

University of Arkansas, Fayetteville

ScholarWorks@UARK

Marketing Undergraduate Honors Theses

Marketing

5-2012

The observing public's perception on individual's behavior when pressured with unethical decisions

Amanda Hancock

University of Arkansas, Fayetteville

Follow this and additional works at: <https://scholarworks.uark.edu/mktguht>

Citation

Hancock, A. (2012). The observing public's perception on individual's behavior when pressured with unethical decisions. *Marketing Undergraduate Honors Theses* Retrieved from <https://scholarworks.uark.edu/mktguht/18>

This Thesis is brought to you for free and open access by the Marketing at ScholarWorks@UARK. It has been accepted for inclusion in Marketing Undergraduate Honors Theses by an authorized administrator of ScholarWorks@UARK. For more information, please contact scholar@uark.edu.

**The Observing Public's Perception on Individual's Behavior when pressured with
Unethical Decisions**

By

Amanda Brooke Hancock

Advisor: Dr. Vikas Anand

**An Honors Thesis in partial fulfillment of the requirements for the degree Bachelor of
Science in Business Administration in Transportation and Logistics.**

**Sam M. Walton College of Business
University of Arkansas
Fayetteville, Arkansas**

May 11, 2012

Abstract

This study examines how public perception of individuals pressured with unethical decisions can be dependent on perceived personality traits of the individual. An observer's perception is analyzed through two perspective behaviors: normative (desired) and expected. The two personality traits examined are perceived ambition and perceived individual power distance. Data was obtained for this study from a sample of 152 undergraduate students through a survey where respondents were randomly given one of four manipulated scenarios. The survey measured the respondent's beliefs on what an individual in the scenario should (normative) and would (expected) do when faced with an unethical decision. The results of this study suggest significant relationships between perceived power distance and an observer's perceptions on an individual's normative and expected behavior. There is a negative relationship between perceived power distance and *normative* behavior, suggesting that the larger the perceived power distance, the more likely an observer believes an individual's normative action should be *ethical*. However, there is a positive relationship between perceived power distance and *expected* behavior, suggesting as power distance becomes larger, an observer will expect the individual to act *unethically*.

TABLE OF CONTENTS

1. Introduction	4
2. Definitions	5
3. Literature Review	6
4. Hypotheses	9
5. Methodology	10
6. Results	11
7. Discussions and Conclusion	13
8. Appendix	15
9. References	17

1. INTRODUCTION

Throughout the past decades, people have become increasingly aware of the importance of ethical decision making in corporations. Large corporations and the United States government give much attention to this matter with fraudulent companies filling the front pages of newspapers across the country. Congress passed legislation on ethical decision making called the Sarbanes-Oxley Act of 2002, yet many companies and researchers alike are forced to ask if the provisions of this act are enough to ensure ethical decision making in a corporation.

Corruption has been a popular topic for researchers since long before unethical decision making by corporations came under the scrutiny it is currently attracting. Many academic professionals conducted studies examining how unethical decision making occurs, suggesting multiple proposed theories. Research shows that relying on laws alone will not keep a company safe from corruption, but that ethical decision making occurs in the climate of the workplace (Schminke, Arnaud, & Kuenzi, 2007). If governmental laws do not prevent unethical acts in organizations, what are some of the determinants? Scholars have suggested corruption becomes an enduring phenomenon in organizations when rationalization and the socialization process become an integral part of the business (Ashforth and Anand, 2002). Researchers have also proposed ways to prevent unethical decision making in a corporation.

Yet, there has been a limited amount of research conducted on how the general public at large views corporations engaged in unethical decision making. Negative social sanctioning to unethical decision making is prevalent in our society and the public play a large role in maintaining strict punishments for corruption. In many extreme cases of unethical decision making it is the public through the form of a jury that decides an individual's outcome. Growing up as part of a society that so negatively views unethical behavior may even prevent unethical decision making from occurring in a corporation. Individuals know the opinion of the greater public towards corruption and the likely punishments that are associated with acting unethically. When a corporation is caught behaving unethically in a corruption scandal, it is the public's opinion they have to fight to rebuild. After involvement in unethical behavior, the public's backlash towards corporations can greatly affect their image and future. A negative perspective from the greater public towards a company can reduce the amount of government support which could adversely lead to a decrease in company performance.

Just as a limited amount of research exists on how the public perceives unethical decision making, limited research has been conducted on how qualities of an individual affect unethical decision making. The individual qualities of great interest to this paper are ambition and power distance. Ambition is an individual's desire for rank or the desire to achieve in a given situation. Power distance is how a lower individual in a hierarchy views the power distribution of the relationship with an individual who is higher in the hierarchy. Power distance is typically researched in the context of a whole culture or countries' beliefs and rarely looked at from an individual's viewpoint, yet research has suggested that power distance can be determined by an individual (Yang, Peng, & Mossholder, 2007).

