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Abstract

In this research, we examine when and why organizational environments influence how employees respond to moral issues. Past research proposed that social influences in organizations affect employees' ethical decision making, but did not explain when and why some individuals are affected by the organizational environment and some disregard it. To address this problem, we drew on research on power to propose that power makes people more self-focused, which, in turn, makes them more likely to act upon their preferences and ignore (un)ethical social influences. Using both experimental and field methods, we tested our model across the three main paradigms of social influence: informational influence (Study 1 and 2), normative influence (Study 3), and compliance (Study 4). Results offer converging evidence for our theory.

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Keywords: ethical decision making, power, social influences, self-focus

Members of organizations are often faced with moral issues, defined as situations in which "a person's actions, when freely performed, may harm or benefit others" (Jones, 1991: 367). An employee might be tempted to exaggerate, rather than accurately report, time spent on a project to receive a larger bonus; another employee may have to decide whether to deceive the other party in a negotiation to secure a more favorable outcome. While deciding on moral issues, employees are exposed to social influences that can impact their ethical decision making. These social influences range from explicit organizational ethical standards to others' (un)ethical behavior as an indirect indicator of acceptable conduct in their organization (for a review, see Kish-Gephart, Harrison, & Treviño, 2010). Both ethical decision-making theory (Sonenshein, 2007; Treviño, 1986) and related studies (Gino, Ayal, & Ariely, 2009; Pierce & Snyder, 2008; Treviño, Butterfield, & McCabe, 1998) suggest that employees' ethical decision making will be consistent with the social influence they are exposed to. Those working in an organization with an ethical code of conduct are expected to make more ethical decisions (Treviño et al., 1998) whereas those working in organizations in which unethical behavior is widespread are more likely to make unethical decisions themselves (Pierce & Snyder, 2008).

Although social influence has a powerful impact on individual decision making (Cialdini & Goldstein, 2004; Turner, 1991), not all employees are swayed by their context when responding to moral issues. For example, news reports tell stories about cheating employees within organizations whose members typically do not cheat (Weisman, 2007). Similarly, there are employees who make ethical decisions while their coworkers follow their self-interest (Russell, 2011). This suggests that some employees ignore their social context and, for better or worse, follow their own preferences for ethical or unethical conduct. This phenomenon remains unexplained by past theories on ethical decision making (Jones, 1991; Sonenshein, 2007; Treviño, 1986). In this paper, we propose and empirically test a theoretical model that explains

both when and why employees disregard their organizational environment and instead follow their own (un)ethical preferences.

Our model starts with the observation that decision makers are embedded in hierarchically ordered groups, in which they have different levels of social power. We expect powerful decision makers to be more likely to disregard social influence in their organization, whether ethical or unethical, and to act more consistently with their (un)ethical preferences. The assumptions of our model are based on *the situated focus theory of power* (Guinote, 2007b), which suggests that the experience of power leads to an increase in private self-focus, meaning that as a consequence of power, people direct more attention onto themselves, including their personal preferences. Consequently, we expect the interactive effect of social influence and power on ethical decision making to be mediated by private self-focus. We test our model in a series of experimental and field studies, including different measures and manipulations of social influence, power, self-focus, ethical preferences, and (un)ethical decisions and behaviors.

By developing and testing a theoretical model that predicts both when and why organizational environments influence how employees make ethical decisions, our research contributes to an understanding of employee responses to (un)ethical social influences in organizations, such as organizational ethical culture (Treviño et al., 1998), peer pressure from unethical coworkers (Ashforth & Anand, 2003), and reliance on others' responses to interpret complex ethical issues in organizations (Sonenshein, 2007). Our studies also extend past research on power and social influence in social psychology (e.g., Briñol, Petty, Valle, Rucker, & Becerra, 2007; Galinsky, Magee, Gruenfeld, Whitson, & Liljenquist, 2008; Guinote, 2008; See, Morrison, Rothman, & Soll, 2011; Tost, Gino, & Larrick, 2011) by being the first to test private self-focus as the explanation for the effect of power on individuals' susceptibility to social influence.

Finally, our work may also inform practitioners in better understanding how to manage (un)ethical social processes in organizations.

ETHICAL DECISION MAKING IN ORGANIZATIONAL CONTEXTS

Aspects of the organizational environment, including ethical codes, organizational culture, or coworker behavior, affect how employees respond to moral issues by exerting social influence (Kish-Gephart et al., 2010; Treviño, 1986). Social influence occurs when people change their thoughts, feelings, or behaviors in response to the environment (Allport, 1954; Turner, 1991). People can have different motives for making decisions consistent with their environment and these can be broadly classified as obeying direct requests (compliance), copying others because their behavior is presumed to be the right response in a situation (informational conformity), or doing what others do in order to fit in (normative conformity; Cialdini & Goldstein, 2004). We provide a comprehensive test of our model across all three types of social influence, which we describe in more detail below.

Compliance occurs when a *purposeful* request produces a behavioral response in the intended direction (Cialdini & Goldstein, 2004). The influence that elicits compliance might come in many forms: It may be "explicit, as in the direct solicitation of funds in a door-to-door campaign for charitable donations, or it may be implicit, as in a political advertisement that touts the qualities of a candidate without directly asking for a vote" (Cialdini & Trost, 1998: 168). Many organizations rely on their code of conduct (McCabe, Treviño, & Butterfield, 1996; Schwartz, 2001), their incentive systems (James, 2000), or the values they explicitly propagate (Treviño et al., 1998) to ensure compliance with ethical standards. For instance, a study by Treviño et al. (1998) found that explicit standards of ethical behavior (i.e., ethical culture) elicit compliance on the part of employees, leading to lower levels of unethical behavior in organizations.

In contrast to compliance, *conformity* does not entail a direct request to behave in a particular way. Rather, the decision maker is internally motivated to imitate others' decisions (Cialdini & Goldstein, 2004; Crutchfield, 1955). For example, when an individual is uncertain about the appropriate decision in a given situation, and as a result conforms to the decisions of others, *informational influence* is said to occur (Deutsch & Gerard, 1955). Sonenshein (2007) pointed out that many ethical issues in organizations involve a great deal of equivocality, making it likely for individuals to use social input to construct their interpretation of ethical issues and decide on the appropriate response. For instance, studies by Tang and Farn (2005) showed that informational influence (awareness of others' decisions) explained why some individuals were more willing to engage in software piracy.

