MORAL DISENGAGEMENT IN PROCESSES OF ORGANIZATIONAL CORRUPTION:
THE EFFECT OF MORAL DISENGAGEMENT ON UNETHICAL DECISION MAKING,
MORAL AWARENESS, AND ORGANIZATIONAL ADVANCEMENT

by

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Abstract

MORAL DISENGAGEMENT IN PROCESSES OF ORGANIZATIONAL CORRUPTION: THE EFFECT OF MORAL DISENGAGEMENT ON UNETHICAL DECISION MAKING, MORAL AWARENESS, AND ORGANIZATIONAL ADVANCEMENT

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This dissertation explores Albert Bandura's concept of moral disengagement (Bandura, 1990a, 1990b, 1999a, 2002) in the context of organizational corruption. First, the construct of moral disengagement is defined and elaborated upon. Moral disengagement is then hypothesized to play a role in the initiation of organizational corruption by both easing and expediting individual unethical decision making that advances self and organizational interests. Moral disengagement is hypothesized to be a factor in the facilitation of organizational corruption through dampening individuals' awareness of the ethical content of the decisions they make. Finally, it is hypothesized to contribute to the perpetuation of organizational corruption in organizations, because if individuals who have a greater propensity to morally disengage are more likely to make decisions that advance
organizational interests, regardless of the ethicality of those decisions, they may be rewarded for those decisions in terms of organizational advancement.

Three studies empirically investigate these hypotheses. Study 1a develops and conducts preliminary validation efforts on the first general scale of moral disengagement for adult samples. Study 1b finds that moral disengagement, by dampening moral awareness, increases the likelihood that individuals will make unethical decisions; this finding is particularly robust for women. Study 2 find that individuals who have a greater propensity to morally disengage achieve more promotions and have a greater number of subordinates than individuals with middle range levels of moral disengagement, but that low levels of moral disengagement also predict these advancement outcomes. Together, these studies form an argument that moral disengagement—the propensity of individuals to suspend the self-regulatory processes that typically compel us to behave morally—plays an important role in processes of organizational corruption.
For Carol, whose life was the opposite of moral disengagement
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Chapter 1

Moral Disengagement in Processes of Organizational Corruption

This paper examines the concept of moral disengagement (Bandura, 1990a, 1990b, 1999a, 2002)—the propensity to evoke cognitions which restructure one’s actions to appear less harmful, minimize one’s understanding of responsibility for one’s actions, or attenuate the perception of the distress one causes others. In particular, this paper explores three ways in which moral disengagement might pervade processes relevant to organizational corruption. First, it investigates how moral disengagement may help initiate organizational corruption by allowing individuals to pre-empt the discomfort of cognitive dissonance when faced with the prospect of making organizationally valuable, but corrupt, decisions, since moral disengagement facilitates the cognitive reframing of issues to exclude moral considerations. Second, it investigates how moral disengagement may help facilitate organizational corruption by dampening individuals’ moral awareness (Butterfield, Treviño, & Weaver, 2000), a key step in taking moral action (Rest, 1986a). Finally, it investigates how moral disengagement may help perpetuate organizational corruption, by seeing whether individuals who have a greater propensity to morally disengage advance more quickly through organizations.

In this chapter, I first define moral disengagement and provide a brief general explanation of why moral disengagement might be relevant to processes of organizational corruption. Next, I define how organizational corruption is conceptualized in the context of this dissertation. Finally, I detail the three specific ways in which moral disengagement may play a role in the processes of interest and specify the hypotheses which are then tested in two empirical studies.
Moral Disengagement

Albert Bandura’s theory of moral disengagement was developed to explain why certain people are able to engage in inhumane conduct without apparent distress (Bandura, 1990a, 1990b, 1999a, 2002). In his theory, individuals with high levels of moral disengagement become habituated to using cognitive mechanisms which work to suspend the self-regulatory processes that socio-cognitive theory suggests govern individual moral behaviour. To date, the work on moral disengagement has remained primarily theoretical, used in explanations of political and military violence (Bandura, 1990a). The empirical work on moral disengagement has taken place predominantly in the context of predicting aggression and anti-social behaviour in children and adolescents (Bandura, Barbaranelli, Caprara, & Pastorelli, 1996; Bandura, Caprara, Barbaranelli, Pastorelli, & Regalia, 2001), though moral disengagement has also been effectively examined in adults in targeted ways, linked to declines in civic behaviour (Caprara & Capanna, 2004), computer hacking (Rogers, 2001), and reactions to war (Aquino, Reed, Thau, & Freeman, 2007).

How does moral disengagement work? Bandura’s theory suggests that disengagement operates through eight different cognitive mechanisms, which can be grouped into three basic types (Bandura, 2002). Three of these mechanisms (moral justification, euphemistic labelling, and advantageous comparison) facilitate the cognitive restructuring of inhumane acts so that they appear less harmful to the individual engaged in them; the cognitions work by making the inhumane act seem beneficial in some way. For example, *moral justification* might involve telling oneself that selectively disclosing product information to customers is critical to protecting the company’s public image. Similarly, *euphemistic labelling* renames harmful actions so as to appear benign. For example, Jackall notes that those who collude with co-
workers in unethical actions within corrupt organizations are often termed good “team players” (1988: 52-53). *Advantageous comparison* draws on even more harmful activities to make the relevant action seem innocuous in contrast.

Two cognitive mechanisms (displacement of responsibility and diffusion of responsibility) minimize the role of the individual in the harm that is caused by their actions. Cognitions which *displace responsibility* tend to attribute responsibility for one’s actions to authority figures who may have tacitly condoned or explicitly directed one’s behaviour (see Kelman & Hamilton, 1989). Cognitions which *diffuse responsibility* tend to disperse blame across members of a group, rather than attributing it to any one individual. For example, research on the Space Shuttle Challenger disaster reveals that diffusion of responsibility was an important factor in the decision to launch (Vaughan, 1996). These mechanisms work by absolving individuals from moral agency: “I was made to do it by my boss,” or, “I played such a small part that I’m not really responsible,” are cognitions of this type.

The final three cognitive mechanisms (distortion of consequences, dehumanization and attribution of blame) reframe the effects of one’s actions, either by minimizing the outcomes of those actions or by minimizing the perception of distress those actions cause others. Unlike the first three mechanisms, these are not intended to reframe the activity in a positive light; rather, they work on minimizing the true consequences that one’s actions have on others. In the context of organizational corruption, the *distortion of consequences* is abetted by calling such criminal activity “victimless” or by downplaying the ultimate effects of the activity (Benson, 1985). Though *dehumanization* is often considered extreme, Bandura points out that it occurs even in mundane circumstances, especially in conditions of bureaucratization, automation, and impersonal conduct (Bandura, 2002: 109). *Attributing*
blame to the victim occurs in all types of contexts, from rape to white collar crime (Douglas, 1995).

Together, these eight mechanisms restructure the way that individuals make decisions and experience the choices they make. Although each mechanism describes a cognitive process which facilitates disengagement of the self-sanctions that socio-cognitive theory claims drive individual moral behaviour, moral disengagement can also manifest within individuals as a generalized cognitive orientation to the world, which differentiates one individual from another. In Bandura’s theory, moral disengagement describes both a set of processes that individuals employ to disengage moral self-sanctions, and a way of differentiating individuals by the degree to which they have made habitual their dependence on these mechanisms (in a way that influences their behaviour) (Bandura, 1990a, 1990b, 1999a, 2002). This dissertation focuses on the second way of understanding moral disengagement—as a way to differentiate individuals by the degree to which they habitually employ morally disengaging cognitive mechanisms. In this research, moral disengagement is conceptualized as an individual propensity to evoke cognitions that allow individuals to restructure their actions to appear less harmful, minimize their role in the outcomes of their actions, or attenuate the distress that they cause to others.

Moral Disengagement and Organizational Corruption

It is reasonable to wonder whether moral disengagement might also play an important role in organizational corruption. Bandura himself theorized that the mechanisms of moral disengagement “routinely” operate in individuals’ mundane decisions “to further their own interests or for profit” (Bandura, 1990b: 43). Though other scholars have also theorized that
moral disengagement might be “the root cause of sanctioned organizational corruption” (Brief, Buttram, & Dukerich, 2001: 473), to date, no thorough theoretical account of how moral disengagement may play a unique role in organizational corruption processes has been offered in the literature, nor has the role of moral disengagement been empirically investigated in this context. This dissertation provides such a theoretical account, and argues that the propensity of individuals to morally disengage may influence not only their awareness of the ethical content of the decisions they make, but also their likelihood of making unethical decisions, and ultimately, their ascent up the corporate ladder. Before going into this argument in detail, it is important to define organizational corruption.

**Organizational Corruption**

Corruption is a particularly muddy concept, in large part because it is very broad and inclusive of a wide variety of actions and/or behaviours, which makes establishing a clear definition difficult (for discussion on this difficulty, see Bloch & Geis, 1962; Geis, 1962; Quinney, 1964). There are many forms of corruption as well, which span multiple levels of analysis, ranging from corruption narrowly tied to an individual (such as someone who, contravening organizational norms, misuses their position for self-serving reasons), to organizational corruption (such as when the goals and/or norms of the organization are dependent on illegal or unethical actions, and have some form of official sanction).

While there is by no means a consensus view of organizational corruption, this study was conceived with the following definition of organizational corruption in mind: *unethical actions undertaken in accordance with organizational goals, which are likely to—but do not necessarily—directly or indirectly advance individual interests as well.* (Similar definitions
are offered by Clinard & Quinney, 1973; Schrager & Short, 1978; Sherman, 1980; Szwajkowski, 1985). Understanding this definition requires going into some descriptive detail about what I mean by (1) unethical actions, (2) organizational interests, and (3) individual interests.

Defining “ethical” is an unending project that philosophers have been struggling with for thousands of years (MacIntyre, 1998). In social science research, the definition of “ethical” is commonly taken for granted; perhaps, as U.S. Supreme Court Justice Potter Stewart famously opined about pornography in Jacobellus v. Ohio, “[We] know it when [we] see it” (quoted in Strossen, 1995: 53). When “ethical” is defined, it is usually defined in terms of (1) what is legal, and (2) what conforms to social norms. These are useful proxies for what societies have deemed “ethical”, and account for the popularity of Jones’ definition of ethics as a fallback in organizational research. Jones says, “an unethical decision is either illegal or morally unacceptable to the larger community”—even though he himself calls the definition “admittedly imprecise and relativistic” (T. M. Jones, 1991: 367). Clearly, there are cases of illegal action (for example, smoking marijuana), and cases of action which may be unacceptable to large communities (for example, homosexuality), that one could solidly argue should not be defined as unethical. How, then, might it be better to define the term?

Normative ethics, or the study of how our moral lives should be governed, often juxtaposes two dominant strains of philosophy: deontology and consequentialism (Sher, 1987). In deontological ethics, the ethicality of an act is determined both by the intent of the actor, and by the reasons behind the act, which must withstand rational scrutiny. To oversimplify, in deontological ethics, an act is ethical if the actor’s motives were pure, and if one could rationally desire the principle (or duty) behind that act to be a general principle of
human conduct. Since it is logically reasonable to will that fairness, honesty and fidelity be general principles of human conduct, deontology advises that we ought always be fair, honest, and loyal. However, deontology’s critics point out that the absolutism implied by this logic can have unintended consequences: for example, the duty to be honest applies even in Nazi Germany, when the SS comes to your door to ask if you are hiding refugees. Since the context in which the ethical decisions are made is irrelevant in deontological ethics, this strain of normative ethics has its weaknesses. Additionally, deontological ethics fails to provide guidance about how to act when two duties come into conflict, for example, if one’s duty to behave with fidelity clashes with one’s duty to treat others fairly.

Consequentialist ethics offers a partial solution to the weaknesses of deontological ethics by highlighting the context in which decisions are made (outcomes), as well as by providing a means of weighing the options when two individual duties conflict. In consequentialist ethics, the ethicality of an act is determined by its outcomes, and the judgement of an action as unethical is usually based on its resultant harm. Simply put, in consequentialist ethics, an act is ethical if it maximizes positive consequences and minimizes the negative consequences for others. Although this sounds easy to apply in practice, defining relevant others, predicting what the consequences of actions will be in advance, and defining harm has proven to be very challenging.

This dissertation, therefore, uses a definition of “ethical” that marries the deontological focus on overarching principles with the consequentialist focus on outcomes; an action is ethical when it meets generalizable principles of human conduct, and minimizes potential harm to others; conversely, an action is unethical when it directly contravenes a generalizable principle of human conduct, or fails to minimize potential harm to others.
Though there is certainly no final consensus about what generalizable principles of human conduct are, certain principles (such as honesty, fairness, and respect for others) are common. For the purposes of this dissertation, I have chosen a set of eight principles that a group of researchers found to represent the foundation underlying the five internationally recognized sets of ethical guidelines for multinational companies (Paine, Deshpande, Margolis, & Bettcher, 2005). This set of principles was chosen because: (1) it was developed from global codes of business practice, and since this dissertation theorizes about the processes that support organizational corruption, a set of principles developed for a business context is particularly salient, and (2) I find the list to be generally comprehensive.

The principles are: (1) **fiduciary duty**: to act in the best financial interests of the company and its investors; (2) **property**: to respect property and the rights of those who own it; (3) **reliability**: to keep promises, agreements, contracts and other commitments; (4) **transparency**: to conduct business in a truthful and open manner; (5) **dignity**: to respect the health, safety, privacy and dignity of all people; (6) **fairness**: to treat all parties fairly, engage in fair exchange and competition, and provide due process; (7) **citizenship**: to operate within the bounds of the law and act as responsible members of the community; and (8) **responsiveness**: to be responsive to the legitimate claims and concerns of others. Context will determine much about how individuals decide to apply these principles on any particular occasion, but certain behaviours will always be clear contraventions of at least one of these principles.

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1 There is greater disagreement about the appropriate ways of manifesting these principles in action than there is about the principles themselves (Donaldson, 1996).

2 I acknowledge that “eight” is a relatively arbitrary number. Certainly, arguments could be made for more or fewer truly generalizable principles underlying ethical business conduct (see alternate arguments in Donaldson & Dunfee, 1994; Quinn & Jones, 1995); however, to the extent that a definition requires drawing a line in the sand, this set of eight principles fares quite favourably.
principles (e.g., misrepresenting earnings on financial statements, keeping unsafe products in the market).

Obviously, over a long time horizon, unethical decisions are rarely in an organization’s interests; they can be costly, and even threaten an organization’s survival (Enron and Arthur Andersen, among many others with similar histories, no longer exist). However, at the time they are undertaken, unethical decisions commonly meet some organizational interest. For example, hiring foreign sales agents to pay bribes to potential customers was historically a very productive way for many organizations to gain market share internationally and expand globally (Coleman, 1989). It was originally thought to be in Ford’s best financial interests not to recall the Pinto car, despite evidence that even low-speed accidents caused the fuel tanks to rupture and ignite into flames (Gioia, 1992). Enron’s pre-bankruptcy accounting practices, which established indirect partnerships to mask billions of dollars in corporate debt, allowed the corporation to remain viable for longer than it should have (McLean & Elkind, 2003).

Why focus on a definition of organizational corruption that highlights actions taken to advance organizational interests? Clearly, much of the behaviour that can be considered corrupt works against organizational interests: for example, theft and embezzlement, inappropriate use of funds or benefits, or misuse of one’s personal position for individual gain. Advancing one’s own interests is clearly a motivating factor in certain types of organizational corruption, and moral disengagement may well play a role in explaining such behaviour. However, this type of behaviour cannot accurately be called “sanctioned organizational corruption,” as Brief and his colleagues describe; it is more accurately identified as individual organizational corruption, since it directly undermines organizational
goals. “Sanctioned organizational corruption” has to be comprised of actions which advance, at least in the short term, corporate goals.

The focus this dissertation places on organizational interests is important, because the final part of the dissertation argues that organizations will reward individuals who engage in unethical decision making, which logically depends on restricting the subset of individuals who are rewarded to individuals who engage in unethical decision making that advances the organization’s interests. This does not mean that moral disengagement plays a role exclusively in organizational corruption, and not in individual corruption, only that the theoretical account offered here focuses on how moral disengagement plays into corruption at the organizational level. While moral disengagement may well facilitate unethical decision making generally, and dampen general moral awareness, the theoretical crux of the argument—that it will be related to professional advancement—has to be about how moral disengagement helps in the advancement of organizational goals. Organizations aren’t likely to reward individuals who make unethical decisions which undermine their interests.

Finally, it is important to specify why individual self interest is a probable, but not necessary, part of the definition of organizational corruption which drove the theorizing behind this work. It is possible to understand “organizational interests” in many ways, some of which dovetail quite nicely at the individual level with self interest. At an abstract level, the two traditional interests of a corporation are survival and growth (Thompson, 1967: 128). Therefore, corporate or organizational corruption requires actions which serve the higher level purposes of organizational survival and growth. At a stakeholder level, “organizational interests” are typically the interests of a dominant coalition of individuals in leadership positions, whose interests come to represent the “organizational interest” (Cyert & March,
1963; Thompson, 1967). Many organizational theories, agency theory in particular, focus in part on the importance of aligning the interests of an organization’s executives with broader organizational goals (Eisenhardt, 1989; Jensen & Meckling, 1976; Levinthal, 1988), in order to align the self interests of those in the dominant coalition with the organizational interests it is their formal job to promote. It is not uncommon for these interests to be aligned such that unethical actions in support of survival and growth will also be in the self interests of those in the dominant coalition within the organization. This alignment between the two sets of interests means that—though the foundational interest remains investigating the processes that inform organizational corruption—most of the time these processes will have self-serving outcomes for individuals within the organization as well.

Self interest is therefore a key component of corporate or organizational corruption. Unethical behaviours which advance organizational interests are often clearly in an individual’s self interest as well. However, as I hope to make clear in this chapter, moral disengagement facilitates unethical behaviour both within one’s interests, as well as outside one’s interests. In both cases, moral disengagement helps dampen moral awareness, and therefore makes individuals less cognizant of ethical issues when they arise. This will facilitate both blatant self interest, as well as a general indifference towards the ethical implications of one’s actions. Moral disengagement is therefore going to facilitate unethical decision making both in cases where it does not directly serve the individual’s interest, as well as in cases where it does.

This dissertation makes the argument that moral disengagement helps initiate, facilitate, and perpetuate organizational corruption through its effect on moral awareness,
unethical decision making and organizational advancement (see Figure 1 for a pictorial representation of the hypotheses that follow). I now turn to these arguments.

Figure 1

*Moral disengagement in processes of organizational corruption.*
Unethical Decision Making:

Moral Disengagement in the Initiation of Organizational Corruption

Models of organizational corruption tend to focus either at the macro-level, on variables that create environmental pressures (e.g., Baucus, 1994; Szwajkowski, 1985) that help spark organizational corruption, or, at the micro-level, on how "otherwise ethical" individuals become effectively socialized into wrongdoing (e.g., Ashforth & Anand, 2003; Brief et al., 2001). However, if all individuals who enter organizations do not engage in unethical behaviour unless pressured or socialized to do so, we have a proverbial chicken without an egg. In other words, the unethical decisions of some individuals need to set a tone within the organization before the socialization of other employees into corrupt actions can occur.