This paper examines how an observer believes an employee should and will behave when faced with the pressure to act unethically. Normative (desired) behavior is how an observer believes the individual *should* behave, while expected behavior is how an observer believes the individual *will* behave. To examine differences in how observers believe an individual will respond to an unethical request, this study manipulates the perceived ambition and perceived power distance of the individual. For example, an observer may be more forgiving towards the individual if they feel like they did not have a choice because of their lack of power in the

relationship with their supervisor. Or perhaps the observer will frown upon someone with high ambition acting unethically to gain a personal goal. To measure the normative and expected actions of an individual faced with unethical decision making, I created a survey. Each respondent to this survey was randomly assigned one of four scenarios, which had been manipulated to test for two the personality traits: perceived ambition and perceived individual power distance.

The results of this study show that specific personality traits can affect the way an observer believes an individual should and will act when given pressure to succumb to unethical behavior. While there are no significant relationships between normative and expected behavior and perceived ambition, a significant negative relationship exists between normative (should) behavior and perceived power distance. This indicates that an observer believes that the higher the power distance between an employee and their supervisor, the more it is thought the employee should resist unethical decision making. A significant positive relationship is found between expected behavior and perceived power distance. This indicates that an observer believes that the higher the power distance is between an employee and supervisor, the more likely it is that the employee will succumb to unethical decision making. These results show that while an observer believes an employee with high perceived power distance *should not* behave unethically, they also believe that the employee *will* ultimately behave unethically.

The results of this study are important because they suggest how critical it is to understand the determinants of the public's perceptions to unethical decision making. Observers in the public do form opinions on the normative and expected behavior from individuals pressured with unethical decision making. This study suggests that how the public perceives personality traits affect those assumptions on an individual's behavior. Even more interesting, the results suggest that the public desires that an individual resist corruption, yet expects that individual to succumb to unethical behavior if the power distance is perceived as high. The way a corporation is perceived in the public eye is very important to the image of that company, and this study attempts to show the importance of an observer's perception towards an individual's response on unethical decision making.

2. DEFINITIONS

There are several key terms that are substantial to this paper.

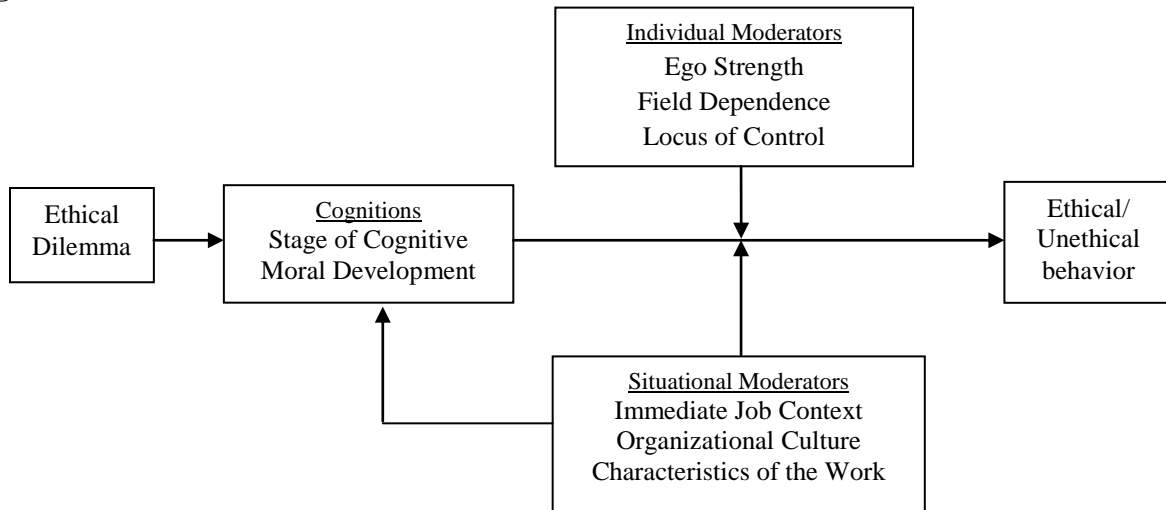
1. *Ambition* is defined as an individual's desire for rank or the desire to achieve in a given situation.
2. *Power distance* is defined as the extent to which the weaker individual in a relationship perceives the power distribution between those in the relationship. The fundamental idea behind power distance is human inequality, as seen by the lesser of the persons involved in a power relationship (Hofstede, 2001). Earley and Gibson suggested power distance can be defined as the degree to which individuals feel authorities should be respected and shown deference (1989).
3. An *ethical decision* is a decision that is both legal and morally acceptable to the larger community (Jones, 1991). Therefore, an unethical decision can be defined as a decision that is either illegal or one that the community finds unacceptable morally. To understand what defines decisions as ethical, it is important to know the definition of ethics: a system of moral principles.
4. *Normative behavior* is defined as what an individual believes should be done in a given situation and is considered the desired action. Normative behavior is typically looked at from a philosophical perspective.

5. *Expected behavior* is defined as what an individual believes will be done, or what they expect will happen. Expected behavior is often referred to as descriptive behavior in research and is concerned with predicting what will actually happen (O’Fallon and Butterfield, 2005). Donaldson and Dunfee described how you cannot find results in either normative or expected and use it to describe the other, because you cannot know what is from what ought to be (1994). In this study, both the normative and the expected behaviors are observed and the differences between the two are examined.