Finally, employees may also conform because they are motivated to gain social approval (i.e., *normative influence*, Deutsch & Gerard, 1955). Cialdini, Petrova, and Goldstein (2004: 70) noted that "Honest employees can be converted into wrongdoers in various ways, but the process often begins with peer pressure." Models describing the causes and consequences of organizational corruption also highlight the need for approval as the motivator by which corrupt organizational environments stimulate unethical behavior (Ashforth & Anand, 2003; Pinto, Leana, & Pil, 2008). There is some empirical support for these arguments in a study by Gino, Ayal, and Ariely (2009), who find that the level of unethical behavior in a group increases when a fellow group member behaves unethically.

Despite the evidence for the influence of the organizational environment on ethical decision making, some individuals resist social influence and instead make decisions consistent with their preferences. For instance, an employee might not comply with explicit organizational policies promoting ethical conduct and instead follow his or her tendency to deceive and manipulate other people for personal gain. Arguably, not all employees' ethical decision making

is affected by (un)ethical social influences in organizations. Yet, the current body of work on ethical decision-making does not explain when and why employees make decisions consistent with social influence and when they make decisions consistent with their preferences. This explanatory problem limits our understanding of a wide range of ethically-relevant phenomena in organizations. For instance, we know that ethical culture may promote ethical conduct (Treviño et al., 1998), but we do not know when and why it does so. We also know that unethical coworker conduct may lead employees to behave more unethically (Ashforth & Anand, 2003; Pierce & Snyder, 2008), but we do not know when and why this actually happens. In the following section, we develop a theoretical model explaining how decision-maker's social power and self-focus can help answer these questions. Figure 1 shows the theoretical model.

Insert Figure 1 about here

POWER AND SELF-FOCUS IN ETHICAL DECISION MAKING

Social power can be defined as an individual's "capacity to modify others' states by providing or withholding resources or administering punishment" (Keltner, Gruenfeld, & Anderson, 2003: 265). There are various bases of power, including differences in roles, expertise, and connections to powerful others (Brass, 1984; French & Raven, 1959), and the definition we use allows for any possible source of power. Finally, this definition takes into account that power is a contextual phenomenon—a person may experience power in one particular relationship, group, or situation but not in others (Anderson & Berdahl, 2002; Emerson, 1962; Thibaut & Kelley, 1959).

Theory and research suggests that the experience of power has consequences for people's attention toward external stimuli. The *situated focus theory of power* (Guinote, 2007b) argues

that because the powerful are less dependent on others for their outcomes, their attention is relatively more focused on themselves (see also Fiske, 1993; Fiske & Dépret, 1996). In contrast, the powerless focus their attention more on contextual stimuli because they are objectively more dependent on external circumstances and need to increase the predictability of the environment. The greater attention towards the self should lead the powerful to become more aware of their own personal thoughts and feelings. For instance, (Weick & Guinote, 2008) found that power makes individuals relatively more sensitive to their own subjective experiences when forming attitudes and judgments.

The attentional state of being aware of one's personal thoughts and feelings has been previously conceptualized as *private self-focus* (Fenigstein, 1979: 76). A heightened private self-focus makes people more aware of their own preferences, leading to a greater likelihood that people will act upon them (Froming, Walker, & Lopyan, 1982; Scheier & Carver, 1980). For example, when an employee works in an organization with a strong ethical culture, self-focus should lead to lower levels of compliance as the employee would pay more attention to his or her preferences rather than to the environment. Consistent with this argument, Froming et al. (1982) found that participants with experimentally heightened private self-focus were less likely to comply when asked to deliver shocks to a confederate. Therefore, if a decision maker experiences power in a given situation, the heightened private self-focus caused by power should make the powerful more likely to act consistently with their preferences (even if this means ignoring their social context). We predict:

Hypothesis 1. Power weakens the effect of social influences in ethical decision making.

Hypothesis 2. Private self-focus mediates the moderating effect of power on the effect of social influences in ethical decision making.

It is relevant to note an underlying assumption of our theoretical model. In making our predictions, we assume that individuals will have certain preferences, ethical or unethical, when they respond to moral issues. This assumption is relevant because having preferences on the decision issue can explain why power sometimes leads to more and sometimes to less susceptibility to social influence (c.f., Galinsky et al., 2008: 1462). Past studies documented more situation-consistent behavior as a result of power when individuals had no personal preferences in the given situation and were instead motivated to act in accordance with the situational demands (Guinote, 2007a, 2008). In contrast, studies documented less susceptibility to social influence as a function of power in situations that were designed such that the powerful first formed some personal preferences (e.g., an attitude on an issue or an assessment of a problem) and were then exposed to others' input (Briñol et al., 2007; Galinsky et al., 2008; See et al., 2011; Tost et al., 2011).

In the ethical decision-making context that is relevant to our research question, theory and studies in moral psychology suggest that when confronted with moral issues, individuals always have certain (un)ethical preferences affecting their decision making. These preferences are automatically activated (Cushman, Young, & Hauser, 2006; Haidt, 2001) and are even present irrespective of and prior to conscious responses and deliberation (Haidt, 2001; Haidt & Hersh, 2001). If it is true that people have certain preferences when they decide on moral issues, then powerful decision makers should be less swayed by social influences and instead follow their own preferences, as the increased self-focus brought about by power should make the ethical preferences relatively more salient in the decision makers' minds.

OVERVIEW OF THE PRESENT RESEARCH

We tested our predictions in four studies using both experimental and field study methods. As our theory predicts that, because of its effect on self-focus, power leads to a weaker

effect of social influence in ethical decision making, we provide a conservative and comprehensive test of our theory by testing it across all three main types of social influence (informational social influence, normative social influence, and compliance). Studies 1 through 3 used experiments to test whether power (either primed or structurally manipulated) alters the effect of social influences in ethical decision making in the presence of informational social influence (Studies 1 and 2) and normative social influence (Study 3). In Study 4, we surveyed managers to test whether their subjective sense of power moderates the effect of social influences in ethical decision making when social influence is based on direct pressures on one's behavior (organizational compliance pressures). Finally, we tested the hypothesized role of private self-focus in all studies, either by measuring the mediator, private self-focus (Studies 1, 3 and 4) or by manipulating it (Study 2; see Spencer, Zanna, & Fong, 2005).

STUDY 1: METHODS

Study 1 examined whether power reduces the effect of social influences in ethical decision making when accuracy is the salient motive for conformity (informational social influence). Following research indicating that ambiguous situations facilitate informational social influence (Sherif, 1936), participants in Study 1 responded to an ethical dilemma that had no clear solution. In the treatment condition, participants were given (bogus) information about others' decisions, which indicated that everyone else preferred one particular choice in the ambiguous ethical dilemma. The apparent consensus in this ambiguous situation served to create pressure to conform to others' behavior (Festinger, 1954; Sherif, 1936). In the control condition, participants did not receive information about others' decisions.