Certainly, aspects of a situation (Mischel, 1977; Treviño, 1986), and contingencies regarding a decision (T. M. Jones, 1991) can "override" individual values or motivations and compel employees to engage in acts in which they would not otherwise take part. However, the arguments that support the role of external forces in unethical behaviour rest tacitly on an assumption that all organizational members are equally likely to enact the "initial, idiosyncratic corrupt practices" (Ashforth & Anand, 2003: 4) responsible for the initiation of corruption within organizations. My argument is that moral disengagement may play a role in instigating organizational corruption because individuals may not be equally likely to trigger those initial, idiosyncratic practices; individuals who have a greater propensity to morally disengage might be more likely than others to make those key early decisions that are required in order for corruption to be normalized within organizations.
Specifically, moral disengagement may assist individuals in more easily and expediently making unethical decisions that are in the organization’s interest. Moral disengagement may ease unethical decision making by pre-empting the psychological discomfort (cognitive dissonance) experienced by individuals who face the prospect of making an organizationally valued but morally questionable decision. In this context, being able to make unethical decisions more easily means being able to make unethical decisions without resultant psychological discomfort. Moral disengagement may also expedite unethical decisions by preventing competing values from adding to the cognitive complexity of the decision. Here, expediting unethical decisions means being able to make unethical decisions using fewer cognitive resources, and less complex reasoning.

Cognitive dissonance theory provides support for the argument that individuals with greater propensities to morally disengage will be able to make unethical decisions in the organization’s interest more easily. The theory holds that individuals will go to great lengths to change their attitudes to fit with their behaviour, or enhance the value of their choices (vis a vis alternative choices), when two cognitions relevant to a decision are dissonant (Festinger, 1957; Harmon-Jones, 2000; Tetlock, 1986). However, dissonance research tends to focus on outcomes of dissonance (the mental gymnastics required to reduce that dissonance) rather than what might predict a lack of dissonance in the first place. The argument here is that moral disengagement plays into our cognitive processes in a way that allows individuals to avoid the simultaneous cognitions that create dissonance. In other words, morally disengaged attitudes, since those attitudes already fit with unethical choices, allow people to pre-empt the dissonance that would arise for individuals without morally disengaged attitudes. Unethical
decisions are easier for individuals high in moral disengagement because these choices will not create dissonance for them.

How would this work in practice? As Tetlock reminds us, recognizing an issue as a moral dilemma inherently involves acknowledging a tension between two conflicting values; moreover, the dilemma can be worse for the individual experiencing it depending on how strongly both values are held (Tetlock, 1986). For example, imagine an individual is faced with a strong incentive to bribe a foreign official in order to secure a large contract for one’s organization. For many, a conflict would arise between the value of benefiting one’s organization with the contract (and oneself with a hefty commission), and the moral (and in most jurisdictions, legal) value prohibiting bribery of foreign nationals in the effort to secure local contracts. In this case, the cognitive mechanisms of moral disengagement would operate to minimize the importance of the value against bribery (for example, evoking a cognition which diffuses responsibility away from oneself, such as “everyone bribes in this culture”), leaving no conflicting values to be resolved, and no cognitive dissonance to result.

It will therefore be cognitively easier for the morally disengaged individual to make the unethical decision (and offer the bribe), because that individual will not face the discomfort of cognitive dissonance in the face of the ethical dilemma. In the language of cognitive dissonance, the individual’s attitude (represented by the morally disengaged cognition, “everyone bribes”) would already be aligned with the bribing behaviour. There is no need, in other words, to engage in the discomforting mental gymnastics of changing one’s attitude (from valuing the prohibition of bribery) to fit with one’s behaviour (of offering the bribe). Moral disengagement has already cognitively reframed the action for the individual in such a way that makes it acceptable behaviour.
The second argument uses cognitive moral development theory to argue that individuals high in moral disengagement will be able to make unethical decisions more expediently than individuals low in moral disengagement. Theorists of moral development hold that advanced moral reasoning requires high levels of cognitive complexity (Kohlberg, 1984; Rest, 1986a). For example, Kohlberg understood that the most advanced moral reasoning involves applying universal ethical principles in a logically comprehensive way, while the least advanced moral reasoning conceives of moral choices in terms of pure self interest, asking questions such as “Will I be punished for this act?” (Kohlberg, 1984). In other words, it takes more time and greater mental capacity to engage in principled moral reasoning. This fits nicely with Tetlock’s work on integrative complexity, which suggests that individuals can make decisions more expediently when they reason in less complex ways (Tetlock, 1986). If this is true, it will be more expedient for individuals high in moral disengagement to make unethical choices, because they are not otherwise occupied in the cognitive complexity of advanced moral reasoning.

Moral disengagement expedites unethical decision making by helping to simplify individuals’ moral reasoning, which has the additional benefit of leaving cognitive capacity available to focus on the goal of serving organizational interests. Basic research in social psychology confirms that engaging self-regulatory processes in one area of life can deplete one’s self-regulatory resources, resulting in less available effort to extend to other spheres of behaviour (Baumeister, Bratslavsky, Muraven, & Tice, 1998; Muraven, Tice, & Baumeister, 1998). Research on goal-shielding indicates that individuals are better able to focus on and meet specific goals when alternate and potentially competing goals have been “shielded” from immediate relevance, leaving more cognitive room to focus in a targeted way on the goal of
interest (Shah, Friedman, & Kruglanski, 2002). This would indicate that there can be organizational payoffs to pre-empting cognitive dissonance and simplifying moral reasoning to a calculus that minimizes ethical concerns. One can imagine a strongly organizationally relevant goal, such as meeting quarterly sales targets, might be better met if individuals weren’t simultaneously concerned with a secondary (and dissonance inspiring) goal, such as ensuring that the actions involved in meeting those sales targets didn’t violate ethical principles.

In sum, individuals who are high in moral disengagement will pre-empt the cognitive dissonance that results from making unethical choices, because they will not have competing values to resolve. This will ease unethical decision making, by facilitating less complex moral reasoning, as well as expedite unethical choices, leaving cognitive capacity available to better focus on the goals most relevant to the organization.

*H1: Individuals high in moral disengagement will be more likely to make unethical decisions than individuals low in moral disengagement.*
Moral Awareness:

Moral Disengagement in the Facilitation of Organizational Corruption

The next argument is that moral disengagement leads to a dampened awareness of the moral content of our decisions, which will facilitate the spread of organizational corruption. Moral awareness is the first step in the respected framework developed by Rest to describe the stages of moral cognition and action (1986a). In Rest’s model, which is used as a framework in many of the most influential theoretical (e.g., T. M. Jones, 1991; Treviño, 1986) and empirical (see O’Fallon & Butterfield, 2005) studies of ethical decision making in organizations, ethical decision making requires that an individual (1) recognize a moral issue—have a moral awareness, (2) make a moral judgment about the issue, (3) establish moral intent, with respect to behaviour, by prioritizing moral concerns above others, and (4) proceed with moral behaviour. Moral awareness involves recognizing that the issue at hand involves factors that could detrimentally affect others’ welfare, or operate against one’s own or society’s ethical standards. Furthermore, it involves understanding that one’s actions could contribute to those detrimental effects, and realizing how the outcomes of one’s actions may be at odds with internal (self-regulatory) or external (societal) moral standards (Butterfield et al., 2000).

Surprisingly little research has investigated moral awareness empirically. The majority of the empirical research on ethical decision making focuses on the second and third steps in Rest’s framework: making moral judgments and establishing moral intent. The most recent review of the ethical decision making literature examined 384 separate findings related to Rest’s framework. The review found 185 findings relating to moral judgment, 86 for moral intent, 85 for moral behaviour, and only 28—from a total of 17 studies—for moral awareness.
(O'Fallon & Butterfield, 2005). This comparative lack of empirical attention paid to the first stage in Rest’s model suggests that we might not understand as well as we should how moral awareness operates prior to, and as an important antecedent to moral judgment.

A brief review of the existing literature on moral awareness shows that most of these 17 studies use weak methodology to capture the construct of moral awareness, by asking participants directly whether they realized that there were ethical implications embedded in study tasks recently undertaken. This measurement approach (discussed in more detail in Chapter 3) may have primed respondents, and thus overestimated moral awareness in the majority of extant research on the topic. Only five studies (Butterfield et al., 2000; Karcher, 1996; Sparks & Hunt, 1998; VanSandt, 2003; Yetmar & Eastman, 2000) used a less direct, and therefore more sensitive, approach to the measurement of moral awareness, by asking open-ended questions about the issues at hand. The responses were coded by external raters based on whether they provided an indication that the participants were aware there were ethical implications. However, all of these studies used moral awareness as a dependent variable, to examine what factors play into individuals’ understanding that there are ethical implications to certain decisions.

For example, use of moral language (Butterfield et al., 2000), an ethical work climate (VanSandt, 2003), the intensity of moral issues (Butterfield et al., 2000; Yetmar & Eastman, 2000), and time spent thinking about an issue (Sparks & Hunt, 1998) have all been shown to predict moral awareness. No studies to date have empirically examined how moral awareness, measured indirectly and without the inflation involved in priming respondents, operates as an independent variable in the prediction of unethical decisions. In other words, what are
currently viewed as errors or missteps in judgment or intent may be more accurately attributed to dampened moral awareness.

This does not mean that researchers have been uninterested in how our awareness of the moral content of our decisions affects the ethicality of those decisions. The understanding that an individual's capacity to process information is always bounded has been around since Simon introduced the notion of bounded rationality fifty years ago (1957). Recently, researchers have begun to think about the ways in which our cognitive biases make us bounded ethically as well as bounded rationally (Chugh, Bazerman, & Banaji, 2005; Murnighan, Cantelon, & Elyashiv, 2001; Tenbrunsel & Messick, 2004). Theoretical interest in how individuals blind themselves to ethical concerns is clearly growing, and there is a call for further empirical investigation into exactly how our awareness of the ethical content of our actions can become bounded, and how that boundedness then affects our ethical decision making.

It is important to specify the difference between moral disengagement and moral awareness. Moral disengagement describes a generalized cognitive orientation to the world, a tendency to evoke cognitions which suspend the self-regulatory processes that typically direct our moral behaviour. The habitual dependence on these cognitive mechanisms affects in a generalized way how we approach decisions. An intra-individual property, it operates on an unconscious level to drive behaviour. Moral awareness describes how an individual views the moral content of a particular decision. Although it is also an intra-individual property, it represents whether one has a conscious understanding of the moral content of a specific decision. Being morally disengaged—having a predisposition to evoke the cognitive
mechanisms of moral disengagement—will result in a lack of moral awareness about the ethical content of specific decisions.

H2: Individuals high in moral disengagement will demonstrate lower levels of moral awareness of ethical issues within a business context than individuals low in moral disengagement.

It is further argued that moral awareness will operate as a mediator in the relationship between moral disengagement and unethical decision making. Moral disengagement operates to frame decisions in ways which dampen moral awareness, thus making unethical decisions more likely. While it is not new to acknowledge that the way in which decisions are framed dramatically influences the choices individuals make (Tversky & Kahneman, 1981), most of the research on scripts and framing in terms of decision making looks at external, situational stimuli as the source of the ethically compromised frame (Batson & Moran, 1999; Messick, 1999; Tenbrunsel & Messick, 1999). For example, Gioia’s description of the situation surrounding the recall of the Ford Pinto suggests that scripts are often formulated and stored in memory as a result of exposure to amoral or corrupt organizational norms (Gioia, 1992).

My research does not challenge the view that many of the behavioural scripts driving individual decisions in organizations are organizationally acquired and controlled. It does, however, make room for the possibility that individuals enter organizations with pre-existing behavioural scripts that may be activated without additional external stimuli. Moral disengagement frames the way individuals conceptualize the choices they are faced with, providing an intra-individual trigger of the ethically compromised frame, blinding individuals to the ethical content of the decisions they are making. This idea is supported by research that has found that ideological world views (which arguably pre-exist organizational entry) are
strong predictors of manager’s reactions to scenarios about accountability within organizations and models of corporate governance (Tetlock, 2000). I suggest that individuals high in moral disengagement, because of the influence moral disengagement has on moral awareness, will access pre-existing behavioural scripts that frame their decisions in ways that obviate moral concerns.

\[ H3: \text{Moral awareness will mediate the relationship between moral disengagement and unethical decision making.} \]

**Organizational Advancement:**

**Moral Disengagement in the Perpetuation of Organizational Corruption**

The arguments posed thus far make the case that moral disengagement helps to facilitate organizational corruption though dampening individuals’ moral awareness and helps to initiate organizational corruption through fostering unethical decision making. These arguments might apply just as easily to corruption at the individual level as they do to corruption at the organizational level. However, in order to truly make the argument that moral disengagement is implicated in the perpetuation of organizational corruption, disengagement needs to be connected to how individuals move through organizations and up the corporate hierarchy. The final and most important connection this dissertation makes is between moral disengagement and organizational advancement.

The hypothesis specifying the connection between moral disengagement and organizational advancement follows from the argument that individuals high in moral disengagement are able to make unethical decisions which are in the organization’s interest both more easily and more expediently than others. The hypothesis claims that an
organization will reward those who take actions in its interest, regardless of the morality of those actions. This might be particularly true in for-profit corporations, as compared to government or non-profit organizations. Critical legal theorists have voiced concern that the way corporations are legally structured encourages a restrictive focus on shareholder value to the point where ethical concerns are marginalized (Bakan, 2004; Mitchell, 2001). The purpose of the government, on the other hand, is to serve the common interests of its citizens, and the charitable status of non-profit organizations is usually dependent on serving some benevolent purpose.

It is not unreasonable to think that individuals with the ability to prioritize organizational goals above all other concerns, regardless of the ethicality of the actions required to advance those goals, would quickly advance through organizations. Scott Sullivan quickly rose through the ranks of WorldCom in part because of his willingness to misrepresent financial statements (Jeter, 2003). Andrew Fastow was hand-picked by the leadership at Enron in part because it was understood that he would do ‘whatever it took’ for Enron to make its numbers (McLean & Elkind, 2003). It is not difficult to find other accounts of corrupt organizations that reward individuals who are willing to collude in corrupt practices (e.g., Eichenwald, 1995).

Even in the face of these corporate examples, ethics and advancement have rarely been studied together in organizational research, though the fact that reward structures in many organizations prioritize short term gains over long term survival, and profit over all else, has not gone unnoticed (e.g., Carroll, 1975; Gellerman, 1986). An analysis of corporate offences by Yeager notes that, in certain results-oriented environments, the “implicit message received from the top may be that much more weight is attached to job completion than to legal or
ethical means of accomplishment” (Yaeger, 1986: 110). It should perhaps not be surprising that organizations do not prohibit unethical behaviour that serves their interests (or the interest of dominant coalitions within them, remembering Cyert & March, 1963; Thompson, 1967); there is nothing in the dual purpose of survival and growth (Thompson, 1967: 128) that requires meeting organizational objectives ethically. Estimates of organizational involvement in criminal activity indicate the truth of this claim: one of the only thorough studies of the illegal activities of Fortune 500 companies indicated that 60 percent had violated federal law within a two year period (Clinard & Yeager, 1980: 113). It is not a far leap to hypothesize that individuals who can be strong performers without worrying the ethical implications of that performance may advance quickly into positions of organizational leadership. If this is true, it represents one way in which moral disengagement may play into the perpetuation of organizational corruption. It has been argued as far back as Chester Barnard that leadership is responsible not only for setting the company’s strategic direction, but also its ethical tone (Barnard, 1938: 272ff). Certainly, anecdotal evidence and media coverage of corrupt organizations provide support for the focus on senior leadership in setting the moral climates and ethical directions of organizations: consider how Andrew Fastow (McLean & Elkind, 2003), Bernie Ebbers (Jeter, 2003), and John Gutfreund (Sims & Brinkmann, 2002) did so at Enron, WorldCom, and Salomon Brothers, respectively.

If individuals high in moral disengagement are rewarded with advancement opportunities, they will then be in positions of leadership replete with opportunities to model, reward, or further embed corrupt practices into the social structure of the organization (Ashforth & Anand, 2003). These norms then become strong situational pressures for all organizational members to perpetuate the corrupt actions (Sims & Brinkmann, 2002). It is
therefore a key question whether high levels of moral disengagement facilitate advancement up corporate hierarchies, such that individuals high in moral disengagement attain positions of leadership from which corrupt norms are created that become compelling directives for other organizational members.

**H4: Individuals high in moral disengagement will have high levels of organizational advancement.**

There are other reasons, apart from the prioritization of organizational goals, that moral disengagement may predict organizational advancement and the accrual of organizational rewards. One way in which moral disengagement may influence organizational advancement, apart from facilitating unethical decision making which will most advance organizational interests, is by exacerbating self interest which—as I argued earlier in this chapter—is a key component of organizational corruption. Since this dissertation focuses on how moral disengagement operates as an antecedent in processes of organizational corruption, it is therefore important to explore how moral disengagement might facilitate self interest in a way which plays into organizational advancement.

Johns’ theory of self-serving behaviour (1999) suggests that moral disengagement could be rewarded within organizations because it allows one to rationalize self-serving behaviours, including taking undue credit for success, avoiding taking responsibility for failure, and making self-enhancing presentations that assist in resource accrual such as salary gains or organizational advancement. Johns’ theory of self-serving behaviour, at the individual level, encompasses self-serving perceptions, self-promoting behaviours, and positive impression management strategies (E. E. Jones & Pittman, 1982) that have been
shown to relate positively to leadership (Sosik, Avolio, & Jung, 2002; Wayne & Green, 1993).

Moral disengagement may facilitate self-serving impression management because impression management, in part, “represents conscious presentation of a false front” (Zerbe & Paulhus, 1987: 253), which is easier to rationalize if one’s (moral) self-sanctions against intentional misrepresentation are disengaged. Thus, moral disengagement might help individuals advance through organizations not only because they are more willing to do whatever the organization requires, regardless of the ethicality of their decisions, but also because moral disengagement facilitates self-serving behaviours such as self-promotion. Therefore, it is also posited that one mechanism through which moral disengagement may influence advancement and the accrual of organizational rewards is through the mediating factor of self-serving impression management.

H5: Individuals high in moral disengagement will have high levels of organizational advancement, through the mediating factor of self-serving impression management.
Chapter 2

Study 1a: Scale Development and Preliminary Validation

As discussed, the construct of moral disengagement has yet to be generally applied within an organizational setting. Since Bandura's measure of moral disengagement was designed, written for, and validated only in samples of children and adolescents (Bandura et al., 1996; Bandura et al., 2001), Study 1a first develops and validates a general scale of moral disengagement. Slightly adapted versions of the scale for children have been effectively used with older samples to study the connection between moral disengagement and the decline in civic behaviour (Caprara & Capanna, 2004), to study the connection between moral disengagement and computer hacking (Rogers, 2001), and to predict reactions to war (Aquino et al., 2007) and social undermining at work (Duffy, Aquino, Tepper, Reed, & O'Leary-Kelly, 2005); the construct really deserves a complete translation for adult samples (M. Duffy, personal communication, August 8, 2005). Given the potential usefulness of this construct within an organizational setting, appropriately adapting the moral disengagement scale for use among adults in organizational contexts is critical.

