoning of the public would allow the leaders in public and private sectors to better understand the standards of evaluations at the societal level but also at the organizational level. The findings in the dissertation illustrated how working longer years in government is correlated with a more accepting attitudes of petty violations of organizational policy and how working in for-profit organizations is positively correlated with tolerant attitudes of any violations controlling for age. Despite the ample literature and discussions and practices of ethics both in the field of business and public management, the findings indicate that the individuals, on average, become more accepting of the violations, calling into questions of the validity of the current discussion and practices, and more importantly, the common presumption in the discussion of morality in organizational ethics. That is, ethics and ethical leadership are primarily considered as restraining self-interest and profit-seeking. The duality of self-interest and morality as well as the duality of those in power and the weak are often used as the fundamental philosophical premises in the discussion of business and public service ethics (Hicks, 2003). Perhaps, to drive sustainable and enriching ethical society, the ethics management in the organizations and society might need to address the morality as a practical means to serve the purpose of the business and public service, not as the conflicting forces of achieving the objectives of the public or for-profit values.

Understanding the public evaluations of unethical or deviant behaviors is also critical given the ill effect of the cultural and social perceptions that give rise to the public tolerance of unethical leadership. The tolerance can result from neutralizing the potential

stigma of unethical or deviant behaviors, making the behaviors an exception to general normative sanctions, or framing them so that it falls outside of the boundaries of deviance or morally wrong practices (Anand et al., 2004) which can be extremely useful tool for white collar crimes (Wortley, 1996). If a social actor within the community does not identify something as unethical or, at minimum, morally questionable and further, be tolerant, the individual would be less likely to attempt to manage the violation of public integrity and ethics either actively or passively (Sumanth et al., 2011; Campbell and Göritz, 2014). However, discussions on public tolerance of immorality or deviance have considered the cultural aspect rather holistically, seeking to capture key aspects of the organization and the society through the culture as a whole (Nutt, 2005). However, the culture includes social and political environments and the public perception of them feeds into the perceptions and attitudes of ethics in the society. Social and political norms are not an explanation but must themselves be explained by closely examining what is behind the public's tolerance (Hechter, 1987; Coleman, 1990).

For this exact reason, disentangling the effect of perception of social and political context from that of ethics and ethical behaviors (or perception of ethics) is a bedrock to properly design and implement any efforts in ethics reform across sectors. It is of little practical or theoretical use to answer the question of why the organizations or people within the organizations are unethical or tolerant of deviant behaviors, while still carrying the organizational, sectoral, or cultural norms. In that regards, comparative investigation across public and private sector is particularly important with a rise of public-private partnership, collaborative governance, and privatization in the provision of public



services (Argandoña, 2003). That is, with increasingly more collaborative efforts of the public and private sector organizations in the provision of public services, it is yet unclear how the public's distinct normative evaluations toward the public sector managers, as found in the dissertation, can be better addressed and managed in the collaborative nature of the provision of the public services.

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APPENDIX A  
QUESTIONNAIRE ITEMS AND CONSTRUCTS

Constructs	Exact phrase of the question	Scale
<b>Tolerance to unethical behaviors (Moral tolerance)</b>	<p>(S1) To what extent do you think it is acceptable for <b>Jessie</b> to claim the transportation expense in this manner? Choose any point in a scale from a scale of 0 to 100. 0 would mean it is definitely not acceptable, 50 that there are good arguments for and against, while 100 means it is definitely acceptable.</p> <p>(S2) To what extent do you think it is acceptable for <b>Casey</b> to recommend a relative? Choose any point in a scale of 0 to 100. 0 would mean it is definitely not acceptable, 50 that there are good arguments for and against, while 100 means it is definitely acceptable.</p>	0 – 100 scale