3. LITERATURE REVIEW

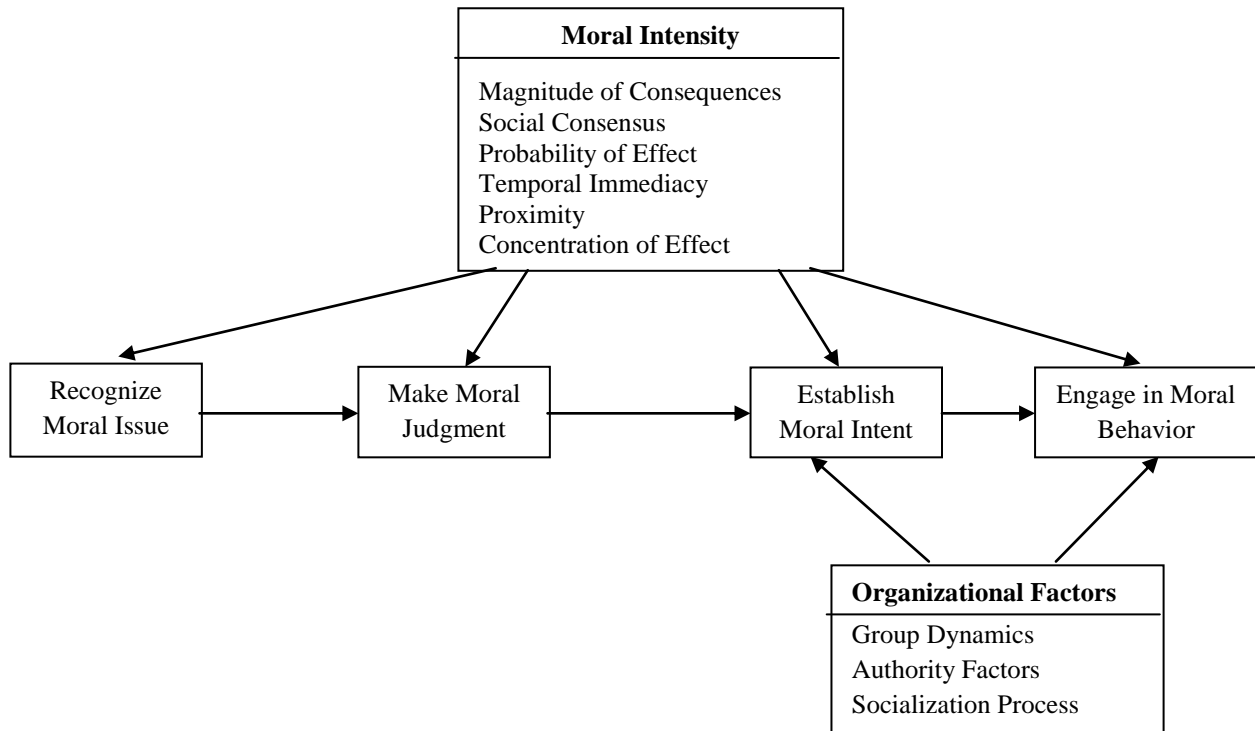
Many theoretical models have been created by academic professionals to predict ethical decision making. One of the first was Kohlberg’s model, which suggests humans go through stages in their cognitive development and each stage impacts their ethical decision making (1976). This model has been an important cornerstone for many other theories. Trevino’s Person-Situation Interactionist Model researched individual and situational variables around the individual and suggests that one must consider more than cognitions pointing towards right or wrong (Trevino, 1986). Trevino holds that an individual’s thoughts and behaviors do make an impact on the ethical decision making process. The focus of Trevino’s study was how those traits affect the decision making process, rather than examining their effects on observers. A diagram of the Person-Situation Interactionist Model is seen below.

Figure 1: Trevino’s Person-Situation Interactionist Model



Jones’ Issue-Contingent Model, seen below, suggests the issue must be considered when an individual makes an ethical (or unethical) decision (1991). Jones model is based on previous research from Kohlberg, Trevino, and Rest. Rest’s model suggests an individual decision must consider the following four aspects before engaging in decision making: (a) identify the moral issue, (b) form a moral judgment, (c) secure moral intent, and (d) execute on moral concerns (1986). Hypotheses prior to Jones’ study suggest that ethical decisions were not determined by the ethical issue itself (Rest, 1986; Trevino, 1986). Key to Jones’ study is the idea of moral intensity, which he defines as “a construct that captures the extent of issue-related moral imperative in a situation” (Jones, 1991).