As a second experimental factor, prior to responding to the ethical dilemma, participants were primed with either low power, high power, or were not primed with power (control). We expected that power would not affect participants' decisions when they did not receive

information about others' decisions. However, we expected that power would significantly influence participants' responses when they are exposed to social influence such that feeling powerful would lead to less conformity and that feeling powerless would lead to more conformity, compared to the control condition. Thus, we expected both low and high power (compared to the control) to moderate the effect of social influence such that low power strengthened the effect of social influence while high power weakened the effect of social influence on ethical decisions. Finally, we also measured participants' private self-focus to examine whether it mediates the moderating effect of high and low power on the effect of social influence in ethical decision making.

Participants

Participants were 256 students, who volunteered to participate in this experiment at the end of different class sessions. The average age was 23.16 (s.d. = 1.50) and 55.6% were female. We followed the recommendations for classroom data collection (Loyd, Kern, & Thompson, 2005) and asked participants to individually respond to a package containing the experimental materials using pen and paper. The packages were randomly ordered and distributed in advance based on a 3 (power: high, low, control) by 2 (social influence vs. no social influence) between-subjects design.

Procedure and Materials

Power manipulation. Participants' sense of power was manipulated using a priming procedure (Galinsky, Gruenfeld, & Magee, 2003). Participants wrote a narrative essay about an incident in their lives, ostensibly as part of a study focusing on past experiences. In the *high power condition*, participants recalled an incident in which they had power over another individual or individuals; in the *low power condition*, they recalled an incident in which someone else had power over them; in the *control condition*, participants recalled a trip to a grocery store.

Private self-focus measure. We measured private self-focus with the 3-item private self-awareness scale developed by Govern and Marsch (2001). Participants rated each item (e.g., "Right now, I am conscious of my inner feelings"; "Right now, I am aware of my innermost thoughts") on a 7-point scale (1 = "strongly disagree" to 7 = "strongly agree"), $\alpha = .93$.

Ethical decision-making scenario. After completing the power manipulation and the self-focus measure, participants read an ethical dilemma adapted from Flynn and Wiltermuth (2010). The dilemma had no one correct response, as it involved a conflict of different moral values (Badaracco, 1997). Participants read:

> You manage a small company that is trying to secure an additional round of venture-capital financing. The firm employs five people, each of whom has an irreplaceable set of skills. If any of the five were to leave, the company would struggle to secure additional financing. One of the principal employees, whom you consider a friend, has recently informed you that he has received an extremely appealing offer from another company that is much more likely to succeed. The employee must make a decision in the next two days. Out of respect for you, this employee has told you that he will go to the other company only if you offer your blessing.

We selected this dilemma among similar ones (see Flynn & Wiltermuth, 2010) after a *pretest with an independent sample* ($N = 51$) showed that responses to this dilemma grouped closest to the center value between the two options, indicating an ambiguous decision-making task and, therefore, a fertile ground for informational conformity in ethical decision making (Festinger, 1954; Sherif, 1936; Sonenshein, 2007).

Social influence manipulation. Social influence was manipulated by providing different answer sheets in the social influence versus no social influence conditions (Epley & Gilovich, 1999). In both conditions, the answer sheet contained room for responses from ten participants.

In the *no social influence condition*, the answer sheet contained no previous responses and so participants' responses to the ethical decision-making scenario were the first to be entered on the answer sheet. In the *social influence condition*, participants entered their responses on an answer sheet on which bogus answers from seven other participants were already entered. In contrast to the results of the pretest, which showed that people tend to select the center value of four, the bogus responses unmistakably tended toward higher values, with all seven values above four, thus suggesting that other participants were overwhelmingly *not* inclined to discourage the valuable employee from leaving in this ethical dilemma. Such an apparent social consensus serves as a powerful indicator of valid choices in ambiguous situations (Festinger, 1954; Sherif, 1936). However, because people can feel surprised when confronted with a majority view that differs drastically from their initial position (Baker & Petty, 1994), the answers included all three higher values (5, 6, and 7), with the mean value of 6, in order to make the bogus responses seem more realistic.

Ethical decision-making measure. After reading the ethical decision-making scenario, participants used the answer sheets described above to indicate, on a 7-point scale, whether they would discourage this employee from leaving (1 = "definitely would discourage" to 7 = "definitely would not discourage").

Finally, participants responded to several questions probing them for suspicion and were then debriefed.

STUDY 1: RESULTS

Four participants were excluded from the analyses because they expressed having doubted the authenticity of the bogus responses. All analyses were conducted on the remaining 252 participants. Exclusion of these cases did not alter any of the results. Finally, we conducted a preliminary analysis to examine whether gender influenced the responses, and we found no effect

of gender, in this or any subsequent studies, so the data were collapsed across gender in all analyses.

Manipulation Checks

Group means are presented in Figure 2. Consistent with the pretest, participants in the no social influence condition tended to respond close to the central value of 4 (mean = 3.92, s.d. = 1.03): confirming that the ethical dilemma presented an ambiguous decision-making task, as intended. To check the effectiveness of the social influence manipulation, we followed past research (e.g., Griffin & Buehler, 1993; McFerran, Dahl, Fitzsimons, & Morales, 2010) and examined the degree to which participants changed their "behavior to match the responses of others" (Cialdini & Goldstein, 2004: 613). Confirming the effectiveness of the social influence manipulation, the responses in the social influence condition were significantly higher (mean = 5.18, s.d. = 0.90), $t(250) = 10.35$, $p < .001$, indicating that participants conformed to the bogus responses.

To examine whether power itself affected participants' responses in this ethical dilemma (instead of just moderating the effect of social influence), we examined the effect of power within each condition of social influence. We expected a significant effect of power when participants were exposed to social influence (indicating that power changed how they responded to social influence), but no effect when they were not exposed to social influence (indicating that power itself did not affect their preferences in this ethical dilemma). Consistent with our expectations, the interaction between power and social influence was significant, $F(2, 246) = 7.80$, $p = .001$, $\eta_p^2 = .060$, and simple effects found a significant effect of power in the social influence condition, $F(2, 246) = 9.27$, $p < .001$, $\eta_p^2 = .070$, but not in the no social influence condition, $F(2, 246) = 0.82$, $p = .441$, $\eta_p^2 = .007$.