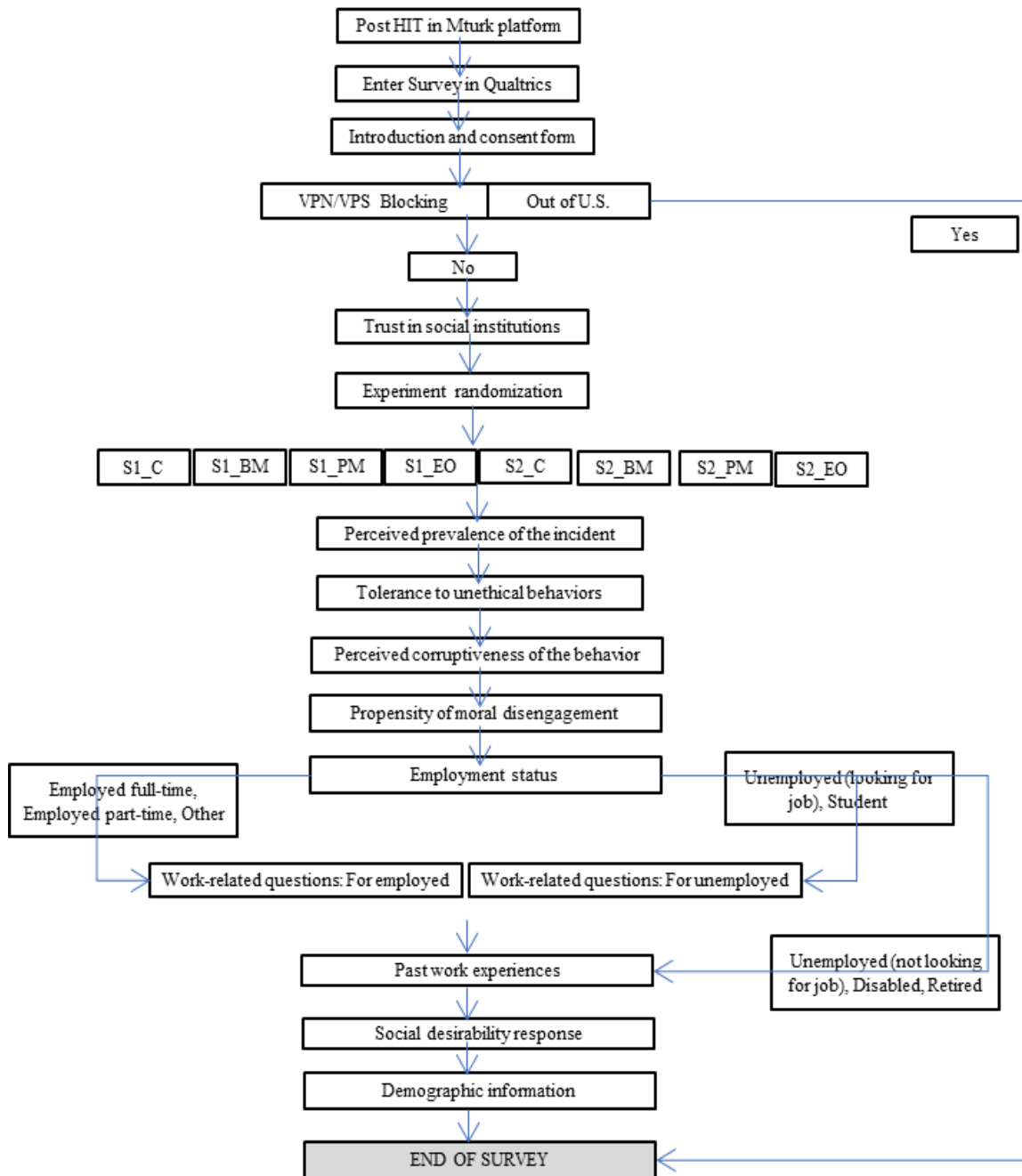
<b>Experimental Covariates</b>		
Perceived prevalence	How often do you think incidents like the one described above happen in U.S. organizations?	4-point scale (Rarely – Very often)
Manipulation check	<p>(S1) From the scenario you read, what was the work affiliation of Jessie who reported a full expense from the conference trip?</p> <p>(S2) From the scenario you read, what was the work affiliation of Casey who offered a donation to the organization to ask to hire a relative to Riley?</p>	<p>(1) Not indicated</p> <p>(2) A business manager at the Brownline Corp.</p> <p>(3) A public manager at the Office of Personnel Management (OPM)</p> <p>(4) A member of the U.S. Congress</p> <p>(5) Don't know</p>
<b>Moderators</b>		
<p>Moral disengagement</p> <p>From Moore et al. (2012)</p> <p>Cronbach <math>\alpha</math> = 0.8744</p>	<p>Please indicate the extent to which you agree or disagree with the following statements.</p> <ul style="list-style-type: none"> <li>• It is okay to spread rumors to defend those you care about;</li> <li>• Taking something without the owner's permission is okay as long as you as you're just borrowing it;</li> <li>• Considering the ways people grossly misrepresent themselves;</li> <li>• It's hardly a sin to inflate your own credentials a bit;</li> <li>• People shouldn't be held accountable for doing questionable things when they were just doing what an authority figure told them to do;</li> <li>• People can't be blamed for doing things that are technically wrong when all their friends are doing it too; Taking personal credit for ideas that were not your own is no big deal;</li> <li>• Some people have to be treated roughly because they lack feelings that can be hurt;</li> <li>• People who get mistreated have usually done something to bring it on themselves.</li> </ul>	7-point scale (Strongly disagree – Strongly agree)