Figure 2: Jones' Issue-Contingent Model



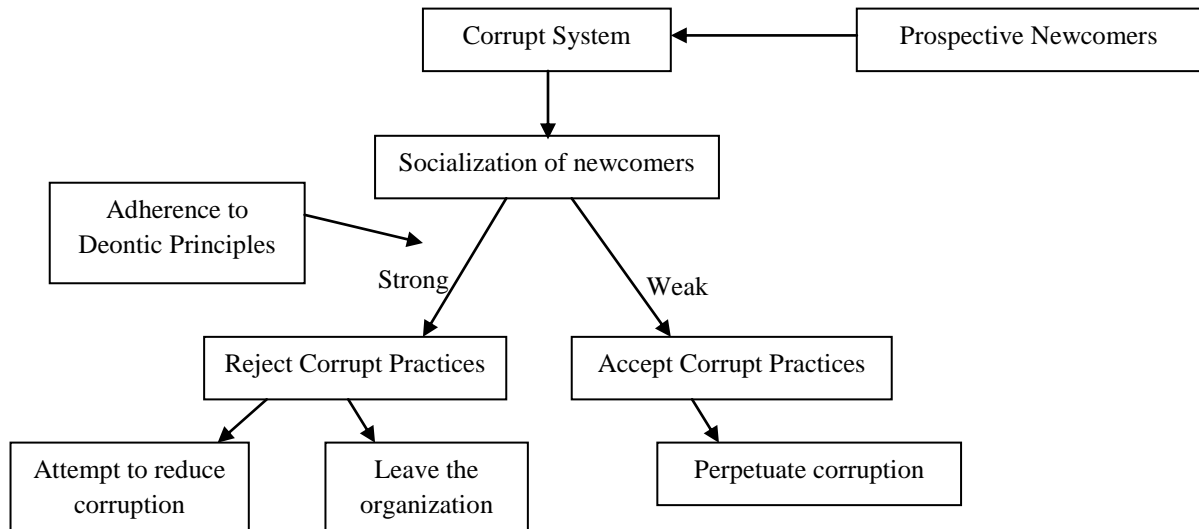
Jones suggests that the issue does have significant effects on the decision making process (1991). While the issue is a very important factor to consider while examining ethical decision making, perceived personality traits may also contribute, which is part of the foundation of this paper. Jones' paper does acknowledge that moral intensity, a key element of his own paper, does not include traits of the individuals themselves (1991). While Kohlberg's model examines individual traits of moral development and Trevino's model considers individual moderators, none of these studies examines perceived personality traits or their effects on decision making (Kohlberg, 1976; Trevino, 1986).

Anand and Ashforth proposed their model on how socialization and rationalization leads to unethical decision making (2002). Unethical companies will use socialization and rationalization techniques to encourage unethical decisions. They suggest that employees rationalize their actions until they believe they are not doing anything wrong through several rationalization techniques. An example of one of these techniques is denial of responsibility, where employees actually convince themselves that they have no choice but to participate in the unethical decision making. These processes, particularly socialization, actually help to weed out ethical employees for a corrupt business. Ethical employees will usually leave the corporation, while the unethical employees are socialized into corruption and are provided with rationalization techniques to continue their acts (Anand, Ashforth, & Joshi, 2004).

Beugré explores the topic of ethical decision making and socialization further by questioning "why" a person engages in corrupt activity, rather than just "how" as approached by Anand, Ashforth, and Joshi (Anand et al. 2004; Beugré, 2010). She suggests a model of deontic justice to show how individuals resist socialization into unethical behavior. Deontic justice theory states that people act fairly not to gain a personal advantage but because it is the right

thing to do (Beugré, 2010). Beugré’s model, seen below, considers the adherence to deontic principles for the likelihood to accept or reject being socialized into corruption.

Figure 3: Beugré’s model of Deontic Justice, Resistance to Socialization



Beugré’s model examines why some individuals may resist socialization by doing what they consider fair (2010). Manz, Joshi, and Anand suggest that all individuals may not be equal when succumbing to socialization techniques (2005). While these studies suggest personal factors may determine individual’s unethical actions, studies examining how personal factors play a role in the perception of unethical behavior from observers are minimal in current empirical research. The purpose of this paper is to find whether any relationship exists between the way observers think employees should and will act and their perceived personality traits of the employee.

The perceived personality traits researched are ambition and power distance, both of which have received a great amount of attention from researchers. Ambition and power distance play a large role in an individual’s life, whether they recognize it or not. Ambition is what causes an individual to desire success, which is frequently considered an admirable trait and shown in positively in research. The desire to get ahead and move up the corporate ladder is respected by much of society. However, what happens if that ambition causes an individual to become so blinded by success possibilities that they actually succumb to unethical decision making? Ambition is often used by individuals to justify their wrong actions.

Power distance has been studied by many researchers, most notably Hofstede. Power distance is how a lower individual in a relationship views the relationship’s power distribution. Cultural behavior has confirmed suggestions by research that when the power distance is larger, the subordinate will take requests without questioning them to show respect to their superior. Research also suggests that individuals use the power distribution as an excuse for unethical decision making, simulating helplessness when pressured by management. One rationalization method described by Anand et al. is denial of responsibility, which says that corrupt individuals participate in unethical behavior because they have no other option (2004). Their study quoted a manager’s excuse as “My arm is being twisted. I just gotta do what the boss says” (Anand et al.

2004). Therefore, I see a need for these personality traits to be examined on how the public perceives them, especially if used as an excuse for unethical decision making.

4. HYPOTHESES

After reviewing the current empirical research on ethical decision making, I saw a great need for a study on the public's expectations towards how employees should and will act when pressured with an unethical decision. To examine if perceived personality traits change the public's perception, the study is manipulated with ambition and power distance. This is to find whether specific traits will induce a more forgiving attitude by the public towards unethical behavior in certain situations.