Insert Figure 2 about here

Hypothesis 1 Test

Hypothesis 1 predicted that high (low) power would weaken (strengthen) the effect of social influence in ethical decision making. Thus, when exposed to social influence, the powerful should respond farther from others' responses than control participants; in contrast, the powerless should respond closer to others' responses than control participants.

To test Hypothesis 1, we conducted simple comparisons between the three levels of power within the social influence condition (see right portion of Figure 2). The simple comparisons found a significant difference between the high power condition (mean = 4.73, s.d. = 0.77) and the control condition (mean = 5.19, s.d. = 0.99) within the social influence condition, $F(1, 246) = 4.89$, $p = .028$, $\eta_p^2 = .019$. Therefore, when exposed to social influence, high power participants, compared to control participants, conformed less to others' responses.

An opposite effect occurred as a result of the low power prime: The difference between the low power condition (mean = 5.62, s.d. = 0.70) and the control condition (mean = 5.19, s.d. = 0.99): within the social influence condition, was significant, $F(1, 246) = 4.39$, $p = .037$, $\eta_p^2 = .017$, such that participants primed with low power selected values closer to others' responses, compared to the control condition (indicating greater conformity for low power participants).

Hypothesis 2 Test

Hypothesis 2 states that private self-focus mediates the moderating effect of power on the effect of social influences in ethical decision making. In the context of Study 1, this means that

private self-focus should mediate the interaction between both high and low power (each compared to control) and social influence on ethical decisions.

We used moderated path analysis to test this prediction (Edwards & Lambert, 2007). To provide support for the type of mediated moderation that we predict in Hypothesis 2, the following must be established. First, high (low) power should have a positive (negative) effect on private self-focus. Second, private-self focus should weaken the effect of social influence on participants' decisions. Finally, the product of these two paths should be significant (see Grant & Berry, 2011, for a similar analytical approach).

Insert Table 1 about here

Model 1 in Table 1 shows that high and low power (compared to control) both have a significant effect on private self-focus. The direction of these effects is consistent with our predictions: High power increases private self-focus, $b = 0.53$, s.e. = 0.16, $t(246) = 3.42$, $p = 0.001$, while low power reduces it, $b = -0.62$, s.e. = 0.16, $t(246) = -3.98$, $p < 0.001$. Moreover, Model 3 shows that the interaction between private self-focus and social influence significantly predicts participants' ethical decisions. The nature of this interaction is consistent with our predictions: Social influence had a weaker effect on participants' decisions when private self-focus was one s.d. above the mean (5.08): $b = 0.47$, s.e. = 0.12, $t(244) = 4.08$, $p = 0.001$, compared to when it was one s.d. below the mean (2.86): $b = 0.83$, s.e. = 0.12, $t(244) = 7.04$, $p < 0.001$.

Next, we tested the significance of the product of the path from high (low) power to private self-focus and the path from the private self-focus X social influence interaction to ethical decisions. Using the coefficients from the prior analyses, we applied the bootstrap method to

construct bias-corrected confidence intervals of the indirect effects based on 10,000 random replacements from the full sample. The 95% bias-corrected confidence interval for the size of the indirect effect excluded zero (indicating a significant indirect effect; Shrout & Bolger, 2002) for both the indirect effect of the low power X social influence interaction (0.023 to 0.218) as well as the high power X social influence interaction (-0.188 to -0.021). In sum, our results support the prediction that private self-focus mediated the moderating effects of high and low power on the effect of social influence on participants' decisions in this ethical dilemma.

STUDY 1: DISCUSSION

The results of Study 1 provide support for our model. Conformity to social influence when responding to an ethical dilemma varied as a function of power such that a heightened sense of power led to less conformity and a sense of powerlessness led to more conformity, compared to the control condition. Specifically, when exposed to social influence, high power participants, as compared to control participants, tended to follow others' responses less. In contrast, those primed with low power, compared to participants not primed with power, tended to follow others' responses more. These findings also show that this effect holds along the continuum of power: The powerful are relatively less swayed by social influences, whereas those lacking power are particularly susceptible to social influences when making ethical decisions. Finally, Study 1 shows that this phenomenon occurs due to differences in private self-focus. Mediation analyses found that private self-focus mediated the moderating effect of low and high power on the effect of social influences in ethical decision making.

STUDY 2: METHODS

The primary goal of Study 2 was to constructively replicate the findings of Study 1 and to test the proposed mechanism, private self-focus, by manipulating the psychological process instead of measuring it. This testing strategy manipulates both the independent variable and the

hypothesized psychological mechanism in a fully crossed design to observe whether the two factors interact such that the effect of the independent variable is only significant when the psychological mechanism is not independently activated (Spencer et al., 2005). This pattern of results provides experimental evidence of the hypothesized psychological mechanism that is more conservative than tests relying on a measurement of the mediating variable (and thus essentially constituting correlational evidence). Therefore, following the power manipulation, we manipulated participants' private-self focus by asking them to either use self-relevant words or neutral words in an essay-writing task. Participants were then presented with the same ambiguous ethical dilemma used in Study 1, and all participants were exposed to social influence (the same bogus responses used in Study 1).

We expected that high power, compared to low power, would reduce conformity, but only when participants' private self-focus was not experimentally heightened. If power reduces conformity in ethical decision making because it makes people more self-focused, then it should have no effect when the level of private self-focus is already high. By contrast, for participants whose private self-focus is not experimentally heightened, high power (compared to low power) should lead to greater self-focus and therefore to less conformity.

We also used a different manipulation of power in Study 2. Participants were assigned to either a high power position ("manager") or a low power position ("subordinate"). The reason that we manipulated power structurally (by assigning participants to different roles) in Study 2, instead of priming it, was to increase the confidence in the generalizability of the findings to different instantiations of power.

Participants

Ninety-one students participated in a lab study in exchange for money. The average age was 19.32 (s.d. = 1.10) and 62.6% were female. Participants were run individually and were told

they would participate in several unrelated studies. They were randomly assigned to conditions of a 2 (power: high vs. low) by 2 (self-focus prime vs. control) between-subjects design.

Procedure and Materials

Power manipulation. Power was manipulated by announcing that in an upcoming task, participants would act as either managers supervising and making decisions that would affect their subordinates, or as subordinates with no decision-making authority. To strengthen the manipulation, participants were provided with badges, folders, and bogus task reports, all indicating their position (either manager or subordinate) and emphasizing their decision-making authority (e.g., "You are in charge" vs. "You follow orders") in the upcoming task.