Method

Sample and setting. Four-hundred and forty-six students from a combination of undergraduate courses in Organizational Behaviour (N = 259), Human Resource Management (N = 27) and Negotiations (N = 65), as well as two MBA elective courses in Negotiations (N = 94) completed a battery of scales on-line as part of their class participation (one respondent declined to name the class through which they participated). Guidance on scale development suggests that a minimum of 300 participants should be used in the initial data collection on a
new scale (Clark & Watson, 1995) and that a sample of 400 is large enough to conduct appropriate confirmatory factor analysis using structural equation models (Anderson & Gerbing, 1988; Marsh & Hocevar, 1988). Although all classes whose respondents are reported here completed the new measure of moral disengagement described below, different classes completed slightly different batteries of scales, depending on the pedagogical needs of the class. Where measures were relevant to pedagogical aims within the class, students' results were reported back to them.

The sample was balanced between male (N = 227) and female (N = 216) respondents (5 respondents declined to report). The sample was also quite diverse, with 57% of respondents (N = 142) reporting that English was not the first language they spoke growing up at home; 36% (N = 119) reported English was the first language they spoke growing up at home, and 7% (N = 30) declined to answer. Though the exact age of the undergraduate participants is not known, it is reasonable to assume that the 79% of the sample (N = 351) that represents undergraduates is drawn from the typical undergraduate pool, for which the age range is between 18 and 22 years of age, with a mean age of about 20. For example, a sample of undergraduate participants (N = 208) used in another study which heavily, though not exactly, overlaps with this sample (J. M. Weber, Moore, & Aquino, in preparation) has a mean age of 20.7 years. The age of the 21% of the sample (N = 94) drawn from MBA classes is known, and the mean age for this proportion of the sample is 29 with a range from 22 to 41 years of age. Extrapolating from an assumption that the undergraduate sample has a mean age of 20, the mean age of this sample, distributed bimodally, is 21.9.

**Moral disengagement measure.** Current standards for high quality scale development efforts (Clark & Watson, 1995; Hinkin, 1995; John & Benet-Martinez, 2000)
were followed in developing the scale items and conducting the validation efforts. Work on scale development practices in organizational research has noted that more attention needs to be paid to item generation. Items should be strongly linked to the theoretical domain, enough items should be present to allow for deletion, and new scales should be tested using large enough participant pools to allow for adequate examination of validity as well as reliability (Hinkin, 1995). Since the primary objective of this adapted scale is that it will be theoretically consistent with Bandura's conceptualization of moral disengagement (Bandura, 1990a, 1990b, 1999a, 2002), 32 items were generated guided by Bandura's descriptions of the eight mechanisms of moral disengagement (four items for each mechanism), and where appropriate, were adapted from items in the original scale used in samples of children (Bandura et al., 1996). The new scale is reproduced in Appendix A.

The items were written with a view to producing eight separate factors, corresponding with the eight mechanisms of moral disengagement. However, Bandura's own scale development work fails to uncover separate subfactors, and though his items corresponded to the eight mechanisms he proposes, he and his colleagues analyse their data with the assumption that moral disengagement is a single factor construct (Bandura et al., 1996), while continuing to discuss the mechanisms of moral disengagement as if they are eight discernible cognitive processes. Therefore, in these data, the fit of an eight factor model will be compared to the fit for a single factor model, in order to see whether the scale might better reflect the theoretical understanding of the construct. Bandura also suggests that the eight mechanisms of moral disengagement fall into three broader categories (Bandura, 1990b), as described in the previous chapter: (1) mechanisms which restructure inhumane acts, (2) mechanisms which minimize the role of the individual, and (3) mechanisms which reframe the effects of one's
actions. This three factor model will also be tested against the single factor model, to
determine which factor structure has the best overall fit to the data.

**Convergent validity measures.** Convergent validity is demonstrated when a scale is
related to alternative measures of the same construct (Campbell & Fiske, 1959), but not so
strongly that the new measure appears redundant. Multiple measures which are similar but not
identical to moral disengagement will be used to determine convergent validity. The first test
of convergent validity will use three scales measuring related but distinct predispositions
towards insensitive interpersonal attitudes and unethical behaviour. These related scales are:
Machiavellianism, which measures one's propensity towards being manipulative and ruthless
in the pursuit of self interested goals (Christie & Geis, 1970); and two measures of self-
reported psychopathy, which measure both personality traits such as inclination to deception,
coldness, and lack of remorse, as well as certain anti-social behavioural tendencies (Levenson,
Kiehl, & Fitzpatrick, 1995; Williams & Paulhus, 2004). Correlations between these scale
measures and moral disengagement should be moderate, suggesting a relationship between
the constructs, but not too strong, as this would suggest moral disengagement is a redundant
theoretical addition to the literature. The scales are reproduced in Appendix B.

*Machiavellianism.* The scale measuring Machiavellianism (Christie, 1970a) is a good
measure to test concurrently with the new scale of moral disengagement. It is a measure of the
degree to which one is willing to use people instrumentally in order to achieve one's own
ends (Christie, 1970b). Machiavellianism has been shown to relate to many actual and
experimental behaviours indicative of unethical behavioural tendencies, including increased
anti-social behaviour, decreased pro-social behaviour, more effective lying, greater resistance
to social influence, greater emotional detachment from situations, and greater willingness to
exploit others, all of which may lead to success within organizations (Christie & Geis, 1970; McHoskey, Worzel, & Szyarto, 1998).

 Though Machiavellianism is proposed to be related to moral disengagement, this research proposes that the moral disengagement scale taps a different construct. The construct of Machiavellianism was based on a reading of Machiavelli’s original writings, and has been seriously criticized by some researchers as lacking in validity in part because of the unusual source of its generation (Ray, 1983; Shea & Beatty, 1983). The items used to tap Machiavellianism were developed directly from lines from *The Prince* (1532/1988) and *The Discourses* (1531/1970), and encompass general views about human nature, interpersonal tactics one might use in order pursue one’s own ends, as well as statements about conventional morality. Moral disengagement is not a measure of behavioural tactics or generalized views of human nature; rather, it measures in a general way the degree to which one marginalizes moral concerns in one’s own decision making.

 Since most work on Machiavellianism has used the Mach-IV, a 20-item scale using a five-point Likert scale from “Strongly disagree” to “Strongly agree”, to assess individuals’ agreement with the application of Machiavelli’s political power strategies to their own lives, this version of the scale will be used. The wider use (and therefore greater comparability) of the Mach-IV scale makes it preferable to other versions of the scale.

 *Self-reported psychopathy.* Though it may seem extreme to include scales for self-reported psychopathy in this study, there is a growing interest in understanding how “subclinical” psychopaths—meaning individuals with psychopathic traits who do not commit (or at least don’t get arrested for) the types of crimes for which one is most likely to be incarcerated—may operate within society (Forth, Brown, Hart, & Hare, 1996; Gustafson,
Psychopathy is traditionally comprised of two factors, a personality factor and a behavioural factor. Factor 1, the personality factor, describes a “constellation of personality traits that many clinicians consider to be the core of psychopathy” (Harpur, Hare, & Hakstian, 1989: 6) measuring “a selfish, callous, and remorseless use of others”, while Factor 2 describes behaviours indicative of a “chronically unstable and antisocial lifestyle” (Harpur, Hakstian, & Hare, 1988: 745). Sub-clinical psychopathy is related to moral disengagement in that they both measure an individual’s ability to disconnect from the negative outcomes of his or her actions; however, psychopathy describes a constellation of personality traits and behavioural tendencies, while moral disengagement represents a tendency to use a set of cognitive mechanisms that distance oneself from the ethical implications of one’s actions.

It has been rare to study the phenomenon of psychopathy in non-incarcerated populations in part because the standard instrument for the measurement of psychopathy (Hare, 2003) can only be used by clinical psychologists, and requires extensive interviewing. However, the recent interest in “sub-clinical” psychopathy has seen the development of more widely available self-report scales of the construct. Since self-report scales for the construct are still relatively new, and their reliabilities and validity are still being tested in the field (Brinkley, Schmitt, Smith, & Newman, 2001; Levenson et al., 1995; Williams, Nathanson, & Paulhus, 2003; Williams, Nathanson, & Paulhus, 2002; Williams & Paulhus, 2004), this study will use two different measures. The Self-Report Psychopathy Scale-III (Paulhus, Hemphill, & Hare, 2005) is the scale developed for self-reporting of psychopathy by the lab originally run by Hare, the original creator of the scale to measure psychopathy (Hare, 1980, 2003), after
Checkley’s inaugural theoretical efforts to understand the phenomenon (1976). Hare’s conception of psychopathy as two-factored has been further refined by Paulhus and colleagues for measurement within “normal” populations. In the SRP-III, the personality factor has two sub-factors: interpersonal manipulation (IM) and callous affect (CA), and the behavioural factor has two sub-factors: erratic life style (EL) and anti-social behaviour (AS). The scale is made of 60 items measured on a five-point Likert scale from “Strongly disagree” to “Strongly agree”.

The second self-report measure of psychopathy reverts back to a two-factor solution. There is a personality factor (“Primary psychopathy”) measuring “an inclination to lie, lack of remorse, callousness [and] manipulativeness”, and a behavioural factor (“Secondary psychopathy”) measuring “impulsivity, intolerance of frustration, quick-temperedness, and lack of long-term goals” (Levenson et al., 1995: 152). Validation efforts confirm that the Levenson measure represents the construct somewhat differently from Hare’s standard conceptualization (Brinkley et al., 2001); items are worded more specifically for normal populations, and may be more relevant to non-institutionalized populations. It is a 26-item scale that measures agreement with personality and behaviourally-based items on a 5-point scale from “Strongly disagree” to “Strongly agree”, with 16 items representing “Primary psychopathy” and 10 items representing “Secondary psychopathy”.

3 There are other interesting reasons to include these scales in this exercise, with potential application beyond the specific hypotheses of the research proposed here. The limited work that has been done on psychopaths in non-institutionalized settings finds that they score low on the second factor (which assesses deviant or criminal lifestyle) but high on the first factor (psychopathic personality). Respectively, non-psychopathic criminals tend to score high on the lifestyle factor, and low on the personality factor. This is the pattern that emerges in a series of case studies of “psychopaths” in industrial settings (Babiak, 2000; Babiak & Hare, 2006). It is also the pattern discussed by Hare in his study of psychopaths “among us”, which dedicates a chapter to “white collar psychopaths”: individuals who would be classified as at least modestly psychopathic, but who choose to engage in activities such as fraud and misrepresentation rather than violent crime (Hare, 1993). Interestingly, it has been found that, although high scores on the second (behavioural) factor are strongly related to social class and parenting quality, high scores on the first (personality) factor seem unrelated to these demographic variables.
The second test determining validity will use three scales measuring *predispositions towards compassionate interpersonal attitudes and ethical behaviour*, with the expectation that moral disengagement will be negatively correlated with these measures. These scales are: (1) **Self-importance of moral identity**, which measures the extent to which one’s self-concept is strongly rooted to a moral identity (Aquino & Reed, 2002); (2) **Empathy**, a scale measuring empathetic attitudes and personality predispositions, comprised of a responsiveness to others and an ability to understand their perspectives (Davis, 1983); and (3) **Altruism**, a behavioural scale measuring the frequency with which one engages in purely altruistic behaviours such as volunteerism or kindness towards strangers (Rushton, Chrisjohn, & Fekken, 1981).

**Self-importance of moral identity.** The self-importance of moral identity is a measure of “one kind of self-regulatory mechanism that motivates moral action” (Aquino & Reed, 2002: 1423): the extent to which one’s self-concept is strongly rooted to a moral identity. The measure uses a set of traits held by “moral” people (e.g., caring, compassionate, fair) as stimuli to invoke for an individual their own unique moral identity, and then asks respondents, on the basis of a 7-point Likert scale from “Strongly disagree” to “Strongly agree”, to assess how important it is to be viewed as an individual who shares those characteristics. It is a relevant scale to include in this study because it implicitly measures the strength of an individual’s self-regulatory mechanisms as *they relate to their self-concept as a moral person*.

(Harpur et al., 1989). This finding illustrates why self-reported psychopathy may be an interesting anchor construct in the study of moral disengagement in the context of organizational corruption: if it is perhaps the coincidence of high scores on Factor 1 of the PCL and social disadvantage that leads to the criminally psychopathic, what might the coincidence of high scores on Factor 1 of the PCL and social advantage lead to? The ability of the psychopath to present a normal and often charming mask towards the outside world (Checkley, 1976) makes him difficult to diagnose in criminal populations, as well as potentially adept at navigating through organizational politics and adept at portraying to organizational superiors what they want to see. It is not unrealistic to think that individuals likely to engage in corrupt activity in the interest of the organization might exhibit the same personality traits (Factor 1) as non-institutionalized psychopaths, and fail to exhibit the behaviours (Factor 2) that would cause them to become institutionalized. Nor is it implausible that the coincidence of these two factors might lead to advancement in organizational settings.
However, I suggest that the self-importance of moral identity is not redundant with moral
disengagement because enacting one’s own moral identity is only one means of self-
regulation; moral disengagement is designed to measure the degree to which self-regulatory
mechanisms have been chronically disengaged for an individual. Moral disengagement may
help to round out research on the self-importance of moral identity by documenting other self-
regulatory mechanisms that come into play in explaining moral behaviour.

Empathy is a measure of empathetic attitudes and personality predispositions,
comprised of a responsiveness to others and an ability to understand their perspectives. Davis’
Interpersonal Reactivity Index (Davis, 1983) is a 28-item multi-dimensional measure of
empathy: 7 items measure perspective-taking (PT), or the ability to adopt others’ viewpoints;
7 items measure fantasy (F), or the ability to involve oneself in the feelings or emotions of
fictitious characters; 7 items measure empathetic concern (EC), or the tendency to feel
compassion towards others; and 7 items measure personal distress (PD), or the emotional
reaction to others’ emotional states. The 7-point Likert scale measures the degree to which
individuals feel the 28 items are true about themselves, from “Not at all true” to “Very true”.
Individuals high in moral disengagement should have a lesser ability to take others’
viewpoints and should not value others enough to feel compassionate towards them or have
emotional responses to their suffering; therefore, the two measures should be negatively
related.

Altruism. Finally, altruism will be measured as a behavioural counterpart to the more
attitudinal measure of empathy. The measure of altruism used here, a 20-item scale asking
respondents to rate the frequency with which they engage in altruistic behaviour, on a 5-point
scale from “Never” to “Very often”, has been correlated with peer rating of altruism, as well
as actual altruistic behaviour in the form of signing a medical organ-donor card (Rushton et al., 1981). It is expected that moral disengagement will correlate negatively with altruistic behaviours; obviously the constructs do not cover the same territory (even in opposition) since the altruism scale is behavioural while the moral disengagement scale taps cognitions. The final test of convergent validity will use two scales measuring orientations to the social world, because, as discussed in the theoretical background, in certain ways moral disengagement represents a cognitive script and leads to a certain orientation towards ethical challenges. Both of the orientations measured here—social value orientation (McClintock, 1972; Van Lange, Otten, De Bruin, & Joireman, 1997) and social dominance orientation (Pratto, Sidanius, Stallworth, & Malle, 1994)—represent relatively stable ways of orienting oneself to the social world, but can be influenced or triggered by certain contextual variables (McClintock, 1972; Pratto et al., 1994; Van Lange et al., 1997). This is similar to the conceptualization of moral disengagement as a relatively stable way of cognitively orienting oneself to the world, which can be influenced by contextual variables.

*Social value orientation.* Social value orientation measures an individual’s relatively stable set of preferences for certain kinds of outcomes for oneself and others, and classifies individuals as cooperators, competitors, or individualists (though there are often no significant differences found between those classified in the latter two categories, which are then commonly grouped together under the label ‘Pro-self’, compared to cooperators, then labelled ‘Pro-social’). Social value orientation is measured using a 9-item decomposed game, where participants are able to choose among three different point allocations; for example, choosing one’s preference from among the following alternatives: (1) You get 480, Other gets 80; (2) You get 540, Other gets 280; or (3) You get 480, Other gets 480. Each of the 9 choices in the
decomposed game represent a preference or social motive towards co-operation (choices where gains can be jointly maximized), competition (choices where one's relative advantage over others is maximized), or individualism (choices which maximize one's own gain, regardless of the other's outcome) (Van Lange et al., 1997). The scale therefore measures an individual's relatively stable set of preferences for outcomes for oneself and others (McClintock, 1972) and allows for the classification of individuals as co-operators, competitors, or individualists (or pro-self and pro-social, when no significant differences are found between the competitors and the individualists).

These social motives have proven effective at predicting different types of behaviour, as well as individual expectations of behaviours (J. M. Weber, Kopelman, & Messick, 2004). They have also been shown to relate to how individuals construe the moral implications of their actions: co-operative individuals tend to interpret behaviour in moral terms ("right" or "wrong"), compared to individualistic or competitive individuals, who tend to interpret behaviour in pragmatic terms typical of the economic rational actor ("what works") (Liebrand, Jansen, Rijken, & Suhre, 1986). This makes social motives a useful orientation to test alongside moral disengagement. The prediction is that individuals high in moral disengagement will be more likely to have individualistic or competitive social motives and will tend not to interpret behaviour in moral terms, while individuals low in moral disengagement will be more likely to have co-operative social motives and define behaviour using more morally grounded terms.

Social dominance orientation. Social dominance orientation measures an individual's relatively stable preference for inequality among social groups (Pratto et al., 1994). It is an attitudinal orientation that measures (on a 7-point scale from "very negative" to "very
positive") the approving or disapproving associations that one has towards a series of 14 statements that speak to the degree to which social relations among people are equal or hierarchical. Social dominance orientation is believed to relate to moral disengagement because it assists in the undervaluation of the degree to which others might suffer as a result of unjust social relations.

Two other measures are included in this scale development exercise because of their theoretical interest. Cognitive moral development and locus of control will be measured because of their relevance to ethical decision making (Treviño, 1986).

Cognitive moral development. Grounded in the work of Kohlberg, and before him, Piaget, cognitive moral development is usually conceptualized as a series of stages through which individuals progress as they become more morally aware or cognitively advanced in their moral reasoning processes (Kohlberg, 1969, 1984; Piaget, 1965). In pre-conventional stages, individuals are driven by their own self interest, and are predominantly concerned with how their actions will affect them: “Will I be punished for this?” In conventional stages, individuals become more aware of how the community shapes moral behaviour, and understand moral action in terms of conforming to laws or social norms. Social approval and the duty to uphold collectively held norms become important; however, individuals still lack the complexity in their moral reasoning to make decisions based on how their actions truly affect others. In post-conventional stages, which Kohlberg felt were not reached by very many, individuals make behavioural decisions based on universal principles of justice, and determine the best course of action through the application of these abstract principles to specific situations. This last stage follows the principles derived from political theorist John Rawls (1971) even though Rawls’ theory, and Kohlberg’s as well, are not without their
detractors (see Gilligan, 1982; Richardson, 1999). However, despite important criticisms of the idea of cognitive moral development, the construct has proven to be useful in predicting ethical behaviour (Abdolmohammadi & Sultan, 2002; S. Green & Weber, 1997; Greenberg, 2002).