Years of work experience	Including the years you worked in your current organization, please indicate the approximate years of experiences in each organization (e.g. 12.5, 7, 3.5, 1). If you have not worked in the sector, it would be “0” (zero).	(1) For-profit organization or business (2) Federal government (3) State government (4) Local government (5) Non-profit organization (6) Self-employed
<b>Covariates</b>		
Trust in social institutions	Reflecting on your personal interactions with the following institutions in the U.S., how much trust do you have in the following institutions to do what is right for the society? (Random order) <ul style="list-style-type: none"> <li>- Federal government</li> <li>- State government</li> <li>- Local government</li> <li>- Small and medium-sized businesses</li> <li>- Large corporations</li> </ul>	4-point scale (None at all – A great deal)
Political view	Which best describes your political view?	11-point scale (Extremely liberal – extremely conservative)
Social desirability bias  From Steenkamp, De Jong, and Baumgartner (2010)  Cronbach $\alpha$ = 0.7621	Paulhus’s own balanced inventory of desirable responding (BIDR) Impression Management (IM) dimension: I sometimes tell lies if I have to (*) I never cover up my mistakes I always obey laws, even if I am unlikely to get caught I have said something bad about a friend behind his or her back (*) When I hear people talking privately, I avoid listening I have received too much change from a salesperson without telling him or her (*) I never take things that don’t belong to me When I was young I sometimes stole things (*) I don’t gossip about other people’s business; and I have done things that I don’t tell other people about (*). The items with asterisk (*) are the reverse-coded items.	5-point scale (Strongly disagree – Strongly agree)
Employment status	What is your current employment status?	Employed (full-time (1) /part-time (2)), Unemployed (looking for job (3)/ not

	If you are an unemployed looking for a job or a student, which one of the following best describes the organization you want to work in the most?	looking for work (4), Retired (5), Disabled (6), Student (7), Other (9)
Principal employer sector	Which one of the following best describes your current principal employer? If you have more than one job, report the one for which you worked the most hours per week on average.	For-profit company (1); Government (Federal (2), state (3), local government (4)), Non-profit organization (5), Self-employed (6)
Age	What year are you born?	
Gender	What is your gender?	Male (0), Female (1), Other (2), Prefer not to say (3)
Hispanic	Are you of Hispanic, Latino, or Spanish origin?	Yes (1), No (0)
Race	Which of the following best describes your race?	White (1); Black and African American (2); American Indian or Alaska Native (3); Asian (4); Native Hawaiian or Pacific Islander (5); Multiple race (6); Other (7); Prefer not to say (8)
U.S. Citizenship	Are you a U.S. citizen?	Yes, born in the U.S. (1); Yes, naturalized (2); No (3)
Education level	What is the highest grade or level of school completed?	Attended high school (no diploma) (1); High school (graduated), GED, or equivalent (2); Some college (no degree) (3); Associate degree (occupational, technical, or vocational) (4); Bachelor's degree (4-year degree) (5); Master's degree (6); Doctorate (7); Professional degree (e.g. medical, J.D.)
Marital status	What is your current marital status?	Not married (0); Married (1); Prefer not to say (2)
Children	Do you have any children living with you?	Yes (1); No (0)
Annual household income before tax	What is your annual household income before tax?	Less than \$20,000 (1); \$20,000 - \$39,999 (2); \$40,000 - \$59,999 (3); \$60,000 - \$79,999 (4); \$80,000 - \$99,999 (5); \$100,000 - \$150,000 (6); More than \$150,000 (7); Prefer not to say (8)
Political affiliation	Which best describes your political affiliation?	Republican (1); Democrat (2); Independent (3); Libertarian (4); Green (5); Other (Please specify) (6); None (7)