Private self-focus manipulation. Following the power manipulation, participants were told they would engage in a couple of short tasks while waiting for other participants to join them for the group task. First, they were asked to write a story using either self-related words (e.g., "I, mine") or neutral words of similar length and frequency of usage (e.g., "a, some"). This procedure was developed by Fenigstein and Levine (1984) and has been successfully used in past research to manipulate private self-focus (e.g., Fransen, Fennis, Pruyn, & Vohs, 2011; Goukens, Dewitte, & Warlop, 2009).

Ethical decision-making scenario and measure. Next, participants responded to the same ethical dilemma used in Study 1 by indicating whether they would discourage a valuable employee from leaving their company. All participants were provided with an answer sheet on which fake answers, ostensibly from seven other participants, had been entered. Thus, the answer sheets were identical to those used in Study 1 when participants were exposed to social influence. At the end of the experiment, participants were probed for suspicion and debriefed.

STUDY 2: RESULTS

Hypothesis 1 Test

Group means are presented in Figure 3. Power had a significant effect on participants' responses to the ethical dilemma, $F(1, 87) = 16.31$, $p < .001$, $\eta_p^2 = .158$, such that participants in the high power condition (mean = 4.78, s.d. = 0.79) conformed less to others' responses than did participants in the low power condition (mean = 5.39, s.d. = 0.74).

Hypothesis 2 Test

The private self-focus manipulation had a significant main effect on conformity, $F(1, 87) = 9.85$, $p = .002$, $\eta_p^2 = .102$, such that a greater private self-focus reduced conformity: Participants who used self-related words (mean = 4.85, s.d. = 0.76) conformed less than did participants who used neutral words (mean = 5.33, s.d. = 0.83).

Supporting Hypothesis 2, there was a significant interaction between power and self-focus, $F(1, 87) = 4,12$, $p = .045$, $\eta_p^2 = .045$, such that high power decreased conformity when participants' self-focus was not subsequently experimentally heightened (neutral words used), $F(1, 87) = 18.64$, $p < .001$, $\eta_p^2 = .176$, but did not have an effect when participants self-focus was subsequently experimentally heightened (self-related words used), $F(1, 87) = 2.04$, $p = .157$, $\eta_p^2 = .023$ (see Figure 3). Specifically, the difference between the low power condition (mean = 5.78, s.d. = 0.52) and the high power condition (mean = 4.86, s.d. = 0.83) was significant within the control condition, but it was not significant within the private self-focus prime condition (low power: mean = 5.00, s.d. = 0.74; high power: mean = 4.70, s.d. = 0.76). These results demonstrate that the effect of power on conformity depends on private self-focus—power leads to different levels of conformity only inasmuch as it can produce different levels of private self-

focus. Consequently, when private self-focus is high within both groups, differences in power have no effect on ethical decision making.

Insert Figure 3 about here

Interpreted differently, the pattern of this interaction shows that the difference between participants who used self-oriented words and those who used neutral words was greater within the low power condition, $F(1, 87) = 13.51$, $p < .001$, $\eta_p^2 = .134$, than within the high power condition, $F(1, 87) = 0.71$, $p = .401$, $\eta_p^2 = .008$, where the effect was not significant. This suggests that the powerful were already self-focused, so the self-focus manipulation did not affect their conformity. By contrast, the self-focus manipulation reduced conformity among participants in the low power condition, who were initially less self-focused, and only after a subsequent self-focus manipulation (but not after using neutral words) did their focus increase and therefore their conformity level drop.

STUDY 2: DISCUSSION

Study 2 provides further evidence that private self-focus explains the effect of power on susceptibility to social influence in ethical decision making. Consistent with the findings of Study 1, power reduced the effect of social influences in ethical decision making, but this effect was eliminated when private self-focus was subsequently primed. This result shows that power reduces the effect of social influences in ethical decision making only inasmuch as it can increase private self-focus. By manipulating the psychological mechanism and showing that the effect of the power manipulation depended on the manipulation of private self-focus, Study 2 provides

experimental evidence of the psychological mechanism that constitutes a particularly conservative test of our theory (Spencer et al., 2005).

In addition, in Study 2, power was manipulated structurally by assigning participants to different roles in a group task. Despite the fact that a structural manipulation of power was used, the effect of power was similar to that observed in Study 1, thus increasing the confidence in the generalizability of our findings.

STUDY 3: METHODS

In Study 3, we attempted to replicate constructively the findings of Study 1 and 2 in a normative social influence situation. Although the different types of social influence are often intertwined, usually it is possible to ascertain the dominant motive driving conformity (Cialdini & Trost, 1998; Cialdini & Goldstein, 2004). While in ambiguous situations such as those the participants faced in Studies 1 and 2, accuracy-motivated conformity often plays the key role; in situations that are less ambiguous, the motive to "fit in" with others tends to be more important. In the classic Asch (1955) studies, people conformed not because they thought the consensus of the group was more accurate (as evident from their answers when responding alone) but because it is easier to align oneself with a majority opinion than to face the social consequences of not doing so (Crutchfield, 1955; Janes & Olson, 2000). The motive to fit in was not present in Studies 1 and 2 because participants had no exposure to other participants except for the evidence of others' responses. However, it is possible that different goals associated with different types of social influences alter the effect of power (Overbeck & Park, 2001, 2006). To account for this possibility, Study 3 tested the hypothesized relationships in a situation in which normative social influence was salient.

Specifically, we primed participants with either high or low power. We then manipulated normative social influence by exposing participants to explicit normative social standards prior to

their decision and then announcing a follow-up discussion with their peers, which served to strengthen the motive to fit in with the group. By contrast, participants in the control condition were not exposed to social influence. Subsequently, all participants were given an opportunity to deceive their opponent in a negotiation.

We expected that high power, compared to low power, would weaken the effect of normative social influence on participants' decisions to behave unethically, and that it would make participants follow their own preferences instead. Since the task involved a clear ethical versus unethical decision, we were able to infer participants' preferences by measuring their scores on a Machiavellianism scale. Machiavellianism is a personality construct emphasizing preferences for self-interested behavior (Christie & Geis, 1970) and it has been previously found to predict unethical decisions (Kish-Gephart et al., 2010). Therefore, those who are more (less) Machiavellian should be more (less) willing to deceive in negotiations—unless they conform to social pressure.

Thus, another way of measuring the degree to which a person was swayed by social influence is to examine to what degree the person acted consistently with what would have been that person's response if no social influence was present (Cialdini & Trost, 1998; Madden, 1960). If an individual would have chosen to deceive, but does not do so due to others' pressure, social influence occurred. Social influence can therefore be documented both as the degree to which an individual conforms to social pressures as well as the degree to which one follows one's own preferences in the face of social pressures. In Study 3, we tested our theory by measuring social influence from both these perspectives—as individuals' tendency to follow their own preferences, as well as their tendency to follow social influence. Following our theory, we expected power to increase the degree to which participants' own preferences (measured as Machiavellianism) affect their willingness to deceive in negotiation, and at the same time to

decrease the degree to which social influence affects their willingness to deceive. We expected private self-focus to mediate these interactive effects.