A key aspect of the argument made in Chapter 1 is that individuals high in moral disengagement will engage in less complex moral reasoning than individuals low in moral disengagement. Cognitive moral development is the classic measure of an individual’s complexity of moral reasoning, where high levels of moral development indicate high levels of cognitive complexity in one’s moral reasoning. It is therefore expected that cognitive moral development will be negatively related to moral disengagement.

There are two main ways to measure cognitive moral development in adults. Kohlberg’s own methodology for measuring how individuals reason about moral behaviour, the Moral Judgment Interview [MJI], requires an oral interview with participants, who provide verbal rationales for ethical decisions they have made. It requires participants to engage in conscience reflection about their moral judgment (Colby, Kohlberg, & Speicher, 1987). The other main measure of moral judgment is Rest’s Defining Issues Test (DIT1) (Rest, 1986a, 1990). The original test consists of six vignettes depicting moral dilemmas, and asks respondents to rate the importance of twelve considerations after each dilemma, resulting in a total of 72 scale items, before ranking the most important four considerations among the twelve for each of the six vignettes. A score is computed from those considerations ranked highest by the respondents, and measures the proportion of one’s reasoning that is considered “post-conventional”. The DIT was developed in part to be a less onerous and time consuming way to measure moral reasoning than the MJI, but research has shown that it actually
represents a more accurate measure of tacit or intuitive moral reasoning processes, as opposed to a measure of one’s ability to consciously verbalize rationalizations about the judgments they have made (Narvaez & Bock, 2002). This makes it more appropriate to use in this study as well, since the cognitive processes that moral disengagement influences are conceptualized as mostly unconscious.

A short form version of the DIT1 uses three of the six scenarios, and cuts in half the number of questions faced by the respondents. There is a minor loss of validity by using the shorter test, but not enough to prefer the longer test. Therefore, the shorter version of the DIT was chosen to shorten the total length of the survey for the respondents, because its scores have been shown to correlate above .90 with scores on the complete DIT (Rest, 1990).

Locus of control. Locus of control is a personality variable that measures whether individuals feel they have control over the outcomes in their lives; those with an “internal” locus of control feel that they are in control over their own destiny, whereas those with an “external” locus of control feel that they do not control what happens in their lives (Rotter, 1966). Treviño has hypothesized that individuals with an external locus of control will take less responsibility for their actions (1986), which overlaps with mechanisms of moral disengagement. Moral disengagement distances one from the outcomes of one’s behaviour, through mechanisms such as diffusion and displacement of responsibility. Although locus of control has been examined quite rarely in the ethical decision making literature (O’Fallon & Butterfield, 2005), there is some research that indicates that individuals with an external locus of control appear more likely to report intentions to engage in unethical behaviour than those with an internal locus of control (G. E. Jones & Kavanagh, 1996; Shapeero, Koh, & Killough,
It is expected that individuals who have a high external locus of control will also be high in the propensity to morally disengage.

Locus of control was originally developed by Rotter (1966) as a broad personality measure of the degree to which individuals believe they are in control of their own lives. However, as reviews of the construct have noted, individuals may operate with a different locus of control depending on which facet of their life is most salient for any particular action (Phares, 1976). Since this research examines the role of individual differences in ethical decision making in organizations, it may be more useful to tap the extent to which individuals have an external locus of control within work contexts. Therefore, a 16-item scale, measuring individuals’ agreement with statements about the control they feel they have over outcomes at their jobs, developed specifically to tap individuals’ loci of control at work, will be used (Spector, 1988).

Social desirability. There is reason to be concerned, in developing a measure of moral disengagement, that social desirability may influence the way that individuals respond to scale items. Therefore, a 10-item short version of the traditional 33-item Marlowe-Crowne social desirability scale (Crowne & Marlowe, 1960), with documented validity and reliability (Strahan & Gerbasi, 1972), will be used to ensure that the new measure of moral disengagement is not confounded with individuals’ desires to present themselves favourably to researchers.

Results

The 32-item moral disengagement scale was designed to tap the eight different mechanisms of moral disengagement proposed by Bandura (Bandura, 1990a, 1990b, 1999a,
2002), with four items written to tap each mechanism. First, the new scale was tested using confirmatory factor analysis (CFA) in order to determine whether the items meet the theoretically derived 8-factor structure proposed by Bandura, because CFA permits the comparison of how well different a priori factor structures fit data (Hurley et al., 1999). Four factor structures were tested using LISREL 8.50 (Jöreskog & Sörbom, 2003).

Two 8-factor models were tested, which forced items to load onto the factors—each representing one mechanism of moral disengagement, for example, “euphemistic labelling” or “moral justification”—for which they were written. One model restricted each factor from correlating with any other, and one permitted factors to correlate with each other. In addition, a 3-factor model was tested, conforming to the three intermediary factors suggested by Bandura’s description of the commonalities that cut across certain mechanisms of moral disengagement: one factor representing mechanisms which cognitively restructure inhumane acts (moral justification, euphemistic labelling, and advantageous comparison), one factor representing mechanisms which minimize the role of the individual (displacement of responsibility and diffusion of responsibility), and one factor representing mechanisms which reframe the effects of one’s actions (distortion of consequences, dehumanization, and attribution of blame). Finally, a 1-factor model where all items were forced to load onto a single latent variable—a general “moral disengagement” measure—was tested. The 1-factor model was an important comparison because existing empirical work measuring moral disengagement has failed to find an 8-factor structure, and instead has found that items representing multiple mechanisms of moral disengagement correspond to a single factor representing a general moral disengagement construct (Bandura et al., 1996).
It is important to use multiple fit indices to assess model fit (Wheaton, 1987); typically in published research, between four and six fit indices are used to assess how well models fit the data structure (Medsker, Williams, & Holahan, 1994). There are two main families of fit indices for structural equation models: absolute indices consider how well the model accounts for observed covariances in the data (Hu & Bentler, 1995); relative or incremental fit indices compare how well the proposed model fits the data in relation to a baseline model that assumes independence among all of the variables (Bentler, 1990). For absolute indices—along with the basic $\chi^2$ statistic, which evaluates the overall adequacy of the structural model, or the closeness sample covariance matrix $S$ to the implied population covariance matrix $\Sigma(\theta)$ (Bollen, 1989: 256)—Hu and Bentler (1998) recommend using the SRMR and the RMSEA. For incremental fit indices, Bentler (1990) recommends the CFI and the NNFI.

The $\chi^2$ statistic in a structural model represents the overall fit of the covariance matrix of the population $\Sigma$ and the covariance matrix implied by the model $\Sigma(\theta)$; smaller $\chi^2$ values are representative of a better fit, though the sensitivity of $\chi^2$ to sample size means that plausible models may be rejected due to a significant $\chi^2$ statistic, when really it is a result of sample size (Schermelleh-Engel, Moosbrugger, & Müller, 2003). Jöreskog and Sörbom therefore suggest to also look at the ratio of the $\chi^2$ to the degrees-of-freedom in the model (1993), where values between 2 and 3 indicate the model fits well (Schermelleh-Engel et al., 2003). The SRMR (standardized root-mean-square residual, Bentler, 1995; Jöreskog & Sörbom, 2003) measures the "average of the residuals of the fitted covariance matrix from the observed covariance matrix" (Medsker et al., 1994: 441). Though there are no standard criteria for evaluating it, since it is an overall "badness of fit" measure (it is desirable for the discrepancies between the $S$ and $\Sigma(\theta)$ matrices to be small), smaller values are an indication of better fit. The RMSEA
(root-mean-square error of approximation, Steiger, 1990) is the “square root of the estimated discrepancy due to approximation, per degree of freedom” (Schermelleh-Engel et al., 2003: 36). Though there are disagreements about what values of the RMSEA constitute good fit, values of less than .05 are generally considered “good” fit (M. W. Browne & Cudeck, 1993; Hu & Bentler, 1999), values between .05 and .08 are considered “adequate” fit, and .10 generally represents the lower bound of fit (M. W. Browne & Cudeck, 1993). The CFI (comparative fit index, Bentler, 1990) and NNFI (non-normed fit index, Bentler & Bonnett, 1980) both compare the fit of the proposed model with the independence model, the NNFI taking degrees of freedom into account, and both are relatively unaffected by sample size (Bentler, 1990). The cutoffs for acceptable values for these measures of fit are .90 (Byrne, 1988; Kline, 1988), with .95 representing “good” fit (Hu & Bentler, 1999).

Results of the 8-factor model, forcing uncorrelated factors, indicated $\chi^2 (464, N = 376) = 2193$, a $\chi^2$-to-degrees of freedom ratio of 4.73, an RMSEA of .13, a SRMR of .19, a CFI of .77, and an NNFI of .76 (see Table 1). These fit indices indicate a very poor fit to a model of eight uncorrelated factors of moral disengagement. However, theoretically there is no reason to assume that the mechanisms of moral disengagement would be uncorrelated with each other. Indeed, it would seem that individuals with a propensity to use certain mechanisms of moral disengagement would be more likely to use others, resulting in correlated factors. The results of the 8-factor model, allowing correlated factors, indicated $\chi^2 (436, N = 376) = 984$, a $\chi^2$-to-degrees of freedom ratio of 2.26, an RMSEA of .06, a SRMR of .06, a CFI of .93, and an NNFI of .92. Based on the fit indices, allowing the factors to correlate provides a good fit to the data, and indicates that the mechanisms of moral disengagement do not operate in an unrelated way within individuals.
### Table 1

*Moral Disengagement Scale Comparative Model Fit Indices*

<table>
<thead>
<tr>
<th>Models</th>
<th>$\chi^2$ (df)</th>
<th>$\chi^2$/df</th>
<th>RMSEA</th>
<th>SRMR</th>
<th>CFI</th>
<th>NNFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>8-Factor Model, Uncorrelated Factors</td>
<td>2193 (464)</td>
<td>4.73</td>
<td>0.13</td>
<td>0.19</td>
<td>0.77</td>
<td>0.76</td>
</tr>
<tr>
<td>8-Factor Model, Correlated Factors</td>
<td>984 (436)</td>
<td>2.26</td>
<td>0.06</td>
<td>0.06</td>
<td>0.93</td>
<td>0.92</td>
</tr>
<tr>
<td>3-Factor Model, Correlated Factors</td>
<td>1211 (461)</td>
<td>2.62</td>
<td>0.07</td>
<td>0.06</td>
<td>0.92</td>
<td>0.91</td>
</tr>
<tr>
<td>1-Factor Model</td>
<td>1155 (464)</td>
<td>2.48</td>
<td>0.07</td>
<td>0.06</td>
<td>0.91</td>
<td>0.90</td>
</tr>
</tbody>
</table>

The 3-factor model, which permitted factors to correlate for the same theoretical rationale as the second 8-factor model, indicated $\chi^2 (461, N = 376) = 1211$, a $\chi^2$-to-degrees of freedom ratio of 2.62, an RMSEA of .07, a SRMR of .06, a CFI of .91, and an NNFI of .90 (see Table 1). This model was then compared to a 1-factor model, which forced all the items to lead on to a single, general measure of moral disengagement. This model showed $\chi^2 (464, N = 376) = 1155$, a $\chi^2$-to-degrees of freedom ratio of 2.48, an RMSEA of .07, a SRMR of .06, a CFI of .91, and an NNFI of .90. The fit indices indicate that there is not a significant difference in fit between the 8-factor model allowing inter-factor correlations, the 3-factor model, and the 1-factor model; all fit the data relatively well. Chi-square difference tests between each of these models show that the 8-factor model has a significantly better fit than the 3- and 1-factor models, and the 1-factor model has a significantly better fit than the 3-factor models. In terms of the pure overall adequacy of the models, the 8-factor model...
performs the best, the 1-factor model the second best, and the 3-factor model provides the worst fit to the data.

In deciding among the factor structures, the 3-factor model was the first to be rejected, for the following reasons. Statistically, the 3-factor model provides a significantly worse overall fit to the data than the 1-factor model, which, as a less parsimonious model, is a negative indicator. Theoretically, Bandura did not hypothesize three factors of moral disengagement, and the factor structure tested came from the way that the mechanisms of moral disengagement were grouped together to facilitate their description in one of the papers Bandura has written on the topic of moral disengagement (Bandura, 2002). There is no extant theoretical basis on which to make a strong argument in favour of the 3-factor model in the face of its worse performance in terms of absolute fit measures. Finally, from a hypothesis-testing perspective, the theory tested in this dissertation does not discriminate between types of moral disengagement mechanisms, or hypothesize different relationships will hold with the dependent variables of interest in this study depending on the mechanism, or set of mechanisms at play. It was important to examine other factor models in case one showed itself to be substantially better than others; given that none is, the most appropriate way to proceed is to use the factor structure which aligns with the theory tested in this dissertation, which uses generalized conception of moral disengagement.

These reasons also apply in terms of deciding between the 8-factor and 1-factor models, even though statistically, the 8-factor model provides a better fit to the data. As Brown and Cudeck write, “Fit indices should not be regarded as measures of usefulness of a model. They contain some information about the lack of fit of a model, but none about plausibility. … Model selection has to be a subjective process involving the use of judgment”
In making this judgment, there are strong theoretical reasons to prefer the 1-factor model over the 8-factor model was well, the primary one being that the theory which this dissertation is designed to test uses a generalized conception of moral disengagement, which the 1-factor model measures. Bandura provides theoretical support for measuring moral disengagement as a single factor. Though the construct of moral disengagement is developed by describing eight mechanisms that comprise its cognitive distortions or rationalizations, Bandura never specifies that he thinks its measurement will be multifactorial, only “multifaceted” (Bandura et al., 1996: 367). This suggests it might be a “broad” construct (see Clark & Watson, 1995), measured as a single factor. If the eight mechanisms operate synchronously within an individual, and there are no hypotheses about how different mechanisms might differently predict outcomes, then there is no reason to measure them separately.

Moreover, a look at the α reliabilities for each of the 4-item subscales representing the mechanisms of moral disengagement (see Table 2) shows the 8 factors do not hold together well when they are separately measured. Sub-scale reliabilities range from .45 to .61, below the lower bounds for acceptable scale reliabilities, usually held to be .70 (Nunnally, 1978: 245). The α reliabilities of the 3 factors, when measured separately, are adequate, but not compelling (for cognitive restructuring, including moral justification, euphemistic labelling, and advantageous comparison, α = .76; for minimizing one’s role, including diffusion and displacement of responsibility, α = .76; and for reframing effects, including dehumanization, attributing blame, and distorting consequences, α = .64). Comparatively, the α reliability for the 32-item measure as a whole is .88. While acknowledging that α reliabilities are in part the product of the number of items included in its calculation (S. B. Green, Lissitz, & Mulaik,
1977), a reliability of .88 is strong considering the construct of moral disengagement is quite broad, and best practices in scale development suggest a benchmark of reaching an α reliability of .80 with 35 items for broad constructs (Clark & Watson, 1995: 317). This evidence, coupled with the evidence that the 1-factor model fits the factor structure well, suggest solid statistical support for the broad but singular dimensionality of the moral disengagement measure.

It should also be remembered that existing published research that measures moral disengagement has not been able to find a discriminant 8-factor structure (Bandura et al., 1996). Instead, relying on a principal components analysis with varimax orthogonal rotation, it found a single factor accounting for 16.2% of the variance (Bandura et al., 1996). When the same procedure was applied to these data, with a single factor extracted, that factor accounted for 22.3% of the variance in these data, evidence that this measure—though the proportion of variance accounted for is still low, according to accepted norms (Netemeyer, Bearden, & Sharma, 2003: 124)—represents a more comprehensive measure of moral disengagement than existing ones.
Table 2

Correlations among Moral Disengagement Scale Factors, and Factor Sub-scale Reliabilities

<table>
<thead>
<tr>
<th></th>
<th>M</th>
<th>SD</th>
<th>1</th>
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<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Moral Justification</td>
<td>4.11</td>
<td>0.98</td>
<td>.56</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2. Euphemistic Labeling</td>
<td>3.63</td>
<td>1.09</td>
<td>.55</td>
<td>.49</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>3. Advantageous Comparison</td>
<td>3.84</td>
<td>0.97</td>
<td>.49</td>
<td>.44</td>
<td>.49</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>4. Dispersion of Responsibility</td>
<td>3.37</td>
<td>1.14</td>
<td>.51</td>
<td>.56</td>
<td>.47</td>
<td>.61</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>5. Diffusion of Responsibility</td>
<td>3.71</td>
<td>1.07</td>
<td>.46</td>
<td>.48</td>
<td>.50</td>
<td>.62</td>
<td>.60</td>
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<tr>
<td>6. Distortion of Consequences</td>
<td>3.84</td>
<td>0.95</td>
<td>.45</td>
<td>.44</td>
<td>.39</td>
<td>.42</td>
<td>.39</td>
<td>.45</td>
<td></td>
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<tr>
<td>7. Dehumanization</td>
<td>4.28</td>
<td>1.00</td>
<td>.34</td>
<td>.34</td>
<td>.39</td>
<td>.34</td>
<td>.38</td>
<td>.23</td>
<td>.48</td>
<td></td>
</tr>
<tr>
<td>8. Attribution of Blame</td>
<td>3.63</td>
<td>0.99</td>
<td>.36</td>
<td>.38</td>
<td>.34</td>
<td>.44</td>
<td>.39</td>
<td>.33</td>
<td>.24</td>
<td>.50</td>
</tr>
</tbody>
</table>

Note. N = 446. All correlations are significant at p < .01. Alpha reliabilities of the 4-item subscales appear along the diagonal.
In sum, the 1-factor model is preferable to the 8-factor and 3-factor models for the following reasons. (1) Theoretically, though moral disengagement operates through eight different and discernible cognitive mechanisms, is likely to operate cohesively as a general cognitive orientation to the world and therefore be best measured as such. (2) From a theory-testing perspective, this dissertation examines moral disengagement as a generalized orientation, and has no hypotheses that discriminate among mechanisms of moral disengagement or groups of mechanisms of moral disengagement in terms of how they might relate to the dependent variables of interest in the studies to come. Therefore, in the absence of compelling data-driven reasons to favour more complicated measures, a single-factor measure represents the most appropriate measure for the purposes of this dissertation. (3) Statistically, the fit indices overall don’t provide a solid reason to prefer one model over any other, though the absolute measures of fit for the 1-factor model of moral disengagement are better than the 3-factor model, and nearly as good as the fit for the 8-factor model (which will necessarily represent a statistical improvement in fit because it estimates more parameters). The 1-factor model still meets standard criteria for good fit, and represents a more parsimonious alternative than the 8-factor model. (4) Finally, the \( \alpha \) reliability of the 1-factor is strong, especially when considering the broadness of the measure, while the reliabilities of the sub-scales for the eight individual factors of moral disengagement are below the lower bound of acceptable values for scale reliability, and the reliabilities for the sub-scales for the three individual factors were adequate but not compelling. The 32 moral disengagement items were therefore summed to create a general measure of moral disengagement.