APPENDIX B  
EXPERIMENTAL DESIGN FLOW



## APPENDIX C

### SAMPLE CHARACTERISTICS: FULL SAMPLE AND BY EXPERIMENT GROUPS

	Mean (Std. err.)	Total sample	1	2	3	4	5	6	7	8	p > F
Age		37.92 (2.03)	39.40 (12.3)	39.36 (12.3)	37.93 (11.4)	37.28 (12.0)	37.57 (11.9)	37.64 (11.7)	37.96 (11.7)	36.43 (10.9)	0.192
Woman		0.47 (0.01)	0.457 (0.04)	0.453 (0.04)	0.503 (0.04)	0.528 (0.04)	0.492 (0.04)	0.417 (0.04)	0.498 (0.04)	0.447 (0.04)	0.436
White		0.77 (0.01)	0.73 (0.03)	0.76 (0.03)	0.76 (0.03)	0.78 (0.03)	0.81 (0.03)	0.75 (0.03)	0.80 (0.03)	0.77 (0.03)	0.698
Black		0.10 (0.01)	0.12 (0.02)	0.11 (0.02)	0.13 (0.02)	0.07 (0.02)	0.08 (0.02)	0.10 (0.02)	0.08 (0.02)	0.10 (0.02)	0.493
Asian		0.08 (0.01)	0.13 (0.03)	0.07 (0.02)	0.05 (0.02)	0.11 (0.02)	0.07 (0.02)	0.08 (0.02)	0.06 (0.02)	0.08 (0.02)	0.243
Other		0.06 (0.01)	0.03 (0.01)	0.06 (0.02)	0.06 (0.02)	0.05 (0.02)	0.05 (0.02)	0.08 (0.02)	0.07 (0.02)	0.04 (0.01)	0.511
Hispanic		0.13 (0.01)	0.11 (0.02)	0.08 (0.02)	0.16 (0.03)	0.14 (0.02)	0.12 (0.02)	0.15 (0.03)	0.10 (0.02)	0.17 (0.03)	0.065
Education level											
High school		0.11 (0.01)	0.09 (0.02)	0.11 (0.02)	0.11 (0.02)	0.14 (0.02)	0.15 (0.03)	0.09 (0.02)	0.10 (0.02)	0.10 (0.02)	0.415
Some college		0.20 (0.01)	0.21 (0.03)	0.23 (0.03)	0.20 (0.03)	0.19 (0.03)	0.23 (0.03)	0.21 (0.03)	0.19 (0.03)	0.14 (0.03)	0.544
Associate degree		0.12 (0.01)	0.13 (0.03)	0.12 (0.02)	0.08 (0.02)	0.16 (0.03)	0.11 (0.02)	0.11 (0.02)	0.13 (0.02)	0.11 (0.02)	0.508
Four-year degree		0.42 (0.01)	0.44 (0.04)	0.41 (0.04)	0.49 (0.04)	0.36 (0.03)	0.36 (0.04)	0.42 (0.04)	0.45 (0.04)	0.45 (0.04)	0.137
Master's degree		0.12 (0.01)	0.12 (0.02)	0.11 (0.02)	0.09 (0.02)	0.13 (0.02)	0.12 (0.02)	0.13 (0.02)	0.10 (0.02)	0.16 (0.03)	0.656
Doctorate & Professional degree		0.02 (0.00)	0.02 (0.01)	0.01 (0.01)	0.03 (0.01)	0.02 (0.01)	0.03 (0.01)	0.04 (0.01)	0.02 (0.01)	0.03 (0.01)	0.424
Married		0.42 (0.01)	0.51 (0.04)	0.40 (0.04)	0.39 (0.04)	0.39 (0.03)	0.46 (0.04)	0.37 (0.03)	0.44 (0.04)	0.41 (0.04)	0.085
Having children		0.37 (0.01)	0.45 (0.04)	0.36 (0.03)	0.38 (0.04)	0.32 (0.03)	0.39 (0.04)	0.34 (0.03)	0.40 (0.03)	0.30 (0.03)	0.039