Participants

Two hundred and sixty students volunteered to participate in an experiment on "decision making in an organizational context." The average age was 21.59 (s.d. = 1.36) and 65.8% were female. We asked participants to individually respond to a package containing the experimental materials, using pen and paper. The packages were randomly ordered and distributed in advance based on a 2 (power: high vs. low) by 2 (social influence: ethical organizational climate vs. no social influence) between-subjects design.

Procedure and Materials

Ethical preferences. To examine to what degree participants followed their own preferences when making (un)ethical decisions, we measured individual differences in Machiavellianism using the 20-item Mach IV Scale (Christie & Geis, 1970). Respondents rated each item (e.g., "It is hard to get ahead without cutting corners here and there"; "The biggest difference between most criminals and other people is that criminals are stupid enough to get caught") on a 7-point scale, ranging from 1 = "disagree strongly" to 7 = "agree strongly" (α = .74). After reverse-scoring the appropriate items, the items were averaged for each participant so that higher scores reflected a stronger preference for Machiavellian behavior.

Power manipulation. After responding to the Machiavellianism scale, power was manipulated using an essay-writing priming procedure similar to that in Study 1. Participants recalled their experiences of either having power (*high power condition*) or being powerless (*low power condition*), ostensibly as part of a separate study.

Private self-focus measure. Private self-focus was measured using the same scale as in Study 1 (Govern & Marsch, 2001), α = .87.

Ethical decision-making task and measure. After responding to the private self-focus measure, participants engaged in a simulated negotiations task adapted from Schweitzer, DeChurch, and Gibson (2005: 2132). This task is based on the principles of the prisoner's dilemma. All participants were assigned to the same role and read as follows:

> You were recently promoted to head the Central American tour division, one of the most important divisions of the Roving Tours Company. This division has a big impact on the rest of the company and you are being reminded to make sure you increase profits as much as possible. In order to increase profits, it is necessary to maximize the number of tours Roving Tours runs. However, a competing company, Wandering Tours, also operates at the same Central American location. If both companies increase their tours to this location, this will make the location less exotic. Therefore, the ideal outcome would be if your competitor ran the least tours possible, while you ran the maximum number of tours. You received an e-mail from Wandering Tours, describing the need to "cut back" in this area, and asking how many tours you plan to schedule for the upcoming dry season (between 1 and 7). Your competitor offered to match your number.

Participants indicated, on a 7-point scale, the number of tours that Roving Tours would actually run the following season, and, on a separate 7-point scale, how many tours they would report to Wandering Tours that they intended to run. Participants were provided with a classical prisoner's dilemma payoff table (Schweitzer et al., 2005) and were told that another participant, acting as their competitor, would be presented only with the figure they announced, and that their competitor would make his or her decision based on this (potentially misleading) figure. Therefore, consistent with the principles of the prisoner's dilemma, participants had an incentive to run as many tours as possible, and they also had an incentive to try to make the other party run as few tours as possible. To do this, however, they had to misrepresent their planned number of

tours in the hope that the other party would "match" the misrepresented number. In order to give participants an additional incentive to misrepresent the number of tours they would run, they were told that the person who reached the agreement most favorable to Roving Tours would receive 50€. The specific payoff was irrelevant in this study, as the only variable of interests was the difference between actual and stated number of tours, an act of purposeful deception and therefore an unethical decision (Strudler, 1995). In reality, there was no other party and the recipient of the 50€ was randomly selected.

Social influence manipulation. To manipulate normative social influence, we adapted an ethical climate manipulation designed by Aquino and Becker (2005). Ethical climate, or "typical organizational practices and procedures that have ethical content" (Victor & Cullen, 1988: 101), constitutes a social behavioral standard that influences individuals' ethical behavior through normative social pressures. The relevant paragraph was included at the end of participants' negotiation-task instructions. Participants in the *ethical climate condition* read as follows:

> Roving Tours prides itself on being fair and honest in its business dealings. Consequently, it goes against the standard practices of Roving Tours to withhold facts or "stretch" the truth in situations like this one. In fact, you know of several managers who have been ostracized by peers for not negotiating completely honestly.

In the *control condition* (no social influence), this paragraph was omitted. To strengthen the manipulation, all participants were informed that they would discuss their decisions with their peers, also representing Roving Tours, following the negotiation task. Expectations of an immediate discussion when others' views are known have been shown to strengthen the effect of normative social influence (Cialdini, Levy, Herman, & Evenbeck, 1973; Wood & Quinn, 2003).

The effectiveness of the ethical climate manipulation was checked by asking participants to indicate, on a 7-point scale (1 = "not important" to 7 = "very important"), how important it was

for Roving Tours to conduct its business ethically. In addition, participants indicated, on a 7-point scale (1 = "definitely believed" to 7 = "definitely did not believe"), whether they believed they would have to discuss their choices with other participants while they were making the decision.

Control variables. Research suggests that power can influence *mood* (Keltner et al., 2003), which might influence both how individuals negotiate (Bazerman, Curhan, Moore, & Valley, 2000), as well as how they respond to moral issues (Wheatley & Haidt, 2005). Therefore, to control for possible effects of mood, we asked participants to indicate, on a 7-point scale (1 = "fully disagree"; 7 = "fully agree") how they felt during the experiment (happy, cheerful, satisfied, sad, unhappy, dejected; $\alpha = .89$).

In addition, we controlled for participants' *negotiating experience* because experienced negotiators might rely more readily on deception (Murnighan, Babcock, Thompson, & Pillutla, 1993). To account for this possibility, we asked participants to indicate, on a 7-point scale, how much negotiating experience they had (1 = "none", 7 = "a great deal").

Finally, participants were probed for suspicion and debriefed.

STUDY 3: RESULTS

Manipulation Checks

The ethical climate manipulation was successful; participants in the ethical climate condition reported that it was more important for Roving Tours to conduct its business ethically (mean = 6.28, s.d. = 0.92) than did participants in the no social influence condition (mean = 4.41, s.d. = 0.96), $t(258) = 16.10$, $p < .001$. In addition, all participants selected a value above the scale's midpoint when answering whether they anticipated a discussion with their peers regarding their negotiation decisions. Finally, an analysis of simple effects found that the power manipulation did not influence participants' responses within the no social influence condition,

$F(1, 256) = 0.69$, $p = .406$, $\eta_p^2 = .002$, excluding the possibility that the power manipulation itself influenced participants' propensity to deceive.