A correlation analysis indicated that the measure of moral disengagement was not related to social desirability \( (r = -.09, p > .10) \), alleviating concerns that individuals might
simply respond to moral disengagement scale items in ways to make themselves look good with regard to ethical or cultural norms. This could be due to the ways in which the moral disengagement items are worded. They ask generally about individuals’ general level of agreement with behaviours justified through morally disengaged reasoning, rather than about individuals’ own behaviours. This puts distance between the respondent and the behaviours that he or she is condoning through the use of morally disengaged reasoning, tempering socially desirable responding. The composite moral disengagement scores were used in the remainder of the analyses, both in this study (1a) and in the next (Study 1b).

Next, correlations between the measure of moral disengagement and the measures used to determine convergent validity were examined. The means, standard deviations, correlations, and reliabilities are presented in Table 3. Nearly all the relationships were of the predicted strength and direction. As expected, moral disengagement is positively correlated with Machiavellianism \( (r = .45, p < .01) \), both the personality \( (r = .30, p < .01) \) and behavioural \( (r = .32, p < .01) \) factor of Paulhus’ self-reported measure of psychopathy (Paulhus et al., 2005), as well as both the primary/personality \( (r = .55, p < .01) \) and secondary/behavioural \( (r = .21, p < .01) \) factor of Levenson’s self-reported measure of psychopathy (Levenson, 1992), and social dominance orientation \( (r = .48, p < .01) \). However, none of these relationships are so strong as to indicate that moral disengagement is a redundant construct.

Also as expected, moral disengagement is negatively related to moral identity \( (r = -.25, p < .01) \), and to having a pro-social value orientation \( (r = -.25, p < .01) \). The relationship between locus of control and moral disengagement was also, as expected, positive \( (r = .30, p < .01) \), providing support for the little investigated relationship between
locus of control and ethicality posited by Treviño (1986)—that individuals who have an external locus of control may feel less responsible for the outcomes of their ethical actions because they have a propensity to attribute their actions to forces outside their control.

There was no relationship between moral disengagement and altruism ($r = -.07, p > .10$); however, the measure of altruism failed to correlate with any of the other convergent validity measures except, weakly, with moral identity ($r = .20, p > .05$), suggesting that it is a poor measure of altruism rather than that the construct of altruism is nomologically unrelated to moral disengagement. The relationship between moral disengagement and empathy ($r = -.18, p > .05$), as well as the relationship between moral disengagement and cognitive moral development ($r = -.19, p > .05$), were in the expected (negative) directions, though the correlations only met a generous cutoff for statistical significance ($p < .10$). It is possible that the relatively small number of respondents who completed the empathy measure ($N = 105$) and the measure of cognitive moral development ($N = 106$), meant that there was not enough power to pick up a significant correlation.
Table 3

Means, Standard Deviations, and Correlations for All Variables, Study 1a

<table>
<thead>
<tr>
<th></th>
<th>n</th>
<th>M</th>
<th>SD</th>
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<tr>
<td>1. Moral Disengagement</td>
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<td>3.80</td>
<td>.72</td>
<td>.88</td>
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<tr>
<td>2. Machiavellianism</td>
<td>413</td>
<td>2.91</td>
<td>.39</td>
<td>.45**</td>
<td>.72</td>
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<tr>
<td>3. Psychopathy (Personality)</td>
<td>108</td>
<td>2.64</td>
<td>.39</td>
<td>.30**</td>
<td>.33**</td>
<td>.79</td>
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<tr>
<td>4. Psychopathy (Behavioural)</td>
<td>108</td>
<td>2.22</td>
<td>.50</td>
<td>.32**</td>
<td>.11</td>
<td>.69**</td>
<td>.88</td>
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<tr>
<td>5. Primary Psychopathy (Levenson)</td>
<td>215</td>
<td>2.55</td>
<td>.54</td>
<td>.55**</td>
<td>.54**</td>
<td>.56**</td>
<td>.53**</td>
<td>.84</td>
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<td>6. Secondary Psychopathy (Levenson)</td>
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<td>2.73</td>
<td>.68</td>
<td>.21**</td>
<td>.26**</td>
<td>.39**</td>
<td>.46**</td>
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<tr>
<td>7. Moral Identity</td>
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<td>5.00</td>
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<td>-35**</td>
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<td>-18†</td>
<td>-26**</td>
<td>.3</td>
<td>.26**</td>
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<td>.76</td>
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<td>9. Altruism</td>
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<td>2.68</td>
<td>.48</td>
<td>-10</td>
<td>-09</td>
<td>-11</td>
<td>.14</td>
<td>-.17</td>
<td>-.11</td>
<td>.20*</td>
<td>.83</td>
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<td>10. Pro-social (SVO) (1/0 dummy variable)</td>
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<td>-20**</td>
<td>-15</td>
<td>-.05</td>
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<td>.13**</td>
<td>.02</td>
<td>.15</td>
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<td>11. Social Dominance Orientation</td>
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<td>.85</td>
<td>-.19†</td>
<td>-.02</td>
<td>-.03</td>
<td>.21*</td>
<td>-.14</td>
<td>-.10</td>
<td>.10</td>
<td>.32**</td>
<td>.32**</td>
<td>.10</td>
<td>-.17†</td>
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<td>12. Cognitive Moral Development (P-Score)</td>
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<td>-.03</td>
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<td>.10</td>
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<td>.78</td>
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<td>13. (External) Locus of Control</td>
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<td>.26**</td>
<td>.40**</td>
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<td>.04</td>
<td>.27**</td>
<td>.78</td>
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</table>

Note: **p < .01. *p < .05. †p < .10. Since participants completed different batteries of measures, the N for each correlation varies from 94 to 439. The N who completed each scale appears in the first column of the table. In cells where * appears, there were no participants who completed both scales, and therefore no correlations to report. Alpha reliabilities appear on the diagonal.
Summary

The results of this study do indicate that the new 32-item scale of moral disengagement measures a broad construct that hangs together reliably as a single factor, and is nomologically related to other measures of interest strongly enough to be confident of its construct validity, but not so strongly as to suggest that the construct is redundant. These data indicate that moral disengagement shows promise as a unique measure of a new, organizationally-relevant construct, which can be reliably measured in adult samples.
Chapter 3

Study 1b: Predictive Validity

Study 1b, which tests Hypotheses 1 through 3, takes the newly developed measure of moral disengagement and further tests its validity, by determining its relationship with two outcome variables of interest: intentions to engage in unethical behaviour which advance organizational interests (Hypothesis 1), and moral awareness (Hypothesis 2). Additionally, this study tests whether the relationship between moral disengagement and unethical behaviour may be mediated through the dampening effect of moral disengagement on moral awareness (Hypothesis 3). The relationship between moral disengagement and moral awareness (Hypothesis 1) is tested here using the answers to open-ended questions, asked after study participants completed an in-box simulation exercise designed to determine their intentions to behave in unethical ways which support organizational interests (Hypothesis 3).

Method

Sample and setting. The participants in this study are a subset of 155 (78 female and 77 male) of the 446 undergraduate students who participated in Study 1a. Of the total sample for Study 1b, 133 (86%) participated in class as part of an announced lecture on managerial decision making for an introductory course in Organizational Behaviour, and 22 (14%) participated outside class as a way of earning 1% extra credit in an upper-level class on Human Resource Management. Since all of the 155 participants in this study were undergraduates taking one of two classes, the sample was restricted enough by age that instead of requiring participants to report their age, it was assumed that the age range of the sample was from approximately 18 to 22.
Before conducting the analyses reported in this chapter, I tested whether there were significant differences on the main variables of interest between the two groups that made up the sample (students who participated as part of their class: the 133 Organizational Behaviour students, and students who participated as a way to gain extra credit outside of class: the 22 Human Resource Management students). There were no significant differences between the groups on the main variables of interest—moral disengagement (OB: $M = 3.88, SD = .63$; HR: $M = 3.65, SD = .78$; $t(153) = 1.48, p = .14$), unethical behavioural intentions (OB: $M = 3.38, SD = 1.93$; HR: $M = 3.09, SD = 1.90$; $t(153) = .66, p = .51$), and moral awareness (OB: $M = .64, SD = .90$; HR: $M = .51, SD = .71$; $t(139) = .71, p = .47$)—so the analyses in this chapter are conducted using the complete data set.

**Procedure.** Participants who participated as part of class had been made aware the prior week that the first half of their regular two-hour class would be comprised of a managerial decision making exercise. Relevant scale measures were completed independently on-line, at least one week and up to three weeks before participating in the in-box exercise, and without any knowledge that the in-box exercise was connected in any way to the survey including the scale measures. When they arrived in class, they were handed an “email in-box” exercise that contained an introduction, a description of the role they would be playing in the exercise (as a national sales manager for an electrical systems components manufacturer), a partial organizational chart, and nine individual emails addressed to the participant. They were informed that the emails in their in-box all required immediate action; since their secretary had handled all the mundane requests of the day, only critical decisions remained. When participants finished reading through the “emails”, they were handed a response sheet that required them to make decisions about the issues raised in all nine of the emails.
At the end of the exercise, students were asked to write in an open-ended fashion about the factors that played into four of the specific decisions they made. The second half of the class debriefed the exercise, and discussed managerial decision making in an ethical context. At the end of class, students were asked to return their response sheets to the lecturer if they were willing to participate in her dissertation research. Though this choice was voluntary, the majority of the students did choose to submit their response sheets to the researcher. For example, in one of the classes, at least 33 of a potential 43 (assuming no one skipped class that day) students submitted response sheets (for a lowest possible rate of return of 77%). Response sheets were matched back to survey responses through student numbers. Students who participated to gain an 1% extra research credit for class completed the on-line survey with relevant scale measures at least one week before coming to a classroom outside of class hours to participate in the “email in-box” exercise. They were given the same instructions as the students who participated in class, except that the exercise was not debriefed once they completed the response forms.

In-box exercise. The in-box exercise (presented in its entirety in Appendix C) was adapted from an exercise developed by Treviño and Youngblood to predict intentions to behave unethically (Treviño & Youngblood, 1990). The basic framework of the exercise has stayed the same, but for a few relevant features. The simulation was changed from a memo-based exercise to an “email in-box” exercise. As well, some of the decisions embedded in the exercise have been changed. For example, Treviño used a decision about how to handle sexual harassment as part of the exercise; it has been changed to a decision about whether or not to support a recall of faulty equipment.
The in-box contains nine emails, which together require multiple decisions. Among these decisions are three which have specific ethical implications. All remaining decisions in the 30-minute exercise are designed to mask the focus of the study. One of the ethical decisions (as just mentioned) involves a choice about whether or not to support a recall of faulty equipment, framed in business terms to replicate conditions faced by Gioia when he was involved in the Ford Pinto recall decision (Gatewood & Carroll, 1981; Gioia, 1992). A second decision involves whether or not to record a large sale in this financial quarter when the contract will not be signed until a few days after the quarter ends, which is designed to replicate the types of decisions about earnings management that contributed to the downfall of Enron (McLean & Elkind, 2003), along with many other individual executives and the companies they led (Loomis, 1999). A third decision involves a choice about whether or not to inform customers of a potentially hazardous cost-saving measure in the manufacture of a particular product, an option that recently has tempted manufacturers and exposed them to risk, in particular as they offshore their manufacturing operations to global locations where proper oversight of quality is challenging (Spencer & Casey, 2007).

Three of the decisions in the in-box exercise all conform to the definition of “unethical” described in Chapter 1. A decision to oppose the recall (at least) contravenes the principle of dignity, by not taking measures to ensure the safety of one’s consumers in the face of evidence that their safety might be threatened. A decision not to inform customers about the cost-saving measure in a key product (at least) contravenes the principle of transparency, by failing to disclose material information to consumers. Both of these decisions also have significant potential for harm in their outcomes. A decision to record the sale in this fiscal quarter (at least) contravenes the fiduciary principle, by misrepresenting the
company's financial records. All the ethical decisions involve choices for which the unethical choice benefits the organization, at least in the short term, to conform to the understanding of organizational corruption used in this research (to not support the recall, to record the sale, and to not inform customers of the product component change).

For each email, participants were provided with multiple courses of action from which to choose; they could choose more than one action, and were also instructed that they could write in their own course of action if they wanted. Their only restrictions were that they could not choose multiple, irreconcilable courses of action (such as recording the sale and not recording the sale), and they could not delay a decision or take no action: they had to make some active decision about what to do. In certain cases, participants were asked about the same decision by more than one email correspondent, providing the opportunity for participants to report one course of action to their supervisor, and another to a co-worker, for example.

For pedagogical reasons, since the in-box exercise was designed to teach students about what plays into their decision making in an organizational context, two slightly different versions of the emails were produced (the differences are noted in Appendix C). For example, depending on the version of the emails that were distributed, correspondents used different influence tactics, such as pressure, coalition building, ingratiation, or inspirational appeal (Kipnis, Schmidt, & Wilkinson, 1980), or different bases of social power (French & Raven, 1960). These differences may have influenced the way that participants chose to respond to the emails; however, t-tests revealed the version of the materials given to participants had no effect on either their likelihood of making unethical choices (version 1: \( M = 3.19, SD = 1.94 \); version 2: \( M = 3.24, SD = 1.85 \); \( t(81) = .11, p = .91 \)) or of their level of
moral awareness (version 1: $M = .62, SD = .75$; version 2: $M = .65, SD = .81$; $t(67) = .86, p = .86$) after participation. Therefore, the responses from both versions of the in-box exercise were analyzed together.

**Measures.** **Moral disengagement.** Moral disengagement was measured with a 32-item scale developed for Study 1a, and described in Chapter 2. Moral disengagement was computed as a mean, and could range from 0 through 7. The measure ($M = 3.85, SD = .66$) showed good internal consistency ($\alpha = .88$) for a multi-item measure of a broad construct (Clark & Watson, 1995). Participants completed the scale on-line at least one week and up to three weeks prior to participating in the in-box exercise, which provided the source for the two other main variables of interest.

**Unethical behaviour.** Choices made during the in-box exercise were recorded on a response form, and a coder recorded the number of times respondents made unethical choices among the options offered to them. The nature of the emails meant that there could be queries about the same decision from multiple sources (email correspondents). For two of the ethical decisions, the participant had three different opportunities to report the intention to make an unethical decision; it was permissible, for example, for the respondent to report that they chose to record the sale in this financial quarter, but then not come clean to the superior who inquired about it. There are a total of seven times that participants could decide to report their intentions to engage in unethical behaviours. The dependent variable—intention to engage in unethical behaviour—is therefore measured as a sum of the unethical decision choices the participants had the opportunity to report, and ranged from 0 to 7.

**Moral awareness.** Moral awareness is inherently difficult to measure, since people are often not aware of the mental processes that drive their behaviour (Nisbett & Wilson, 1977).
In terms of moral awareness, two approaches have been tried. The first and more common approach involves asking respondents whether or not they felt that there was a moral component to their experiences in the simulation or embedded in the vignettes. Of the 17 different studies discussed in the 2005 review of the ethical decision making literature (O'Fallon & Butterfield), 12 measured moral awareness in this way (9 of them with a single item), asking respondents about their level of agreement with a statement such as “This scenario presented an ethical dilemma”. This measurement approach may lead to priming of respondents, and an inaccurate overestimation of moral awareness. The second approach is qualitative and works to minimize priming respondents about the ethical nature of the task or decision in question. Only five studies reviewed in 2005 used this measurement methodology. This method involves asking individuals, after participating in a simulation or reading a series of vignettes, to write down the relevant factors to the issue at hand (Butterfield et al., 2000). Then, raters judge whether or not the issues listed represent ethical concerns, and are coded on the basis of inter-rater agreement.

For this dissertation, respondents were asked to write open-ended responses about what factored into four of their decisions: the three ethical decisions, and one other (again, to disrupt potential priming effects). After reading a selection of the open-ended responses, a set of key words that represented the identification of an ethical concern was developed; if words such as “ethical”, “moral”, “values”, or “wrong” appeared in the response, the respondent would be coded “1” for that decision. Therefore, a maximum score for moral awareness in this study would be “3” (“1” for each of the three ethical decisions). Words such as “legal”, or phrases such as “contravenes accounting rules” did not count as identifying an ethical concern, since we could only know that what had factored into the respondent’s decision was
a desire to follow existing regulations rather than meet an ethical standard. A rater was trained by the author to code the open-ended responses using this list of words. Any response which contained a questionable word which might indicate moral awareness but which did not immediately fall into the categories above (i.e. an explicit mention of ethics, morality, or wrongdoing) was discussed with the author, and the coding for that decision was decided in consultation with the rater. Of the 155 participants in the in-box exercise, 141 completed the open-ended responses that permitted coding for moral awareness.

The concern voiced by Nisbett and Wilson that individuals may not be aware of the mental processes driving their behaviour is, in fact, exactly what this measure of moral awareness is trying to tap; do respondents, when asked what drove their decision making during the in-box exercise, acknowledge that there were ethical components to the decisions they were making? It is also important to note that the three main variables of interest in this study are measured in three different ways and at two separate times. The main predictor, moral disengagement, is measured via a self-report scale at least one week prior to the measurement of the other two variables of interest. The main dependent variable, intentions to engage in unethical behaviour, is measured using behavioural intentions reported during a simulated managerial exercise. The mediator, moral awareness, is measured using the coded responses to open-ended questions asked at the end of the simulation. Although the three measures are all self-reported, ensuring that the variables were measured at different times and using different methods helps to minimize the problems associated with gathering data from a single source (Avolio, Yammarino, & Bass, 1991).

Additional variables. As a subset of the sample from Study 1a, the same convergent validity measures are available for analysis in this study. The three variables that showed the
highest correlation to moral disengagement in Study 1a—primary/personality psychopathy (Levenson et al., 1995), social dominance orientation (Pratto et al., 1994), and Machiavellianism (Christie, 1970a)—are reported here to determine whether moral disengagement is more predictive of the dependent variables of interest than these three. Cognitive Moral Development (Rest, 1990) is also reported for this study, since it is the individual difference measure shown to have the strongest empirical link to unethical behaviour (Gephardt, Treviño, & Harrison, 2007). Basic demographic variables were also collected, including sex and whether the participant's first language was English.

Results

The correlations between moral disengagement and the main study variables are presented in Table 4. Analyses indicate that moral disengagement is negatively related to moral awareness ($r = -0.19, p < .05$) and positively related to intentions to engage in unethical behaviour ($r = 0.19, p < .05$) indicating initial support for the predictive validity of the moral disengagement scale; there are negative behavioural intentions for individuals who have a greater propensity to morally disengage. Moral awareness is also negatively related to intentions to engage in unethical behaviour ($r = -0.38, p < .01$). Interestingly, only one variable that is closely related to moral disengagement—the personality factor of Levenson's psychopathy scale (Levenson et al., 1995)—is predictive of moral awareness, and it is not predictive of intentions to engage in unethical behaviour. Correlations between the other convergent validity variables and the two dependent variables in this study were also examined, including the self importance of moral identity (Aquino & Reed, 2002), Machiavellianism (Christie, 1970a), and social dominance orientation (Pratto et al., 1994),
and no significant correlations were found. This provides a simple indication that moral disengagement is a better predictor of unethical decision making than these other related variables.