Ambition is an intense desire to achieve success and power. Ambitious individuals strongly desire success and perform better when rewarded for performance (Steers & Spencer, 1977). Research shows that an individual will be more tempted to act corruptly if there is a large incentive (Rabl, 2011). If highly ambitious employees are stimulated by rewards, consider the effects of a reward being paired with unethical decisions. Companies incentivize newcomers to engage in unethical behavior through co-optation, a socialization process that rewards individual's unethical behavior to encourage an attitude change (Anand et al. 2004). A corrupt corporation may define success through unethical decision making and a highly ambitious individual will be stimulated by possibilities of success. Therefore, based on what is known about individuals with high ambition, the following hypotheses were formed:

Hypothesis 1a: Observers of an employee pressured to make an unethical decision will believe he or she should make the unethical decision (normative action) when the observer perceives the employee's ambition levels are high

Hypothesis 1b: Observers of an employee pressured to make an unethical decision will believe he or she will make the unethical decision (expected action) when the observer perceives the employee's ambition levels are high

The second personality trait examined is individual power distance. Power distance is the power distribution in a relationship, as perceived by the lower level individual. Individuals perceiving high power distance believe inequality exists between themselves and their superiors and will therefore be submissive in not speaking against their manager's requests. Hofstede showed the difference between those with a high and a low power distance as follows: with low power distance, subordinates expect to be consulted and with high power distance, subordinates expect to be told (2001). Since high power distance individuals expect to be told what to do without questioning, consider the effect the submissiveness has on unethical decision making. Based on what is known about high power distance, the following hypotheses were formed:

Hypothesis 2a: Observers of an employee pressured with an unethical decision will believe he or she should make the unethical decision (normative action) when the observer perceives a high power distance between employee and supervisor

Hypothesis 2b: Observers of an employee pressured with an unethical decision will believe he or she will make the unethical decision (expected action) when the observer perceives a high power distance between employee and supervisor

5. METHODOLOGY

Sample & Methodology

To test the hypotheses stated, I created a survey used for data collection. The survey was sent to approximately 500 undergraduate students at the Sam M. Walton College of Business at the University of Arkansas, posted on Facebook pages, such as the Walton College Supply Chain Management Department, and promoted by many business professors in their courses. The majority of the students that were reached through Facebook and the courses received one of the 500 surveys sent; these were used mainly as means of promotion. Of the 500 plus surveys delivered to University of Arkansas students, 162 respondents completed the survey (of which 152 were usable). This equates to a 30.4 percent response rate.

Of the respondents, 60 percent (91 of 152) were female and 40 percent (61 of 152) were male. The lowest age of a respondent was 18 and the highest was 60, with an average age of 22.18 (standard deviation of 7.52). The majority of the respondents (87.5 percent) were between the ages of 18 and 22, which is considered the typical age of a college student in the United States. A little over seven percent of survey respondents were born outside the United States of America, with 4.61 percent of the respondents living in the United States for 10 years or less.

Constructs and Measures

The survey was divided into three continuous phases: personal need for achievement and demographics, scenario reading, and responses to the scenario.

Phase 1: Phase one measured the three controls used in this study, which are personal need for achievement, gender, and age. Personal need for achievement was measured on a scale created by Cassidy and Lynn (1989). The scale divided need for achievement into seven factors and measured each factor through seven questions, totaling 49 questions measured on a five point Likert scale. An example of a question in this scale was “I more often attempt to tasks that I am not sure I can do than tasks I know I can do” (Cassidy and Lynn, 1989). This phase also measured gender and age through asking questions on respondent’s demographics. Research has shown that gender plays a role in ethical decision making, especially when respondents are undergraduate students (Cohen et al. 2001; Franke, Crown, & Spake, 1997; Keith, Perreault, Chin, & Keith, 2009). Research suggests that age correlates with an individual’s stage of moral development as defined by Kohlberg (1969). Personal need for achievement had a very strong reliability (Chronbach’s α of .86).

Phase 2: Phase two consisted of respondents reading a scenario created for the study. Each respondent was randomly given one of four scenarios that were manipulated to change the power distance between employee and supervisor and ambition of the employee. The four scenarios consisted of (high power distance, high ambition), (high power distance, low ambition), (low power distance, high ambition), and (low power distance, low ambition). The scenario involved a billing agent at the city hospital, named Tom, whose supervisor Steve requested that he creates a fictional Medicare claim using another patient’s Social Security number. The Medicare claim was on services that the hospital legitimately performed, so Steve told Tom there was no risk creating the fictional claim. To manipulate the ambition of Tom, an introduction was placed at the beginning of each scenario describing Tom’s aspirations and in the high ambition scenarios, Steve told Tom that he would recommend him for a promotion. To manipulate the power distance between Tom and Steve, their relationship was described in the beginning of the scenario. Also, the verb usage of the supervisor’s request was different for the scenarios: for low power distance, Steve suggested the claim, for high power distance, Steve told Tom he will make a claim. The scenarios with manipulation are found in the Appendix Figure 1.