Hypothesis 1 Test

Using regression analysis, we tested whether power (1) weakened the effect of social influences (ethical climate) and (2) strengthened the effect of individuals' own preferences (Machiavellianism) on negotiation decisions. The results, presented in Table 2 (Model 2), show that the power significantly moderated the effect of ethical climate, $b = 0.16$, s.e. = 0.07, $t(252) = 2.20$, $p = .028$, as well as the effect of Machiavellianism, $b = 0.20$, s.e. = 0.10, $t(252) = 2.11$, $p = .036$. We analyzed conditional effects to interpret the interactions. First, supporting the prediction that power reduces the strength of social influences in ethical decision making, the effect of ethical climate was weaker in the high power condition, $b = -0.28$, s.e. = 0.10, $t(252) = -2.75$, $p = .006$, than in the low power condition $b = -0.59$, s.e. = 0.10, $t(252) = -5.90$, $p < .001$. Second, supporting the prediction that power strengthens the effect of individuals' own preferences in ethical decision making, the effect of Machiavellianism was stronger in the high power condition, $b = .47$, s.e. = 0.14, $t(252) = 3.43$, $p < .001$, than in the low power condition, $b = .07$, s.e. = 0.14, $t(252) = 0.48$, $p = .628$.

Insert Table 2 about here

Hypothesis 2 Test

To test whether private self-focus mediates the moderating effect of power on the effect of social influences and ethical dispositions, it is necessary to show that private self-focus simultaneously mediates both the moderating effect of power on the effect of ethical climate, as

well as the moderating effect of power on the effect of Machiavellianism, on participants' (un)ethical decisions.

As in Study 1, we used moderated path analysis to test this prediction (Edwards & Lambert, 2007). To support Hypothesis 2, power should have a positive effect on private self-focus. In addition, private self-focus should weaken the effect of social influence (strengthen the effect of Machiavellianism) on negotiation decisions. Finally, the product of these two paths should be significant.

Consistent with expectations, Model 1 in Table 2 shows that power positively affected private self-focus, $b = 0.31$, s.e. = 0.06, $t(252) = -5.26$, $p < .001$. Moreover, Model 3 in Table 2 shows that private self-focus weakens the effect of ethical climate and strengthens the effect of Machiavellianism. Specifically, the interaction between private self-focus and ethical climate was significant, $b = 0.27$, s.e. = 0.08, $t(249) = 3.43$, $p = .001$, such that ethical climate had a weaker effect when private self-focus was one s.d. above the mean (5.10), $b = -0.21$, s.e. = 0.10, $t(249) = -2.08$, $p = .038$, than when it was one s.d. below the mean (3.12), $b = -0.65$, s.e. = 0.10, $t(249) = -6.30$, $p < .001$. The interaction between private self-focus and Machiavellianism was also significant, $b = 0.28$, s.e. = 0.09, $t(249) = 3.22$, $p = .001$, such that Machiavellianism had a stronger effect when private self-focus was one s.d. above the mean (5.10), $b = 0.53$, s.e. = 0.12, $t(249) = 4.34$, $p < .001$, than when it was one s.d. below the mean (3.12), $b = -0.03$, s.e. = 0.14, $t(249) = -0.26$, $p = .796$.

Next, we tested the significance of the product of the path from power to private self-focus and the path from the private self-focus X ethical climate interaction (the private self-focus X Machiavellianism interaction) to deception. We used the coefficients from the prior analyses and applied the bootstrap method to construct bias-corrected confidence intervals of the indirect effects based on 10,000 random replacements from the full sample. The 95% bias-corrected

confidence interval for the size of the indirect effect excluded zero (indicating a significant indirect effect) for both the indirect effect of the power X ethical climate interaction (0.025 to 0.160) as well as the power X Machiavellianism interaction (0.016 to 0.193). Therefore, private self-focus mediated the moderating role of power in the effect of ethical climate, as well as the effect of Machiavellianism, on participants' (un)ethical decisions in the negotiation task.

STUDY 3: DISCUSSION

Replicating the pattern of results in Studies 1 and 2, Study 3 showed that power determines the effectiveness of social influences in ethical decision making. Study 3 tested the moderating effect of power in a different social influence paradigm (normative social influences), further increasing the confidence in the generalizability of our findings. Participants whose sense of power was experimentally increased, relative to participants whose sense of power was experimentally decreased, were less affected by social influence and relied more on their own preferences (measured as Machiavellianism) when making ethical decisions. Finally, mediation analyses showed that power weakens the effect of social influences because it increases private self-focus, making individuals focus less on their on their environment and more on their own preferences.

STUDY 4: METHODS

Study 4 tested whether power weakens the effect of social influence when social influence is based on purposeful pressures on one's behavior, rather than the decision maker's internal motivation to conform. Cialdini and Trost (1998) noted that compliance behavior often depends on a number of real-world factors, so we sought to complement our experimental findings with a field study in order to increase the ecological validity of our research. We assessed organizational compliance pressures by asking a sample of managers about the ethical culture in their organization (Treviño et al., 1998). Ethical culture consists of "formal and informal

organizational systems aimed at behavioral control" (Kish-Gephart et al., 2010: 7) and is thus consistent with the notion of compliance as acquiescence to an intentional influence (Cialdini & Trost, 1998).

In Study 4, we measured a variety of unethical behaviors to examine the behavioral consequences of power in ethical decision making. Finally, we also measured power, ethical preferences, and private self-focus in different ways. As in previous studies, we expected power to weaken the effect of social influence on unethical behaviors (and thus make individuals more likely to rely on their own preferences), and we expected private self-focus to mediate these interactive effects.

Sample and Procedure

We approached individuals at an international airport and told them that we were conducting a study concerning managers' experiences at work. Out of those who identified themselves as managers, 30.38% ($N = 312$) agreed to participate in the study. Due to the sensitive nature of the research topic, they were assured of complete anonymity and were not asked to provide any personal data apart from demographic information. In addition, the order of the measures was randomized for each participant to minimize order effects (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). The average age was 43 years (s.d. = 10.25) and respondents had 18.80 years of working experience on average (s.d. = 10.36). Of these, 12.2% were first-level supervisors or below; 27.2% were mid-level managers; 35.9% were upper-level managers; and 24.7% were executive-level managers. Women comprised 37.5% of the respondents.