Following Baron and Kenny (1986), a second set of analyses was conducted to determine whether moral awareness mediates the relationship between moral disengagement and intentions to engage in unethical behaviour. Baron and Kenny’s simple test for mediation requires that (1) the independent variable (in this case, moral disengagement) independently predicts the dependent variable (in this case, unethical behaviour), as in Path C (see Figure 2); (2) the independent variable predicts the proposed mediator (in this case, moral awareness), as in Path A; (3) the mediator predicts the dependent variable, controlling for the independent variable, as in Path B; and (4) the relationship between the independent and dependent variable is weaker once the variance accounted for by the mediator is controlled, as in Path C’. Table 5 presents the complete results of the multiple regressions conducted to test this mediating relationship, which is summarized in Figure 2.
Table 4

Correlations among Main Variables, Study 1b

<table>
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<tr>
<th></th>
<th>M</th>
<th>SD</th>
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<th>2</th>
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<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
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<td></td>
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<tr>
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<td>.74</td>
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<td></td>
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<tr>
<td>3.</td>
<td>Unethical Behavioural Intentions</td>
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<td>1.93</td>
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<td>-.38**</td>
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<td>4.</td>
<td>Sex (Male = 1)</td>
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<td>.50</td>
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<td>.14†</td>
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<td>5.</td>
<td>English as a First Language</td>
<td>.26</td>
<td>.44</td>
<td>-.28**</td>
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<td>7.</td>
<td>Machiavellianism</td>
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<td>8.</td>
<td>Primary Psychopathy</td>
<td>2.53</td>
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<td>.58**</td>
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<td>.16†</td>
<td>-.16†</td>
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<td>.61</td>
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<td>Moral Identity</td>
<td>4.83</td>
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<td>-.15†</td>
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<td>-.30**</td>
<td>-.42**</td>
<td>-.26**</td>
<td>.76</td>
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<tr>
<td>11.</td>
<td>Social Dominance Orientation</td>
<td>3.31</td>
<td>.85</td>
<td>.46**</td>
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<td>.07</td>
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<td>-.05</td>
<td>.a</td>
<td>.27*</td>
<td>.47**</td>
<td>.37**</td>
<td>-.13</td>
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</table>

Note. **p < .01. *p < .05. †p < .10. N = 155 for main study variables, except Moral Awareness (N = 141), Psychopathy (N = 121), Social Dominance Orientation (N = 62) and Cognitive Moral Development (N = 58). Alpha reliabilities for scale measures in this sample appear along the diagonal. † indicates that no participants completed both scales, and therefore there were no correlations to report.
The data are consistent with the hypothesis that moral awareness mediates the relationship between moral disengagement and unethical behaviour: (1) moral disengagement does predict unethical behaviour (Path C, \( B = .54, p < .05 \)); (2) moral disengagement predicts moral awareness (Path A, \( B = -.20, p < .05 \)); (3) moral awareness predicts unethical behaviour, controlling for moral disengagement (Path B, \( B = -.92, p < .01 \)); and (4) the relationship between moral disengagement and unethical behaviour weakens once moral awareness is controlled (the relationship becomes statistically non-significant, Path C').
Table 5

**Regression Analyses Examining Moral Awareness as a Mediator in the Relationship between Moral Disengagement and Intentions to Engage in Unethical Behaviour**

<table>
<thead>
<tr>
<th>Variable</th>
<th>$B$</th>
<th>$SE_B$</th>
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<tbody>
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<td><strong>Path C: Moral disengagement predicts unethical behaviour</strong></td>
<td></td>
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</tr>
<tr>
<td>Disengagement</td>
<td>.54*</td>
<td>.24</td>
</tr>
<tr>
<td><strong>Path A: Direct effect of moral disengagement on moral awareness</strong></td>
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<td></td>
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<tr>
<td>Disengagement</td>
<td>-.20*</td>
<td>.09</td>
</tr>
<tr>
<td><strong>Path B/C': Moral awareness predicts unethical behaviour (B), controlling for moral disengagement (C')</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disengagement</td>
<td>.35</td>
<td>.23</td>
</tr>
<tr>
<td>Awareness</td>
<td>-.92**</td>
<td>.21</td>
</tr>
<tr>
<td><strong>Path AB: Indirect effect of disengagement on behaviour, mediated through moral awareness</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disengagement</td>
<td>.19*</td>
<td>.11</td>
</tr>
</tbody>
</table>

Note: $N=141$. * $p < .05$. ** $p < .01$. Unstandardized regression coefficients are reported.

A weakness of the standard Baron and Kenny set of analyses is that it does not speak to the statistical significance of the indirect effect of the independent variable on the dependent variable, through its influence on the mediating variable (Path AB) (Preacher & Hayes, 2004). There are several ways to test whether or not this indirect effect of the independent variable on the dependent variable via the mediator is significant (Preacher & Leonardelli, 2003; Shrout & Bolger, 2002). Both the Sobel test ($z = 1.98, p < .05$) and the Goodman test ($z = 2.02, p < .05$) of the indirect effect of moral disengagement on intentions to engage in unethical behaviour via the mediator were significant. In addition, a bootstrap analysis was used to test the significance of the indirect (AB) path (Preacher & Hayes, 2004, 2006). The 95% confidence interval around the unstandardized point estimate $B$ did not
include zero ($B = .19$; 95% confidence interval around $B = .01$ to $.45$), indicating that the indirect path AB is significant at $p < .05$.

The role of gender in moral disengagement. I had no hypotheses about the effect of demographic variables such as sex and ethnicity on moral awareness and unethical decision making, in part because the empirical evidence about the role of gender in ethical decision making has been so inconsistent (O'Fallon & Butterfield, 2005). The most recent meta-analysis of the ethical decision making literature indicates that the relationship between gender and ethical intentions is weak ($\rho = .104, k = 38, N = 9,085$), and finds no relationship between gender and unethical behavior, ($\rho = .064, k = 20, N = 5,822$) (Gephardt, Treviño, & Harrison, under review). However, since a large body of theory suggests that men and women might engage differently in moral reasoning (Gilligan, 1982; Held, 2005; Kittay & Meyers, 1987), an examination of the role of gender in this study was suggested (J. Berdahl, personal communication, September 2007).

T-tests revealed that men and women did not have significantly different levels of moral awareness (for men, $M = .49, SD = .68$; for women $M = .57, SD = .80$; $t(139) = .61, p = .54$), and only a marginal difference in terms of their unethical behavioural intentions (for men, $M = 3.61, SD = 1.87$; for women, $M = 3.08, SD = 1.95$; $t(153) = 1.74, p = .08$). However, when sex and ethnicity (operationalized here as whether the respondent's first language was English, the variable most closely approximating ethnicity collected in this sample$^4$) were included as controls in the regressions testing whether moral awareness mediates the relationship between moral disengagement and unethical decision making, the relationship

$^4$ In planning this study, I had no hypotheses about the effect of ethnicity on moral disengagement, moral awareness, or unethical decision making, and so did not collect data on respondents' race or ethnicity. These post hoc analyses are therefore conducted on the best proxy variables available in the data.
between moral disengagement and unethical decision making becomes non-significant \( (B = .46 \, t(153) = 1.84, \, p = .07) \).

Neither the sex nor the race control, however, is statistically significant in these analyses, and including sex and ethnicity as covariates in the bootstrap analysis testing the significance of the indirect (AB) path (Preacher & Hayes, 2004, 2006) showed that the 90% confidence interval around the unstandardized point estimate \( B \) does not include zero \( (B = .19; 90\% \text{ confidence interval around } B = .02 \text{ to } .40) \). The 95% confidence interval does include zero \( (B = -.01 \text{ to } .45) \), indicating that the indirect path AB is only significant at \( p < .10 \) when accounting for the variance attributed to sex and ethnicity. These results are reported in Table 6.
### Table 6

Regression Analyses Examining Moral Awareness as a Mediator in the Relationship between Moral Disengagement and Intentions to Engage in Unethical Behaviour, Controlling for Sex and English as a Native Language

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>SE B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Path C: Moral disengagement predicts unethical behaviour</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disengagement</td>
<td>.45†</td>
<td>.25</td>
</tr>
<tr>
<td>Male</td>
<td>.44</td>
<td>.31</td>
</tr>
<tr>
<td>Non-native English speaker</td>
<td>.22</td>
<td>.37</td>
</tr>
<tr>
<td>Path A: Direct effect of moral disengagement on moral awareness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disengagement</td>
<td>-.20*</td>
<td>.09</td>
</tr>
<tr>
<td>Male</td>
<td>-.04</td>
<td>.13</td>
</tr>
<tr>
<td>Non-native English speaker</td>
<td>.01</td>
<td>.15</td>
</tr>
<tr>
<td>Path B/C': Moral awareness predicts unethical behaviour (B), controlling for moral disengagement (C')</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disengagement</td>
<td>.21</td>
<td>.24</td>
</tr>
<tr>
<td>Awareness</td>
<td>-.92**</td>
<td>.21</td>
</tr>
<tr>
<td>Male</td>
<td>.52†</td>
<td>.31</td>
</tr>
<tr>
<td>Non-native English speaker</td>
<td>.34</td>
<td>.35</td>
</tr>
<tr>
<td>Path AB: Indirect effect of disengagement on behaviour, mediated through moral awareness, controlling for sex and English as a native language</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disengagement</td>
<td>.19†</td>
<td>.11</td>
</tr>
</tbody>
</table>

Note: N = 141. *p < .05. **p < .01. Unstandardized regression coefficients are reported.
Further analyses were undertaken to examine how moral disengagement might be operating differently for men and women in the prediction of unethical behavioural intentions. First, the sample was split by sex, and the correlations among the main study variables were computed for men and women separately. While the relationship between moral disengagement, moral awareness, and unethical behavioural intentions was very strong for women, the relationship between moral disengagement and moral awareness, and moral disengagement and unethical behavioural intentions was almost nonexistent for men. These results are reported in Table 7.

Table 7

Correlations among Main Study 1b Variables, by Sex

<table>
<thead>
<tr>
<th></th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Moral Disengagement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>3.96*</td>
<td>.64</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>3.74</td>
<td>.67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Moral Awareness</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>.49</td>
<td>.68</td>
<td>-.08</td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>.57</td>
<td>.80</td>
<td>-.26*</td>
<td></td>
</tr>
<tr>
<td>3. Unethical Behavioural Intentions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>3.61†</td>
<td>1.87</td>
<td>.00</td>
<td>-.34**</td>
</tr>
<tr>
<td>Women</td>
<td>3.08</td>
<td>1.95</td>
<td>.32**</td>
<td>-.40**</td>
</tr>
</tbody>
</table>

Note. N = 77 men, 78 women, except Moral Awareness (N = 69 men, 72 women). Significant correlations or mean differences are indicated: **p < .01, *p < .05, †p < .10.

Next, two regressions were run including an interaction between sex and moral disengagement in the prediction of unethical behavioural intentions, one including only moral disengagement and demographic variables, and a second adding moral awareness as a predictor (see Table 8). In order to protect the models from multicollinearity (where independent variables in a regression model are correlated with each other and cause variables to spuriously register as statistically significant), the moral disengagement variable
was centred before being multiplied with sex to create the interaction term (following the standard procedure as detailed in Aiken & West, 1991).

In Model 1, both disengagement and the interaction term between sex and moral disengagement are significant. The centred term represents the effect of moral disengagement on unethical behavioural intentions when the dummy variable male = 0 (i.e., for women), while the interaction term represents the effect of moral disengagement on unethical behavioural intentions when male = 1 (i.e. for men). The sign of the coefficients indicate that moral disengagement is a positive predictor of unethical behavioural intentions for women, but, counterintuitively, a negative predictor of unethical behavioural intentions for men.

When moral awareness is added to the equation, it becomes such an important predictor of unethical behavioural intentions (alone accounting for 11% of the variance in unethical behavioural intentions), that the significance of disengagement, sex, and their interaction drops to $p < .10$. However, even in the simple mediated regression models presented in Table 5, it appears that moral awareness completely mediates the relationship between moral disengagement and unethical behavioural intentions, so it is not unexpected that the influence of moral disengagement weakens once moral awareness is added to these analyses.
### Table 8

**Regression Results Predicting Unethical Behavioural Intentions, Including an Interaction between Sex and Moral Disengagement**

<table>
<thead>
<tr>
<th></th>
<th>Model 1</th>
<th></th>
<th>Model 2</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>SE</td>
<td>B</td>
<td>SE</td>
</tr>
<tr>
<td>Disengagement (Centred)</td>
<td>.87*</td>
<td>.33</td>
<td>.60†</td>
<td>.32</td>
</tr>
<tr>
<td>Male</td>
<td>.56†</td>
<td>.32</td>
<td>.53†</td>
<td>.30</td>
</tr>
<tr>
<td>Non-Native English speaker</td>
<td>.36</td>
<td>.37</td>
<td>.36</td>
<td>.35</td>
</tr>
<tr>
<td>Male X Disengagement (Centred)</td>
<td>-1.01*</td>
<td>.48</td>
<td>-.82†</td>
<td>.45</td>
</tr>
<tr>
<td>Moral Awareness</td>
<td></td>
<td></td>
<td>-.88**</td>
<td>.21</td>
</tr>
</tbody>
</table>

$R^2$ .09 .20

*Note: N = 153. * $p < .05$. ** $p < .01$. † $p < .10$. Unstandardized regression coefficients are reported.*

In order to understand how this sex difference plays out in the prediction of unethical behavioural intentions, predicted values for men and women were computed using the coefficients from Model 2, at mean levels of moral awareness and controlling for native language, at one standard deviation above and below the mean values of moral disengagement. Controlling for moral awareness and native language, neither the slope for the women (the coefficient for moral disengagement, $B = .60$, $p = .06$), or the slope for the men (the coefficient for the interaction term, $B = -.82$, $p = .07$) is significant; however, the trend in these data is that moral disengagement works in the predicted way for women, but not for men. Remember, the moral disengagement parameter (which represents the influence of moral disengagement when the dummy variable male = 0), represents the upward slope for women, and the interaction term, which represents the influence of moral disengagement when the dummy variable male = 1, represents the slight downward slope for men.

The fact that neither of these slopes is significant means that the lines in the figure can only represent trends, and are not statistically meaningful. Yet these trends suggest that
increasing levels of moral disengagement do predict unethical behavioural intentions for women, but not for men, at least in this sample. It is interesting that at high levels of moral disengagement (at one standard deviation above the mean), the predicted levels of unethical behavioural intentions for men and women converge, and that the real sex difference is seen at the lower end of the moral disengagement spectrum. However, these results should be interpreted cautiously, given the generous cutoffs for statistical significance required to interpret the trends in these data.

**Figure 3**

*Predicted Levels of Unethical Behavioural Intentions for Men and Women at One Standard Deviation Above and Below Mean Levels of Moral Disengagement, at Mean Levels of Moral Awareness*
**Additional predictive validity.** Finally, given the performance of moral
disengagement in regressions controlling for sex and ethnicity, a series of additional
regressions were compare the predictive validity of moral disengagement with the four main
potential alternate predictors for this study: Machiavellianism (Christie, 1970a), self-reported
psychopathy (Levenson et al., 1995), moral identity (Aquino & Reed, 2002), and social
dominance orientation (Pratto et al., 1994). For both unethical behavioural intentions and
moral awareness as dependent variables, the following multi-step models were run: (1) a
model including (a) sex and ethnicity controls, then adding (b) all five alternate predictors:
Machiavellianism, primary psychopathy, secondary psychopathy, moral identity, and social
dominance orientation, and then adding (c) moral disengagement; (2) a series of models, with
(a) the controls added in the first step, (b) one of the alternate predictors added as a second
step, and then (c) moral disengagement added as a third step. Results indicated that the results
of Model 1 were inappropriate to interpret, because the models suffer from unhealthy levels of
multicollinearity, for both the unethical behavioural intentions and moral awareness variables.
Including six correlated independent variables into regression models, all competing to
capture the same variance in the dependent variables (especially in a sample of 155), means
that the standard errors of the parameter estimates are large, and the size and direction of the
coefficients unstable. Analysis of the collinearity statistics from this model shows condition
indices above 30 and variance inflation factors over 2.5, which makes them less appropriate
for analysis than other methods of determining superior predictive validity (Allison, 1999).
Therefore, only the models from the second series of regressions were interpreted. They are
presented in Table 9 (for unethical behavioural intentions), and Table 10 (for moral
awareness).
Table 9

Regressions testing additional predictive validity of moral disengagement over alternate predictors, for unethical behavioural intentions

<table>
<thead>
<tr>
<th></th>
<th>Controls Only</th>
<th>Base Model</th>
<th>Machiavellianism</th>
<th>Primary Psychopathy</th>
<th>Secondary Psychopathy</th>
<th>Moral Identity</th>
<th>Social Dominance Orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex (Male =1)</td>
<td>.54†</td>
<td>.44</td>
<td>.54†</td>
<td>.44</td>
<td>.30</td>
<td>.23</td>
<td>.40</td>
</tr>
<tr>
<td>English as a first language</td>
<td>-.41</td>
<td>-.22</td>
<td>-.40</td>
<td>-.22</td>
<td>-.05</td>
<td>.06</td>
<td>-.21</td>
</tr>
<tr>
<td>Moral Disengagement</td>
<td>.46†</td>
<td>.48†</td>
<td>.52</td>
<td>.64*</td>
<td>.49†</td>
<td>.56</td>
<td>.50</td>
</tr>
<tr>
<td>Machiavellianism</td>
<td>.16</td>
<td>-.10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary Psychopathy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secondary Psychopathy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moral Identity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Dominance Orientation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.14</td>
<td>.19</td>
</tr>
<tr>
<td>$R^2$</td>
<td>.03</td>
<td>.05</td>
<td>.03</td>
<td>.05</td>
<td>.03</td>
<td>.06</td>
<td>.03</td>
</tr>
<tr>
<td>$R^2$ Change</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note. **p < .01. * p < .05. † p < .10. Unstandardized regression coefficients are reported.
Table 10

Regressions testing additional predictive validity of moral disengagement over alternate predictors, for moral awareness

<table>
<thead>
<tr>
<th></th>
<th>Controls Only</th>
<th>Base Model</th>
<th>Machiavellianism</th>
<th>Primary Psychopathy</th>
<th>Secondary Psychopathy</th>
<th>Moral Identity</th>
<th>Social Dominance Orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sex (Male =1)</strong></td>
<td>-.08</td>
<td>-.04</td>
<td>-.09</td>
<td>-.04</td>
<td>-.01</td>
<td>.05</td>
<td>-.07</td>
</tr>
<tr>
<td><strong>English as a first language</strong></td>
<td>.09</td>
<td>-.01</td>
<td>.09</td>
<td>.00</td>
<td>.00</td>
<td>-.07</td>
<td>.08</td>
</tr>
<tr>
<td><strong>Moral Disengagement</strong></td>
<td>-.20†</td>
<td>-.18†</td>
<td>-.24†</td>
<td>-.29*</td>
<td>-.19†</td>
<td>-.21</td>
<td></td>
</tr>
<tr>
<td><strong>Machiavellianism</strong></td>
<td>-.21</td>
<td>-.10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Primary Psychopathy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Secondary Psychopathy</strong></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Moral Identity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.09</td>
<td>.07</td>
</tr>
<tr>
<td><strong>Social Dominance Orientation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>R²</strong></td>
<td>.01</td>
<td>.04</td>
<td>.02</td>
<td>.04</td>
<td>.04</td>
<td>.07</td>
<td>.01</td>
</tr>
<tr>
<td><strong>R² Change</strong></td>
<td>Sig Δ at p &lt; .05</td>
<td>Sig Δ at p &lt; .10</td>
<td>Sig Δ at p &lt; .10</td>
<td>Sig Δ at p &lt; .05</td>
<td>Sig Δ at p &lt; .05</td>
<td>Sig Δ at p &lt; .10</td>
<td></td>
</tr>
</tbody>
</table>

Note. **p < .01. *p < .05. †p < .10. Unstandardized regression coefficients are reported.
In analysing the regressions which examine how moral disengagement fares against alternate independent variables in the prediction of unethical behavioural intentions, it is first worthy to note that none of the alternate predictors add to the explained variance in unethical behavioural intentions over and above the controls for sex and ethnicity. Moreover, the base model, including only the control variables and moral disengagement, has a higher (though admittedly small) $R^2$ than any of the models with the alternate predictors alone. In none of the models—either with any of the alternate predictors alone with the controls, or in the models that also include moral disengagement—are Machiavellianism, self-reported psychopathy, moral identity, or social dominance orientation significant predictors of unethical behavioural intentions.