Phase 3: This phase consisted of respondents answering questions on their perceptions and attitudes towards the scenario. There were four key measures that were calculated through the survey: normative (desired) behavior, expected behavior, perceived power distance, and perceived ambition. The questions asked in this phase assessed the above measures. Phase three consisted of 16 questions, with four questions designated to calculate each measure. To measure normative (desired) behavior, the survey asked respondents what they think Tom should do in response to the unethical request. An example of a question measuring normative behavior was “Tom should create the claim as described by Steve.” To measure expected behavior, the survey asked respondents what they think Tom will do. A question used to measure expected behavior was “In this situation, Tom is very likely to do what Steve has proposed.” To measure the perceived power distance between Tom and Steve, the survey asked questions on how respondents viewed the differences in their power, such as “It appears that Steve is more powerful in the organization than Tom.” To measure the perceived ambition level of Tom, the survey had respondents answer questions on his desire to be succeed, such as “Tom appears to be someone who wants to get ahead in life.” Each question was answered on a five point Likert scale, where 1=Strongly Disagree and 5=Strongly Agree and the 16 question survey is found in Appendix Figure 2. Each of the four measures had strong reliabilities (normative action with Cronbach’s α of .84, expected action with Cronbach’s α of .88, perceived power distance with Cronbach’s α of .69, and perceived ambition with Cronbach’s α of .93). Once the surveys were collected, the data was examined. The mean of each of the four factors was calculated, taking into account which scenario each respondent received.

6. RESULTS

Table 1, shown below, reveals the correlations between the variables, their respective means, and standard deviations. The correlations were calculated to find any existing relationships between the variables and the strength of said relationships.

Table 1:
Correlations between Variables

	Mean	St. Dev.	1	2	3	4	5	6	7
1. Gender	1.6	0.49	1						
2. Age	22.01	7.24	0.01	1					
3. Personal Need for Achievement	3.56	0.33	-0.11	-0.05	1				
4. Perceived Power Distance	3.76	0.64	-0.09	-0.08	0.11	1			
5. Perceived Ambition	3.2	1.17	-0.08	-0.09	-0.06	0.11	1		
6. Normative Actions	1.93	0.82	-0.10	-0.003	0.01	-0.20*	0.11	1	
7. Expected Actions	2.93	0.86	-0.14 [†]	0.04	-0.05	0.21**	0.06	0.27**	1

** Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at the 0.05 level (2-tailed)

[†] Correlation is significant at the .10 level (2-tailed)

The results suggest a significant negative relationship between the normative behavior and perceived power distance. There is a negative relationship between how the observer believes an individual faced with unethical pressure should (the normative behavior) respond and

the perceived power distance between an employee and supervisor (when $p < .05$). This suggests that the higher the perceived power distance between an employee and their supervisor, the more likely an observer will believe the employee should resist pressure to be unethical.

The results also suggest a significant positive relationship between the expected behavior and perceived power distance. There is a positive relationship between the way an observer believes an individual faced with unethical decisions will respond and the perceived power distance between an employee and supervisor (when $p < .01$). This suggests the higher the perceived power distance between an employee and supervisor, the more likely an observer will expect the employee to succumb to unethical behavior by choosing to perform the corrupt act.

In order to test the hypotheses, I ran two sets of hierarchical regressions using the normative behavior and the expected behavior as the dependent variables. For both regressions, the control variables were entered in the first step (Model 1) and the second step (Model 2) consisted of entering the main effects (Perceived Ambition and Perceived Power Distance). The results are shown below in Table 2 and Table 3.

Table 2: Observer's perceptions of normative behavior towards unethical decision making

Variables	Normative Behavior	
	Model 1	Model 2
Gender	-0.10	-0.11
Age	-0.001	-0.01
Personal Need for Achievement	0.001	0.03
Perceived Power Distance		-0.19*
Perceived Ambition		0.10
R ²	0.03	0.06
Adj R ²	0.01	0.03
ΔR^2	0.03	0.03
F Change	1.32	2.49

* $p < 0.05$

Table 3: Observer's perceptions of expected behavior towards unethical decision making

Variables	Expected Behavior	
	Model 1	Model 2
Gender	-0.15 [†]	-0.13
Age	0.035	0.05
Personal Need for Achievement	-0.07	-0.08
Perceived Power Distance		0.17*
Perceived Ambition		0.04
R ²	0.01	0.05
Adj R ²	-0.01	0.02
ΔR^2	0.01	0.04
F Change	0.51	3.16

* $p < 0.05$

[†] $p < 0.10$

At a .05 significance level, the results of the hierarchical regression analysis reveal that perceived power distance is a significant factor for both normative actions and expected actions when being pressured to make unethical decisions while gender, age, and personal need for achievement are held constant. The relationship between normative actions and perceived power distance is negative, which says that the farther the perceived power distance between an employee and their supervisor, the less likely an observer will believe that the employee should make an unethical decision. This does not confirm Hypothesis 2a, which stated the higher the power distance between the employee and supervisor, the more likely an observer will believe that an individual should make an unethical decision. Therefore, Hypothesis 2a is rejected.

Hypothesis 2b stated that the higher the power distance between an employee and their supervisor, the more likely an observer will expect that an individual will make an unethical decision. As seen in the results for expected behavior, there is a significant positive relationship between perceived power distance and expected behavior into unethical decision making, thus Hypothesis 2b is supported.