Annual household income											
Less than \$20,000		0.11 (0.01)	0.12 (0.02)	0.10 (0.02)	0.11 (0.02)	0.15 (0.03)	0.10 (0.02)	0.12 (0.02)	0.11 (0.02)	0.08 (0.02)	0.613
\$20,000-\$39,999		0.24 (0.01)	0.24 (0.03)	0.27 (0.03)	0.26 (0.03)	0.20 (0.03)	0.23 (0.03)	0.23 (0.03)	0.24 (0.03)	0.22 (0.03)	0.797
\$40,000-\$59,999		0.22 (0.01)	0.18 (0.03)	0.24 (0.03)	0.22 (0.03)	0.25 (0.03)	0.23 (0.03)	0.25 (0.03)	0.18 (0.03)	0.22 (0.03)	0.569
\$60,000-\$79,999		0.17 (0.01)	0.18 (0.03)	0.14 (0.03)	0.17 (0.03)	0.17 (0.03)	0.16 (0.03)	0.18 (0.03)	0.18 (0.03)	0.19 (0.03)	0.915
\$80,000-\$99,999		0.11 (0.01)	0.12 (0.02)	0.09 (0.02)	0.10 (0.02)	0.10 (0.02)	0.12 (0.02)	0.09 (0.02)	0.10 (0.02)	0.16 (0.03)	0.406
\$100,000-\$150,000		0.10 (0.01)	0.10 (0.02)	0.10 (0.02)	0.08 (0.02)	0.10 (0.02)	0.12 (0.02)	0.09 (0.02)	0.10 (0.02)	0.08 (0.02)	0.971
More than \$150,000		0.05 (0.01)	0.05 (0.02)	0.05 (0.02)	0.06 (0.02)	0.03 (0.01)	0.03 (0.01)	0.03 (0.01)	0.07 (0.02)	0.04 (0.01)	0.363
Political affiliation											
Republican		0.23 (0.01)	0.23 (0.03)	0.25 (0.03)	0.24 (0.03)	0.20 (0.03)	0.23 (0.03)	0.25 (0.03)	0.25 (0.03)	0.25 (0.03)	0.955
Democrat		0.41 (0.01)	0.42 (0.04)	0.35 (0.03)	0.43 (0.04)	0.48 (0.04)	0.39 (0.04)	0.39 (0.04)	0.42 (0.03)	0.43 (0.04)	0.501
Independent		0.28 (0.01)	0.27 (0.03)	0.29 (0.03)	0.24 (0.03)	0.24 (0.03)	0.30 (0.03)	0.33 (0.03)	0.27 (0.03)	0.26 (0.03)	0.754
Other (e.g. Libertarian, Green)		0.06 (0.01)	0.08 (0.02)	0.09 (0.02)	0.08 (0.02)	0.07 (0.02)	0.06 (0.02)	0.02 (0.01)	0.05 (0.02)	0.06 (0.02)	0.175
None		0.01 (0.00)	0.00 (0.01)	0.02 (0.01)	0.02 (0.01)	0.02 (0.01)	0.02 (0.01)	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)	0.667
Moral disengagement		12.19 (0.24)	11.21 (0.67)	10.39 (0.63)	10.47 (0.58)	10.81 (0.64)	10.89 (0.71)	10.71 (0.72)	10.41 (0.67)	12.20 (0.76)	0.623
Social desirability bias scale		22.05 (0.19)	21.95 (0.55)	22.02 (0.52)	22.01 (0.52)	21.68 (0.54)	23.12 (0.50)	22.71 (0.56)	21.94 (0.51)	20.73 (0.50)	0.159
Trust in social institutions											