In comparison, though controlling for sex and ethnicity weakens the relationship between moral disengagement and unethical behavioural intentions, moral disengagement remains predictive of unethical behavioural intentions after controlling for secondary psychopathy, and marginally predictive after controlling for Machiavellianism or moral identity. Even though the coefficients for moral disengagement were only marginally predictive in these two regressions, in both cases the addition of moral disengagement led to a marginally significant increase in $R^2$ (at $p < .10$) meaning that moral disengagement does count for an additional proportion of the variance in unethical behavioural intentions, even after controlling for these alternate predictors. In the regressions with moral disengagement and primary psychopathy, and moral disengagement and social dominance orientation, none of the variables are significant, indicating that moral disengagement may compete for the same variance in those regressions.
In analysing the regressions which examine how moral disengagement fares against alternate independent variables in the prediction of moral awareness, there is only one alternate predictor that is significant in any of the models. Primary psychopathy is a marginally significant predictor of moral awareness, but only when it is included in regressions alone; when moral disengagement is added to the regression, it takes the place as the marginally significant predictor of moral awareness, and the significance of primary psychopathy increases to \( p > .10 \). In this case, the base model, including only the control variables and moral disengagement, has a higher \( R^2 \) than any of the models with the alternate predictors alone, except the model with primary psychopathy alone. Again, though controlling for sex and ethnicity weakens the relationship between moral disengagement and unethical behavioural intentions, moral disengagement remains predictive of unethical behavioural intentions after controlling for secondary psychopathy, and marginally predictive after controlling for Machiavellianism or moral identity or primary psychopathy. In all of these cases, the addition of moral disengagement led to a marginally significant increase in \( R^2 \) (at \( p < .10 \)), meaning that moral disengagement does count for an additional proportion of the variance in moral awareness, even after controlling for these alternate predictors.

Although these findings are not as robust as one would hope, they do indicate that moral disengagement is the best predictor of unethical behavioural intentions and moral awareness in this sample, compared to the potential alternate predictors of Machiavellianism, psychopathy, moral identity, and social dominance orientation.
Summary

These results indicate that moral disengagement may be a promising construct of use in predicting unethical behaviour, especially for women. Empirical tests of Hypotheses 1-3 were statistically supported, though post hoc analyses indicate that moral disengagement may operate differently for men and women, such that moral disengagement is predictive of behavioural intentions for women but not for men. Tests of the additional predictive validity of moral disengagement, even after controlling for potential alternate predictors, indicated that moral disengagement is a better predictor of unethical behavioural intentions and moral awareness than Machiavellianism, psychopathy, moral identity and social dominance orientation, at least in this sample.

Though the design of the study does not permit causal attributions to be made, the results do provide partial empirical support for the claim that moral disengagement is related to intentions to engage in unethical behaviour in the organizational interest (Hypothesis 1), as well as to a dampened moral awareness (Hypothesis 2), at least for women. Finally, the relationship between moral disengagement and intentions to engage in unethical behaviour in the organizational interest does appear to be mediated by a lack of moral awareness (Hypothesis 3), and moral awareness is a strong predictor of unethical behavioural intentions for both men and women.
Chapter 4

Study 2: Moral disengagement and organizational advancement

Though it is important to develop a measure of moral disengagement that is appropriate for general application (Chapter 2) and interesting that moral disengagement predicts intentions to engage in unethical behaviour (Chapter 3), the crux of this dissertation is about whether moral disengagement leads to organizational advancement. Study 2 tests these relationships in a field survey in a large and diverse sample of full-time employees in a range of professional occupations and industries. This diverse sample provides a good first test of whether these relationships might hold in the general population; if they are found, then contextually-relevant moderators of the effects (such as the effects holding in certain organizations over others, or under certain industry conditions over others) can be examined in future research.

Within the literature, individual level predictors of unethical behaviour are most often tested as antecedents to establishing immoral or amoral intent or forming immoral or amoral judgments (O'Fallon & Butterfield, 2005). Less often are these predictors tied to actual behaviours or outcomes, in part because of the challenges involved in studying negative, (assumed) low-base rate behaviours (Treviño, 1992a), and I have not found an example where unethical behaviours or behavioural intentions have been related to positive organizational outcomes for the individual. This study examines whether moral disengagement is related to organizational advancement (Hypothesis 4), and whether that effect might be mediated through self-serving behaviours (Hypothesis 5). None of these relationships have been examined before, and it is the results from this study which provide the most interesting contribution to the literature.
**Method**

**Sample.** The sample of employed adults was recruited through the Study Response project, an university-based initiative which offers researchers access to a large panel of respondents from diverse industries, occupations, and geographic locations, who have indicated a willingness to participate in social science survey research (Stanton & Weiss, 2002). Samples can be stratified in a number of ways, including employment status and occupation, as well as by sex and race. For this survey, the sample was restricted to adults over 18 years of age, in full time employment, from a diverse set of industries/occupational groups (as defined by Study Response): accounting/financial, banking, biotech/pharmaceuticals, consulting, government/policy, health/safety, insurance, legal, managerial, marketing/merchandising, non-profit/social services, and personnel/human resources.

An analysis of data provided by the U.S. Department of Labor indicated that these industries, in particular the larger organizations within them, have access to internal labour markets, in particular compared to the other industry/occupational groups that were available through Study Response, such as agriculture, architecture, construction, graphic design, food services, and child care (Bureau of Labor Statistics, 2007a, 2007b). The occupational groups sampled in this data collection tend to have access to these internal labour markets, so that their career histories would be relatively comparable across groups. Self employed individuals were excluded from the sample because as individuals, entrepreneurs create their own “advancement opportunities”, and the theory meant to be tested in this study—that organizations will reward individuals who make unethical choices which advance their interests—is not clearly applicable to them.
There are a number of advantages in using this type of sample. Research has shown that web-based surveys provide data of similarly high quality to survey data from pen and pencil surveys (Gosling, Vazire, Srivastava, & John, 2004), especially after cleaning the data properly for potentially non-serious responses (Johnson, 2001). The fact that it was possible to match respondents using unique identifiers meant that the most common concern in employing Web-based surveys—that respondents may enter multiple responses to the same survey (Azar, 2000)—was controlled. Most importantly, this sample provides access to a very broad base of employed adults in a wide range of industries and geographic locations, all in different organizations, which means that if the predicted relationships hold for this sample, it can be reasonably assumed that the results will generalize across cultures, industries and organizations.

Respondents were recruited in two waves. The first wave of the survey measured respondents’ moral disengagement as well as other related personality and attitudinal variables. Respondents to the first wave were then recruited for the second wave of the survey, which asked about respondents’ career histories and organizational advancement. Respondents were invited to participate with an email sent directly from Study Response to the sample that we defined. If an individual chose to participate, they clicked on a link that directed them to a web-based survey maintained by the researcher; the first page was an informed consent form to which they had to agree before continuing. Participants were also informed that if they participated, they would be entered in a draw to win a $50 gift certificate from an online retailer. Only Study Response had access to the sample individuals’ email addresses, and only the researcher had access to their survey results, therefore ensuring complete anonymity for the respondents, and facilitating honest responses to sensitive
questions about their ethics or career histories. IP addresses of respondents were not collected during either wave of the survey. For both waves of the survey, items within each section of the survey were presented randomly to mitigate item-order fatigue and carryover effects (Bickart, 1993).

The first wave of the survey, which included the measure of moral disengagement, as well as others, in order to provide a confirmatory sample of the measure's convergent validity, was sent to a diverse sample of 6161 employed adults between June 7 and June 14, 2007. One reminder was sent to non-respondents, one week after the initial invitation to participate was sent. A total of 944 responded to this first wave of the survey, for an overall response rate of 15.3%. However, data are not available on the number of email addresses which bounced back from this initial sample, or which were discarded as spam by individuals' mail filters, which would reduce the denominator in the equation leading to the overall response rate, possibly quite substantially. The 15.3% rate should be considered the absolute lowest possible response rate, and does not take into account attrition which should not be legitimately included in the denominator.

Respondents were asked to identify themselves in the first wave using unique numbers assigned to them by Study Response, so that respondents to the first wave could be invited to respond to the second wave of the survey. Only 818 respondents completed this question of the survey, which was required in order to contact them for the second wave. Additionally, since the study design required a one week lag between responding to the first and second waves of the survey, those who responded after the cut-off date of June 26, 2007, ensuring at least one week had passed between the two waves, were excluded from the solicitation to participate in the second wave of the survey. Once late responders were excluded, 551
respondents from the first wave were invited to participate in the second wave of the survey, which took place between July 3 and July 17, 2007.

A total of 428 responses to the second wave of the survey were collected; in 7 cases, individuals had entered the survey twice (these duplicates could be located by their unique identifiers). In these cases, the record with the most complete data was kept, leaving 421 unique responses to the second wave of the survey, for a 76.4% response rate for the second wave. An additional 18 responses were dropped because they failed to include their unique identifier, making it impossible to match the responses back the responses from the first wave. Demographic variables, including sex, race, geographic location, age, and education, were collected directly from Study Response, and matched back to individual respondents using their unique ID numbers.

Though there is a good deal of research that shows that responses on web-based surveys are as valid and reliable as responses to paper-and-pencil surveys (Gosling et al., 2004; Krantz & Dalal, 2000), there are a few data quality issues that may be of particular concern when collecting survey data over the internet (though in many ways no more so than when collecting paper-and-pencil responses). One of the issues that has been raised involves the low “cost” of participating generating a higher level of nonserious, unmotivated, or repeat responders (Gosling et al., 2004). One method advocated for managing these types of responses, which undermine data quality, is to screen records for signs of non-responsiveness (Johnson, 2001).

The 410 matched and unique responses to both waves of the survey were then subjected to a multi-stage screening process advocated by Johnson (2001). The first four steps in Johnson’s process involve screening for duplicate responses, a step which could be skipped.
in this case, since the only remaining records had already been matched back to the first wave of the survey using unique identifiers. Step 5 of Johnson’s process involves creating a decision rule about dealing with survey completeness. Due to the sensitivity of the material asked in both waves of the survey, it was important to ensure that participants’ responses were sincere. I decided that respondents who failed to complete either of the two waves of the survey (who failed to page through to the final page of the survey) were dropped from the final sample, on the grounds that if individuals had dropped out early from either survey, their responses to questions preceding the drop out were likely not well considered. Missing data points were fine, so long as there was evidence that the respondent had read through to the end of both waves.

Steps 6 and 7 of Johnson’s screening involve looking for non-responsiveness and internal consistency in answering. Here, following Johnson’s recommendation that evidence of non-responsiveness can be seen in long strings of answers in the same response category, I dropped all records where more than 20 responses in a row were from the same response category (e.g., two-dozen ‘Strongly agree’ responses in a row”). The measure of social value orientation (Van Lange et al., 1997) was included in the survey as a way to screen for consistency; the measure uses a 9-item decomposed game, where responses are coded according to whether their choices can be identified as competitive, individualistic, or cooperative. The nature of the measure and the order of the response options means that individuals who respond “1, 2, 3, 1, 2, 3, 1, 2, 3” for the nine choices are not responding in a consistent way; responses with this pattern were also dropped. An additional 160 responses were dropped during Stages 5-7, for an ultimate sample of 250.
Admittedly, this sample of 250 represents a very small percentage of the original prospective sample of 6161 (4%). Lower than average response rates are typical in research that collects sensitive data (Dalton, Daily, & Wimbush, 1997), and in ethics research in particular (compare the averages reported in Baruch, 1999; Randall & Gibson, 1990; J. Weber, 1992). Keep in mind also that average response rates can only be calculated from studies which report them, which in 19% of studies in ethics research, they are not (Randall & Gibson, 1990). Low response rates are also endemic in survey research that uses the internet alone, as compared to mixed methods of contact, such as having both web and mail contact with potential respondents (Kaplowitz, Hadlock, & Levine, 2004).

However, low response rates are not in and of themselves concerning. Research has shown that the vast majority (85%) of non-respondents to surveys are “passive non-respondents”: individuals who just didn’t get around to responding, but are not otherwise significantly different than the respondent group, and are therefore unlikely to introduce systemic response bias into the results (Rogelberg et al., 2003). If it can be shown that (1) there are no systemic differences between respondents and non-respondents that are systemically related to the survey topic, and (2) the respondent sample can be shown to be representative of the population of interest, then concerns about low response rates are seriously alleviated (Rogelberg & Stanton, 2007). I will deal with these two considerations in turn.

The difference between the respondents and non-respondents on the dimensions for which data on non-respondents was available is presented in Table 11. Even though these demographic variables are believed to be unrelated to the variables of interest, and are controlled in the analyses in any case, it is common practice to compare respondents to non-
respondents on variables to which there is data for both groups, as this provides the only empirical test available to researchers of whether or not the respondents differ from non-respondents (Rogelberg & Stanton, 2007). Even with such a low response rate, on four of the six main demographic variables (sex, education level, occupation/industry, and residence) no significant differences were found between the respondent population and the non-respondent population. Moreover, even with the statistical differences on two of the variables, the respondent sample is quite diverse in terms of all of the demographic variables, which provides a nice argument for the generalizability of the results across industries, ages, levels of education, race, and sex.

The mean age of the respondent population ($M = 38.5$ years old) was, technically, significantly higher than the mean age of the non-respondent population ($M = 35.4$ years old, $t(6159) = 4.64, p < .001$). However, it is not surprising that a statistically significant difference would be found between two means in a population of 6,000, and it is unlikely that the three year mean age difference between the two samples has any practically significant effect on the relationships of interest. Consistent with both theory (Rest, 1986b; Treviño, 1992b), and most empirical work (Gephardt et al., 2007), which assumes that we improve our moral reasoning ability and awareness of the ethical implications of our actions as we get older, disengagement is negatively related to age in this sample ($r = -.21, p < .01$). Therefore, a higher mean age in a respondent sample might have a dampening effect on the relationships of interest, and means that this sample might, if anything, provide a more conservative test of the hypotheses of interest here.
Table 11

Demographics of respondents compared to non-respondents, Study 2

<table>
<thead>
<tr>
<th>Variable</th>
<th>Non-respondents</th>
<th>Respondents</th>
<th>Tests of significant differences</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
</tr>
<tr>
<td>Sex</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>2284</td>
<td>38.6%</td>
<td>93</td>
</tr>
<tr>
<td>Female</td>
<td>3527</td>
<td>59.7%</td>
<td>154</td>
</tr>
<tr>
<td>Race</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>4137</td>
<td>70.0%</td>
<td>193</td>
</tr>
<tr>
<td>Non-white</td>
<td>1775</td>
<td>30.3%</td>
<td>56</td>
</tr>
<tr>
<td>Education Level</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than high school</td>
<td>30</td>
<td>.5%</td>
<td>3</td>
</tr>
<tr>
<td>High school</td>
<td>854</td>
<td>14.5%</td>
<td>29</td>
</tr>
<tr>
<td>Associates degree</td>
<td>640</td>
<td>10.9%</td>
<td>22</td>
</tr>
<tr>
<td>Some college</td>
<td>1293</td>
<td>22.0%</td>
<td>49</td>
</tr>
<tr>
<td>4 year college degree</td>
<td>1832</td>
<td>31.1%</td>
<td>86</td>
</tr>
<tr>
<td>Some grad school</td>
<td>237</td>
<td>4.0%</td>
<td>16</td>
</tr>
<tr>
<td>Master's degree</td>
<td>814</td>
<td>13.8%</td>
<td>35</td>
</tr>
<tr>
<td>Ph.D., MD, JD, or other</td>
<td>189</td>
<td>3.2%</td>
<td>9</td>
</tr>
<tr>
<td>advanced degree</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupation/Industry</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounting/financial</td>
<td>1322</td>
<td>22.4%</td>
<td>70</td>
</tr>
<tr>
<td>Banking</td>
<td>400</td>
<td>6.8%</td>
<td>11</td>
</tr>
<tr>
<td>Biotech/pharmaceuticals</td>
<td>141</td>
<td>2.4%</td>
<td>6</td>
</tr>
<tr>
<td>Consulting</td>
<td>457</td>
<td>7.7%</td>
<td>20</td>
</tr>
<tr>
<td>Government/policy</td>
<td>623</td>
<td>10.5%</td>
<td>31</td>
</tr>
<tr>
<td>Health/safety</td>
<td>651</td>
<td>11.0%</td>
<td>26</td>
</tr>
<tr>
<td>Insurance</td>
<td>303</td>
<td>5.1%</td>
<td>10</td>
</tr>
<tr>
<td>Legal</td>
<td>236</td>
<td>4.0%</td>
<td>10</td>
</tr>
<tr>
<td>Managerial</td>
<td>794</td>
<td>13.4%</td>
<td>33</td>
</tr>
<tr>
<td>Marketing/merchandising</td>
<td>445</td>
<td>7.3%</td>
<td>12</td>
</tr>
<tr>
<td>Non-profit/social services</td>
<td>427</td>
<td>7.2%</td>
<td>17</td>
</tr>
<tr>
<td>Personnel/human resources</td>
<td>113</td>
<td>1.9%</td>
<td>3</td>
</tr>
<tr>
<td>U.S. Resident</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>2601</td>
<td>45.8%</td>
<td>122</td>
</tr>
<tr>
<td>No</td>
<td>3074</td>
<td>54.2%</td>
<td>122</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$M = 35.44$</td>
<td>$M = 38.53$</td>
<td>$t(6159) = 4.64^{**}$</td>
</tr>
<tr>
<td></td>
<td>Min = 18</td>
<td>Min = 20</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Max = 76</td>
<td>Max = 67</td>
<td></td>
</tr>
</tbody>
</table>

Note: **p < .01, *p < .05. Differences between respondents and non-respondents were measured using chi-square tests, where the differences were measured categorically and using t-tests where differences were measured numerically. *Missing from non-respondents: 107 (1.7%), from respondents: 2 (.8%).
Finally, the respondent sample was slightly less racially diverse than the population surveyed (among respondents, 22.5% were non-white compared to 30.3% of the non-respondent population). However, again, there is little reason to believe this difference would cause serious response bias in the results. Though race is significantly related to moral disengagement (in this sample, $r = -.21, p < .01$), all regressions reported in this chapter were also run including an interaction term between race and moral disengagement to test whether the effect of moral disengagement on the outcomes of interest differed by race. Since no statistically significant interaction between race and moral disengagement was found, it can be assumed that the slopes of the regression lines in the models tested in this chapter are not significantly different for white and non-white respondents (Howell, 2002: 628), and therefore the response bias associated with a somewhat less racially diverse sample than the population surveyed is assumed to be minimal.