The results suggest that perceived ambition does not play a significant role in an observer's perceptions of an individual's normative behavior or expected behavior. Therefore, the data fails to support either Hypothesis 1a or Hypothesis 1b.

7. DISCUSSIONS AND CONCLUSION

The primary purpose of this study was to examine how the public perceives an individual's normative (desired) and expected behavior when observing the individual being pressured with an unethical decision. The study also examined whether personality traits (ambition, power distance) had an effect on the way an observer views the individual's behavior towards an unethical situation. The results of this study suggest that power distance has a significant impact on the way an observer perceives an individual to respond when pressured to act unethically. This relationship exists in both normative and expected behavior, yet in very different ways. There is a negative relationship between perceived power distance and normative behavior. This means that as perceived power distance is larger, the more likely an observer believes an individual's normative action should not be unethical. Although there is a significant relationship, these findings did not support corresponding Hypothesis 2a.

Contrary to the results on normative behavior, the relationship between perceived power distance and expected behavior is positively significant. This means that as the perceived power distance is larger, an observer will expect the individual pressured with an unethical decision to act unethically. The results on expected behavior do support Hypothesis 2b. Finally, the results suggest that ambition did not affect an observer's perceptions on how an individual will respond when faced with an unethical decision, which caused a rejection of both Hypothesis 1a and Hypothesis 1b.

The results of this study suggest that perceived personality traits can have an effect on the way the public perceives the actions of an individual pressured with unethical decision making. It also shows that an observer can desire (normative behavior) an individual to make one decision, yet expect (expected behavior) an individual to make another. These results agree with the research on normative versus expected actions conducted by Donaldson and Dunfee, which suggested results in one category cannot be used to describe the other (1994). The results of this study suggest the need for further empirical research on observing the public's perception on normative and expected behavior of individuals facing an unethical decision, as well as how various personality traits affect those perceptions.

Given that there is relatively limited amount of research on how observers perceive unethical decision making, there are limitations which can be challenged. One limitation is that the respondents of the survey were undergraduate students. Another limitation is that the undergraduate students represent only a small sample from one region of the United States. Even with these limitations, this study can be considered a valuable addition to the research available on unethical decision making. The results of this paper and the examination of perceived personality traits may open the door to future research on these topics. Previous studies on unethical decision making have been a main source of encouragement for this paper. Researching public perception towards unethical decision making and how perceived personality traits can affect the perceptions may promote further research on these topics.

Unethical decision making is a multi-faceted issue and all possible avenues to prevent it within a corporation should be addressed, which is why this paper aims to advance the research of how personality traits can affect the way the public perceives an individual responding to an unethical request. This study can assist corporations in minimizing unethical behavior from “bad apples” by ensuring that observers, which can even be co-workers, do not desire others to behave unethically when presented the opportunity. Public perception is very important to corporations, and this study allows companies to see the importance of an observer’s perception towards an individual’s response on unethical decision making.

The purpose of this study was to examine relationships between an observer’s perceptions on an individual’s normative (desired) and expected behavior when pressured to act unethically and how perceived personality traits can affect those behavioral perceptions. It is the hope of this study that awareness is raised in both academia and corporations that public perception towards an individual facing unethical decision making is affected by perceived personality traits and the normative and expected behavior will not always be the same.

8. APPENDIX

Figure 1: Scenario (Low Ambition, Low Power Distance)

Tom is a billing agent working at the city hospital. He files Medicare claims so the hospital can be reimbursed for procedures performed on elderly patients. Tom does what is required of him at work and leaves precisely at 5pm every day [High Ambition: Tom is a determined individual and goes the extra step for all his tasks]. His coworkers see him as a pleasant person. He is satisfied with his current organizational roles and responsibilities [High Ambition: He works long hours to ensure correct completion of assignments in a timely manner]. In fact, at several parties he's stated that he would not be disappointed if he continued with his job for the rest of his life [High Ambition: He has been hoping for a promotion in the next year]. He especially works well with Steve, his supervisor, who in turn values Tom's opinions. Both work closely together and consult each other on workplace issues, with Tom maintaining an active role in decision-making [High Power Distance: Steve is Tom's supervisor and has an authoritarian style of leadership, believing strongly in chain of command. Steve tells Tom what assignments to work on and Tom is extremely respectful of Steve and looks up to him].

Yesterday, Steve stopped by Tom's cubicle to tell him that a very large claim has incomplete information and is unlikely to be reimbursed even though the hospital provided legitimate services. Furthermore, the patient is untraceable, so the information to complete the claim is not forthcoming. Steve suggested Tom create a fictional claim using another patient's Social Security number [High Power Distance: Steve told Tom]. Steve explained this claim would be for the same amount as the other claim. He said this would not be cheating because the hospital is merely getting the money they are owed from Medicare and mentioned that Medicare never follows up on claims, so there is no risk involved.

[High Ambition: Before Steve left, he told Tom that his hard work has been noticed by the management at the hospital. Steve said he knew of a supervisor position opening on another team and believed Tom would be a great candidate for the job. Steve said he is going to put Tom's name in for the promotion. Tom has worked hard for this promotion, putting in 60+ hour weeks, which is much more than the effort his fellow colleagues have demonstrated. Tom wants this job very badly.]