Federal government	2.19	2.18	2.19	2.19	2.20	2.21	2.19	2.20	2.16	0.990
	(0.02)	(0.06)	(0.06)	(0.06)	(0.06)	(0.06)	(0.06)	(0.06)	(0.06)	
State government	2.43	2.41	2.38	2.49	2.43	2.44	2.36	2.45	2.48	0.775
	(0.02)	(0.06)	(0.06)	(0.06)	(0.06)	(0.06)	(0.05)	(0.06)	(0.06)	
Local government	2.60	2.64	2.55	2.69	2.48	2.56	2.66	2.57	2.66	0.098
	(0.02)	(0.06)	(0.06)	(0.05)	(0.05)	(0.06)	(0.06)	(0.05)	(0.06)	
Small- and medium-size business	2.89	2.97	2.90	2.99	2.80	2.90	2.86	2.83	2.91	0.086
	(0.02)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.06)	
Large enterprise	2.07	2.09	2.08	2.17	2.01	2.11	2.05	1.96	2.07	0.149
	(0.02)	(0.06)	0.05	(0.06)	0.05	(0.06)	(0.06)	(0.06)	(0.06)	
Political view	4.22	4.31	4.51	4.29	4.11	4.22	4.07	4.10	4.20	0.842
	(0.07)	(0.23)	(0.20)	(0.20)	(0.20)	(0.21)	(0.21)	(0.21)	(0.20)	
Employed	0.85	0.85	0.84	0.82	0.84	0.86	0.85	0.85	0.86	0.981
	(0.01)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	
Current sector affiliation										
For-profit organization	0.58	0.54	0.51	0.58	0.62	0.61	0.55	0.56	0.52	0.398
	(0.01)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	
Government	0.19	0.17	0.23	0.21	0.20	0.19	0.20	0.22	0.27	0.475
	(0.01)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	
Non-profit	0.10	0.15	0.09	0.11	0.08	0.07	0.10	0.09	0.09	0.492
	(0.01)	(0.03)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	
Self-employed	0.13	0.15	0.17	0.11	0.10	0.13	0.15	0.12	0.12	0.588
	(0.01)	(0.03)	(0.03)	(0.02)	(0.02)	(0.03)	(0.03)	(0.03)	(0.03)	
Years of work experience										
For-profit organization	10.33	12.02	10.79	9.72	9.37	10.52	9.52	10.02	8.96	0.095
	(0.27)	(0.83)	(0.73)	(0.69)	(0.65)	(0.73)	(0.77)	(0.72)	(0.62)	
Government	2.52	2.53	2.90	2.43	2.54	2.36	2.40	2.13	2.18	0.937
	(0.16)	(0.46)	(0.45)	(0.41)	(0.43)	(0.43)	(0.39)	(0.39)	(0.37)	
N	1569	179	197	194	199	190	203	205	202	

Column “p > F” shows the results of ANOVA tests for differences in means across the eight experiment groups.

APPENDIX D

INSTITUTIONAL REVIEW BOARD (IRB) APPROVAL LETTER





EXEMPTION GRANTED

Barry Bozeman  
 Public Affairs, School of  
 -  
 Barry.Bozeman@asu.edu

Dear Barry Bozeman:

On 11/28/2018 the ASU IRB reviewed the following protocol:

Type of Review:	Initial Study
Title:	An Experimental Study of Tolerance for Corruption and Perception of Sector
Investigator:	Barry Bozeman
IRB ID:	STUDY00009277
Funding:	Name: Graduate College
Grant Title:	
Grant ID:	
Documents Reviewed:	<ul style="list-style-type: none"> <li>• Jung Form-Social-Behavioral-Protocol.docx, Category: IRB Protocol;</li> <li>• Consent and recruitment _ MTurk, Category: Recruitment Materials;</li> <li>• Consent form _ MTurk, Category: Consent Form;</li> <li>• Award letter _ Research Grant Program (2018-2019).pdf, Category: Sponsor Attachment;</li> <li>• Consent form _ ASU students, Category: Consent Form;</li> <li>• Citizen Value Survey _IRB.pdf, Category: Measures (Survey questions/Interview questions /interview guides/focus group questions);</li> <li>• Consent and recruitment _ ASU Student, Category: Recruitment Materials;</li> </ul>

The IRB determined that the protocol is considered exempt pursuant to Federal Regulations 45CFR46 (2) Tests, surveys, interviews, or observation on 11/28/2018.

In conducting this protocol you are required to follow the requirements listed in the INVESTIGATOR MANUAL (HRP-103).

Sincerely,

IRB Administrator

cc: Jiwon Jung  
Jiwon Jung