The second way to alleviate concerns about response bias is to determine whether the respondents are representative of the population of interest. Unlike an inter-organizational survey, where the population of interest might be the population of employees of a particular organization, or any survey where a clearly defined population is targeted for response, this study was designed to access a broad and diverse sample of employed adults across a range of industries and occupations. Therefore, it can be argued that as long as the sample is representative of the desired population of interest, whether or not all the individuals solicited to participate actually completed both waves of the survey becomes less important. As the demographic breakdown shows, the respondent sample is diverse in terms of industries, ages, levels of education, race, and sex. The dependent variables in this study, described in more detail in the measures section below, also demonstrated good ranges in terms of the numbers
of promotions received, salary ranges reported, number of employees supervised, and hierarchical positions. To the extent that the goal of this study was to access a broad and diverse sample of working adults, this sample meets that goal.

However, the most important concern with response bias is whether non-respondents differ from respondents on key variables of interest to this study. It is possible that the levels of moral disengagement among potential respondents would influence their decision to participate in the study; my best hypothesis is that moral disengagement would correlate negatively with the decision to respond to the surveys at all, or the decision to respond to the surveys meaningfully and completely. This possible response bias needs to be acknowledged. Fortunately, the response bias that this would introduce, by restricting the upper range of the moral disengagement levels of the respondents, means that the data in this study are put to a more conservative test as a result.

**Measures**

**Dependent variables.** The author conducted a literature search in top tier journals which used measures of organizational advancement. The search was restricted to measures of advancement that would be within direct control of the organization, and objective signals to others of advancement. The careers literature is right to also stress that subjective measures of success, such as personal satisfaction in one’s work and life, are also important to individuals, and important outcomes to consider when thinking about careers (Heslin, 2005; Schein, 1978). However, it is appropriate here to have limited the dependent variables to, as Heslin defines, “objective/other-referent” criteria (2005: 121), since the question of interest is whether organizations reward individuals who have high levels of moral disengagement.
Objective/other-referent criteria, such as salary and social standing (i.e. promotions or hierarchical level), as Vardi reminds us (1980), represent the outcomes over which organizations have total control and can therefore be used as signals to employees, and as tangible rewards which other employees can use in social comparison processes.

The two most common objective/other-referent measures of advancement are (1) the number or rate of promotions received and (2) salary or salary progression; less commonly, but also used, are (3) hierarchical level, (4) the total number of employees supervised, or some form of index collapsing several of these together (Cox & Harquail, 1991; Scandura, 1992; Stroh, Brett, & Reilly, 1992; Tharenou, 2001; Tharenou, Latimer, & Conroy, 1994; Whitely, Doherty, & Dreher, 1991). Ideally, researchers are able to locate objective measures of these objective advancement variables, using company records, for example. However, it is rare, due to organizational requirements of confidentiality and other reasons of restricted access, to be able to obtain that objective advancement data (for exceptions, see Scandura, 1992; Wayne, Liden, Kraimer, & Graf, 1999). In this sample, accessing objective measures of advancement would be impossible. Therefore, I used multiple indicators of advancement as one way to minimize the potential bias introduced by these self-report data (Avolio et al., 1991). Four measures of organizational advancement are used in this study.

**Total promotions.** Following Whitely and his colleagues (Whitely et al., 1991), respondents were asked, "Across all the organizations where you have worked, how many times have you been promoted?" A specific definition of what types of job changes constitute a promotion was provided in order to encourage a consistent understanding of the question across responses. The definition of promotion provided was: "Count as one promotion any of the following, or, if more than one of the following happened concurrently, count as one
promotion: (1) a formal and significant change in the scope of responsibilities at your job; (2) a significant change in your annual salary; (3) a change in hierarchical level at your employing company; (4) becoming eligible for bonuses, incentives, or stock plans (though not if you became eligible as part of a general change in organizational benefits); or (5) a significant change (enhancement) in title or in office size or décor.”

Respondents ranged from never having been promoted (16.8% of the sample) to more than 12 times (1.8% of the sample). The majority of respondents had been promoted once (16.5%), twice (19.1%) or three times (17.1%). On average, respondents reported having been promoted 3 times.

Annual salary. Compensation is clearly an indicator of advancement, and some measure of compensation is nearly always used as a dependent variable in advancement research (Cox & Harquail, 1991; Scandura, 1992; Stroh et al., 1992; Tharenou, 2001; Tharenou et al., 1994; Wayne et al., 1999; Whitely et al., 1991). However, accurate measurement of compensation is fraught with challenges (Antle & Smith, 1985; Gomez-Mejia, 1994), in large part because compensation has many sources, including salary, benefits bonuses, stock options, and profit sharing, to name a few. In order to try to capture both base salary and total compensation, two questions were asked of respondents. The first question measured annual base salary. Respondents were asked, “What is your current annual base salary, in dollars?” and provided with 20 salary ranges to choose from, in $10,000 increments from less than $10,000 to $150,000, and then in wider increments after that, until reaching “More than $500,000”. It was decided to ask about salary in ranges rather than for a specific dollar amount because of the level of discomfort typically faced by respondents when asked to report a specific number about their income, without the added level of detail
generating more useful information (Fowler, 1995). To compromise on the lack of specificity resulting from asking about salary in ranges, respondents had a choice of 20 different ranges, more than is typical in this type of research (P. Tharenou, personal communication, April 19 & 20, 2007).

Respondents’ annual salaries ranged from less than $10,000 annually (5.5% of the sample) to between $250,000-$500,000 (.8% of the sample). The modal salary range was between $30,000 and $40,000 (21.5% of the sample), which tracks the annual earnings of full time civilian workers in the U.S., for whom, in 2006, average annual earnings were US$33,634 (Bureau of Labor Statistics, 2006), and the average earnings of full time employees in Canada, for whom, in 2006, average annual earnings were CAD$38,848.16 (Labour Statistics Division, 2007). The mean salary range was between $40,000 and $50,000.

The second question asked of respondents was intended to measure total compensation. Respondents were asked, “Many people are compensated in ways that are additional to their base salary. If you count your total compensation, potentially include any or all of your (1) annual bonus, (2) stock options (at their current value), (3) profits sharing, or (4) any other additional compensation, what was its amount in your last fiscal year, in dollars?” Analysis of the data generated from this question indicated that it was not properly understood by respondents. The modal response to the question was “Under $10,000” (30.1% of the sample), inconsistent with the modal response to the prior question being “Between $30,000-$40,000”. If only 5.5% of the sample had annual salaries of less than $10,000, then the proportion of respondents answering that their total compensation was less than $10,000 ought to have been 5.5% or less. Therefore, the decision was made to conduct the analysis using only the measure of annual base salary. Though this was a disappointing outcome, and
means that the increases in annual earnings associated with incentive compensation plans are not captured by the dependent variable used in the analyses that follow, there is research which indicates that annual salary is as accurate a measure of financial “advancement” as total compensation or salary progression, since results related to advancement do not tend to find differences among these alternate ways of measuring compensation (Judge, Cable, Boudreau, & Bretz, 1995).

Number of employees supervised. Tharenou and colleagues’ work on career advancement (1994) uses a measure of the number of subordinates to tap the dimension of advancement that represents both direct span of control, or the number of subordinates that directly report to the individual (Ouchi & Dowling, 1974), and the number of employees over whom the individual has indirect influence, (Miller, 1946). Respondents were asked: “How many people do you supervise or oversee as a part of your job (i.e. how many people do you delegate work to or are responsible for, either directly or indirectly)?” Responses ranged from none (42.9% of the sample) to “More than 100” (2.3% of the sample), with 27.8% reporting between 1 and 5 subordinates, 9.0% reporting between 6 and 10 subordinates, 6.5% reporting between 11 and 15 subordinates, and 13.2% reporting more than 15. The mean number of individuals reporting to respondents was 4.

One reason why both direct and indirect subordinates were included in this measure was because it was a better way of tracking organizational advancement than a strict span of control measure, which would have excluded anyone without a direct reporting relationship to the respondent; a CEO may only have a handful of direct subordinates, but the whole population of employees is under his or her indirect influence. It was also important to include a measure of managerial influence as part of the set of measures of organizational
advancement because of its importance to the institutionalization and perpetuation of corruption in organizations. If one of the ways that moral disengagement is implicated in organizational corruption is by advancing individuals who are most likely to set an organizational tone which condones corrupt behaviour, and who then socialize others into those organizational norms, then it is important to determine the relationship between moral disengagement and managerial influence inside organizations.

Hierarchical level. Though much about an individual’s advancement to corporate leadership can be captured by their number of promotions and employees supervised, it is also important to capture where that individual is relative to others within the organization where they work. Without advancing to high levels in an organizational hierarchy, individuals are unlikely to become a member of the (corrupt) dominant coalition that it was theorized in Chapter 1 would be integral in setting (corrupt) organizational norms (Cyert & March, 1963; Thompson, 1967). Though it is difficult to ensure cross-organizational comparability for a measure like this, the question was worded in a way that attempted to standardize across organizations, by defining eight levels in an organizational hierarchy: (1) entry level/internship/trainee, (2) non-manager/non-supervisor, (3) first-level/lower-level supervisor, (4) middle-level manager, (5) upper-level manager, (6) executive, (7) senior executive/divisional head, and (8) chief executive officer/organizational head.

There was good variance on this dependent variable, and there were respondents represented in every category: 4.0% at the entry level, 36.4% at the non-supervisor level, 14.4% at the lower level; 22.8% at the middle level, 9.2% at the upper level, 5.6% at the executive level, 3.2% at the senior executive level, and 4.0% at the chief executive officer
level. The mean hierarchical level reported in this sample was 3.5, halfway between the lower and middle supervisory levels.

**Independent variables.** Means and standard deviations, as well as correlations between these independent variables, are presented in Table 12.

*Moral disengagement.* Since Study 1a found that the items from the 32-item measure all loaded on to a single factor, for this study the 6 items with the lowest factor loadings onto the single factor and worst item-level distributions were dropped from the scale. The resulting 26 item scale is a more parsimonious alternative to the longer scale, while retaining the reliability ($\alpha = .89$) of the longer measure (which was $\alpha = .88$). Items which are retained in the shorter scale are indicated in Appendix A.

**Convergent validity variables.** This study also provides a second test of the convergent validity of the moral disengagement scale. Six of the same scales used in Study 1a were used in Study 2: Machiavellianism (Christie, 1970a), Levenson’s measures of primary and secondary psychopathy (Levenson et al., 1995), moral identity (Aquino & Reed, 2002), empathy (Davis, 1983), and social dominance orientation (Pratto et al., 1994). For a complete description of these variables, refer back to Chapter 2 and Appendix B.

**Self serving behaviours.** The reasoning behind predicting that self-serving impression management will operate as a mediating factor to partially explain the relationship between moral disengagement and organizational advancement is derived from Johns’ theory of self-serving in organizations (Johns, 1999). Explicit measures of self-serving have yet to appear in the literature; however, Johns does discuss how, at the individual level of analysis, some forms of impression management are directly intended to serve one’s own self interest. Two related measures were used. The most obvious measure I could find of self-serving
impression management in the workplace is a 4-item subscale of self-promotion from Bolino and Turnley's multi-factored measure of general impression management, for which they drew from the theory of Jones and Pittman (Bolino & Turnley, 1999; E. E. Jones & Pittman, 1982). It is a behaviourally-based scale, measured on a 5-point Likert scale from “Never behave this way” to “Often behave this way”, and asks about behaviours that have no other purpose than to advance that individual’s interests within the organization, such as “Talk proudly about your experience or education,” and “Let others know you are valuable to the organization.”

However, impression management is a multi-faceted construct (E. E. Jones & Pittman, 1982; Tedeschi & Melburg, 1984), so a second measure of its self-serving dimensions was also included. Kumar and Beyerlien’s measure of ingratiatory behaviours in organizations taps individuals’ propensity towards self-presentation, other enhancement, opinion conformity, and rendering favours to organizational superiors (1991). Though not all of these behaviours are necessarily self-serving, all of them may be practiced in a self-serving manner. I therefore used this measure as a potentially more subtle measure of self-serving behaviours. It is also a behaviourally-based scale, measured on a 5-point Likert scale from “Never behave this way” to “Almost always behave this way”. The facets measured by this scale can be used separately, or summed into a general measure of ingratiatory behaviours in organizations.

Control Variables. Obviously, with such a diverse cross-organizational and cross-industry sample, ensuring enough exogenous variables are controlled is important. Organizational advancement has been shown to relate to the job-irrelevant (cf., Stumpf & London, 1981) demographic variables of sex (Bayard, Hellerstein, Neumark, & Troske, 2003; Blau, Ferber, & Winkler, 2001) and race (Greenhaus, Parasuraman, & Wormley, 1990), as
well as the job-relevant variables of age and education, a proxy for investment in human
capital (J. N. Baron, 1984; Gattiker & Larwood, 1990; Jasolka, Beyer, & Trice, 1985). All of
these variables will be controlled.

Sex (coded as male = 1, female = 0), race (coded as 1 = white, 0 = non-white), and age
(in years), were all collected directly from StudyResponse, and matched back to the data
using the unique and anonymous respondent identifiers. Since the sample included a mix of
respondents from North America and beyond, a dummy variable was included to control for
the general geographic location of the respondent (1 = within North America, 0 = outside
North America). This variable was created using a geographic location variable asked in
Phase 2 of the survey. Data on educational attainment was also collected in Phase 2 of the
survey, and was coded using 9 categories representing respectively higher levels of education,
from “some high school”, through to “Ph.D.”

Two organizational level variables known to influence advancement will also be
controlled: the size and profit orientation of the employing organization (J. N. Baron, 1984).
Large organizations understandably have career advancement ladders with more steps than
smaller organizations, as well as having the resources to, on average, pay employees more
than smaller organizations (Kalleberg & Van Buren, 1996). Non-profit organizations are often
smaller than for-profit organizations, and also, on average, pay less than their for-profit
counterparts (Johnston & Rudney, 1987). Profit orientation was also included in the analyses
to examine whether it might be an explanatory variable in the models tested. The limited

5 Data from Study Response only coded for U.S.- and non-U.S.-based respondents; the survey I conducted
asked a more detailed geography question, that asked where respondents were located within the U.S., whether
respondents were in Canada, or outside North America. An ANOVA with post hoc comparisons between
groups found that the only significant differences between groups with respect to moral disengagement were
between North American and non-North American groups. Therefore, the 34 respondents from Canada (13.6%
of the sample) were collapsed into the U.S.-based sample, to create a dummy variable for whether the
respondent was from North America (1 = yes, 0 = no).
empirical work that has been done comparing the ethical climates of for-profit and non-profit organizations suggests that for-profit companies have climates higher in egoism and lower in benevolence than non-profit organizations (Brower & Shrader, 2000), both of which might exacerbate the influence of moral disengagement on organizational advancement.

Organizational size was measured in Phase 2 of the survey, coded using 8 categories (1-50, 51-100, 101-500, 501-1000, 1001-5000, 5001-10,000, 10,001-25,000, >25,000). The profit orientation (1 = employed by a for-profit organization, 0 = employed by a not-for-profit organization) of the organization was coded using industry data provided by StudyResponse, and matched back to individual records using the respondent identifiers. If respondents were employees in government policy, non-profit/social services, or health/safety, they were coded as “0”. All other records (including respondents from accounting, banking, biotechnology/pharmaceuticals, insurance, legal, marketing/merchandizing, and personnel/human resources) were coded as “1”. Though this is an imperfect way to code for this distinction—some individuals might be employed in a for-profit health company, or a non-profit legal firm—it represented the closest available proxy to account for the main effect of working in an organization where profit is a dominant organizational goal.

Managerial aspirations. Clearly, the idea that individuals advance to management because they are motivated to do so has circulated since McClelland and his colleagues theorized the need for achievement in the 1950s (McClelland, Atkinson, Clark, & Lowell, 1953), and ambition has been found to be a strong predictor of managerial advancement (Howard & Bray, 1988; Tharenou, 2001). In more recent work, managerial aspirations have been found to predict an individual’s hierarchical level within organizations both cross-sectionally and longitudinally (Tharenou, 2001). Tharenou’s measure of managerial
aspirations is therefore also included to control for the variance in individuals’ motivations to achieve leadership positions that is not attributable to self serving interests. It is a 12-item measure of an individual’s desire to advance to positions of leadership in their organization (\(M = 3.29, SD = .97\)) also showing strong reliability (\(\alpha = .92\)).

**Results**

Means, standard deviations, and correlations for all Study 2 variables are presented in Tables 12 and 13. Table 12 presents the correlations for the convergent validity measures, and Table 13 presents the correlations for the main study variables. For all but one of the convergent validity variables (moral identity), the alpha reliabilities for the measures of convergent validity are higher in Study 2 than Study 1a, providing one indication that the screening mechanisms to ensure serious responding were successful (Johnson, 2001). The correlations between the convergent validity variables were all similar in strength and direction to Study 1a, which suggests the shorter scale of moral disengagement used in Study 2 performs similarly in this study to the way it did in Study 1a. Again, as expected, moral disengagement is positively correlated with Machiavellianism (\(r = .45, p < .01\)), both the primary/personality (\(r = .61, p < .01\)) and secondary/behavioural (\(r = .40, p < .01\)) factor of Levenson’s self-reported measure of psychopathy, and social dominance orientation (\(r = .41, p < .01\)). None of these relationships are so strong as to indicate that moral disengagement is a redundant construct.

As expected, moral disengagement is negatively related to moral identity (\(r = -.22, p < .01\)), and again it was only negatively related to empathy providing a generous cutoff for statistical significance (\(r = -.13, p < .10\)). These relationships suggest that the