Figure 2: Survey Phase 3

How much do you agree or disagree with the following statements?	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Tom should create the claim as described by Steve.	[1]	[2]	[3]	[4]	[5]
2. In this situation, it is okay for Tom to do as Steve says.	[1]	[2]	[3]	[4]	[5]
3. Tom should definitely refuse to do as Steve says.	[1]	[2]	[3]	[4]	[5]
4. Steve is suggesting an appropriate course of action.	[1]	[2]	[3]	[4]	[5]

5. Tom will create the claim described by Steve.	[1]	[2]	[3]	[4]	[5]
6. In my opinion, Tom is unlikely to do what Steve has suggested.	[1]	[2]	[3]	[4]	[5]
7. In this situation, Tom is very likely to do what Steve has proposed.	[1]	[2]	[3]	[4]	[5]
8. Regardless of the situation, Tom will not create the claim.	[1]	[2]	[3]	[4]	[5]
9. It appears that Steve is more powerful in the organization than Tom.	[1]	[2]	[3]	[4]	[5]
10. It appears that Tom has less power in the organization than Steve.	[1]	[2]	[3]	[4]	[5]
11. Steve probably has more privileges in the organization than Tom because of his status.	[1]	[2]	[3]	[4]	[5]
12. From the brief description, it appears Tom will rarely be able to act without getting approval and permission from Steve.	[1]	[2]	[3]	[4]	[5]
13. Tom appears to be someone who wants to get ahead in life	[1]	[2]	[3]	[4]	[5]
14. Tom does not appear to be someone who wants to get a promotion.	[1]	[2]	[3]	[4]	[5]
15. Tom is an ambitious person.	[1]	[2]	[3]	[4]	[5]
16. Tom is someone who would strongly desire a promotion.	[1]	[2]	[3]	[4]	[5]

9. REFERENCES

- Anand, V., Ashforth, B. E., & Joshi, M. (2004). Business as Usual: The Acceptance and Perpetuation of Corruption in Organizations. *Academy of Management Executive*, 18(2), 39-53.
- Beugré, C. D. (2010). Resistance to Socialization into Organizational Corruption: A Model of Deontic Justice. *Journal Of Business & Psychology*, 25(3), 533-541.
- Cassidy, T., & Lynn, R. (1989). A multifactorial approach to achievement motivation: The development of a comprehensive measure. *Journal Of Occupational Psychology*, 62(4), 301-312.
- Donaldson, T., & Dunfee, T. W. (1994). Toward a unified conception of business ethics: integrative social contracts theory. *Academy Of Management Review*, 19(2), 252-284.
- Franke, G. R., Crown, D. F., & Spake, D. F. (1997). Gender differences in ethical perceptions of business practices: A social role theory perspective. *Journal Of Applied Psychology*, 82(6), 920-934.
- Hofstede, Geert. (2001). Power Distance. In J. Brace-Thompson (Ed.), *Culture's Consequences* (2nd edition). (pp. 79-135).
- Jixia, Y., Mossholder, K. W., & Peng, T. K. (2007). Procedural Justice Climate and Group Power Distance: An Examination of Cross-Level Interaction Effects. *Journal of Applied Psychology*, 92(3), 681-692.
- Jones, T. M. (1991). Ethical Decision Making by Individuals in Organizations: An Issue Contingent Model. *Academy of Management Review*, 16(2), 366-395.
- Keith, N. K., Perreault, H. R., Chin, M., & Keith, M. (2009). THE EFFECT OF GENDER ON THE IMPORTANCE OF BUSINESS ETHICS AND MANAGERIAL DECISIONS: A STUDENT PERSPECTIVE. *Delta Pi Epsilon Journal*, 51(3), 125-136.
- Kohlberg, L. (1969). Stage and Sequence: The cognitive-developmental approach to socialization. In D.A. Goslin (Ed.), *Handbook of Socialization Theory and Research*. (pp. 347-480).
- Kohlberg, L. (1976). Moral Stages and Moralization: The cognitive-development approach. In T. Lickona (Ed.), *Moral Development and Behavior: Theory, Research and Social Issues*. (pp. 31-53).
- Manz, C. C., Joshi, M., & Anand, V. (2005). The role of values and emotions in newcomers' socialization into organization corruption. *Academy Of Management Annual Meeting Proceedings*, J1-J6.

- O'Fallon, M., & Butterfield, K. (2005). A Review of the Empirical Ethical Decision-Making Literature: 1996-2003. *Journal Of Business Ethics*, 59(4), 375-413.
- Rabl, T. (2011). The Impact of Situational Influences on Corruption in Organizations. *Journal Of Business Ethics*, 100(1), 85-101.
- Rest, J. R. (1986). *Moral Development*. New York: Praeger.
- Schminke, M., Arnaud, A., & Kuenzi, M. (2007). The Power of Ethical Work Climates. *Organizational Dynamics*, 36(2), 171-186.
- Steers, R. M., & Spencer, D. G. (1977). The Role of Achievement Motivation in Job Design. *Journal of Applied Psychology*, 62(4), 472-479.
- Trevino, L. (1986). Ethical Decision Making in Organizations: A Person-Situation Interactionist Model. *Academy Of Management Review*, 11(3), 601-617.