Measures

Organizational ethical compliance pressures. We operationalized organizational compliance pressures mandating ethical behavior by measuring perceived organizational ethical culture (Treviño et al., 1998). We used the 14-item ethical environment subscale of the ethical

climate measure (Treviño et al., 1998) to assess the degree to which respondents' organizations punished unethical behavior and rewarded ethical behavior, the degree to which their leaders served as ethical role models, etc. Respondents indicated their agreement with statements describing their organizations (e.g., "Unethical behavior is punished in this organization" and "Management in this organization disciplines unethical behavior when it occurs") on a 7-point scale (1 = "completely false" to 7 = "completely true"), $\alpha = .92$.

Ethical preferences. We measured individuals' preference to behave ethically or unethically using the 5-item internalization subscale of Aquino and Reed's (2002) moral identity scale, which measures individuals' self-importance of moral identity. The internalization subscale examines whether moral trait associations are embedded in the person's self-concept. Past research has shown that the internalization subscale predicts ethical decisions and behavior (Aquino & Reed, 2002; Aquino, Reed II, Thau, & Freeman, 2007). Participants indicated, on a 7-point scale (1 = "disagree strongly" to 7 = "agree strongly"), how important were the relevant traits (e.g., caring, compassionate, fair, etc.) to them (e.g., "It would make me feel good to be a person who has these characteristics"), and the items were averaged to form a single scale, $\alpha = .83$.

Sense of power. Respondents' sense of power was measured using the Sense of Power Scale (Anderson & Galinsky, 2006). Respondents indicated, on a 7-point scale ranging from 1 = "strongly disagree" to 7 = "strongly agree", their agreement with eight items (e.g., "In my relationships with others, I think I have a great deal of power" and "If I want to, I get to make the decisions"), $\alpha = .90$.

Private self-focus. We used the Private Self-Consciousness Scale to measure respondents' dispositional tendency to focus their attention to their self (Fenigstein, Scheier, & Buss, 1975). Respondents indicated whether the ten behaviors described in the scale (e.g., "I'm

generally attentive to my inner feelings" and "I'm constantly examining my motives") were characteristic of them on a 5-points scale (1 = "extremely uncharacteristic" to 7 = "extremely characteristic"), α = .73.

(Un)ethical behavior. We used seven items from past research describing behaviors that violate organizational ethical norms (Bennett & Robinson, 2000; Treviño & Weaver, 2001): "Taken property from work without permission," "Falsified a receipt to get reimbursed for more money than you spent on business expenses," "Taken an additional or longer break than is acceptable," "Intentionally worked slower than you could have worked," "Discussed confidential company information with an unauthorized person," "Used an illegal drug or consumed alcohol on the job," and "Dragged out work in order to get overtime," α = .91. The measure asked respondents to indicate the frequency with which they engaged in these behaviors on a 7-point scale (1 = "never" to 7 = "daily"), therefore, higher values reflected a greater frequency of unethical behaviors at work.

Pretest of unethical behavior items. To confirm that the seven items we used describe behaviors that can be considered as unethical, we conducted a pretest using an independent sample of employed adults ($N = 94$). We asked the participants to indicate, on a 7-point scale (1 = "definitely ethical," 7 = "definitely unethical"), how ethical were the behaviors described in each item. Following ethical decision-making research, unethical behavior was defined as any action that is "either illegal or morally unacceptable to the larger community" (Jones, 1991: 367). All the items received a mean score of five (*somewhat unethical*) or higher (average mean score was 5.84, s.d. = 0.89), confirming that the items describe unethical behaviors, and adding to the ecological validity of our measure.

Control variables. Although respondents were assured of complete anonymity, we controlled for participants' tendency to respond in a socially desirable manner using the

impression management subscale from the Balance Inventory of Desirable Responding (Paulhus, 1984). Respondents indicated on a 7-point scale (1 = "not true," 7 = "very true") their agreement with the statements (e.g., "Once in a while I laugh at a dirty joke") and the responses were averaged to form a single continuous scale (Stöber, Dette, & Musch, 2002), $\alpha = .72$.

The means, standard deviations, internal consistency of the measures, and correlations among variables are presented in Table 3.

Insert Table 3 about here

STUDY 4: RESULTS

Hypothesis 1 Test

Regression analysis was used to test Hypothesis 1. As summarized in Table 4 (Model 2): the interaction between power and ethical culture is significant, $b = 0.08$, s.e. = 0.04, $t(304) = 2.17$, $p = .031$, such that ethical culture significantly decreased unethical behaviors when power was one s.d. below the mean (3.51): $b = -0.13$, s.e. = 0.05, $t(304) = -2.33$, $p = .021$, but it had no effect when power was one s.d. above the mean (5.55): $b = 0.04$, s.e. = 0.05, $t(304) = 0.73$, $p = .463$. Therefore, power significantly weakened compliance with organizational ethical culture.

In addition, the interaction between power and moral identity is also significant, $b = -0.10$, s.e. = 0.04, $t(304) = -2.42$, $p = .017$, such that moral identity had no effect on unethical behaviors when power was one s.d. below the mean (3.51): $b = 0.01$, s.e. = 0.07, $t(304) = 0.15$, $p = .887$, but it significantly decreased unethical behaviors when power was one s.d. above the mean (5.55): $b = 0.20$, s.e. = 0.06, $t(304) = -3.21$, $p = .001$. Therefore, power significantly strengthened individuals' reliance on their own preferences when engaging in unethical behavior.

Insert Table 4 about here

Hypothesis 2 Test

To test Hypothesis 2, we followed the same moderated path analysis procedure as in Study 1 and 3. Accordingly, power should have a positive effect on private self-focus. Moreover, private-self focus should weaken the effect of ethical culture (strengthen the effect of moral identity) on unethical behaviors. Finally, the product of these two paths should be significant.

Consistent with expectations, Model 1 in Table 4 shows that power positively affected private self-focus, $b = 0.11$, s.e. = 0.03, $t(304) = 3.13$, $p = .002$. Moreover, Model 3 shows that private self-focus weakens the effect of ethical culture and strengthens the effect of moral identity. Specifically, the interaction between private self-focus and ethical culture was significant, $b = 0.18$, s.e. = 0.06, $t(304) = 2.80$, $p = .006$, such that ethical culture decreased unethical behavior when private self-focus was one s.d. below the mean (2.96), $b = -0.16$, s.e. = 0.05, $t(304) = -2.98$, $p = .003$, but it had no effect when private self-focus was one s.d. above the mean (4.22), $b = 0.07$, s.e. = 0.06, $t(304) = 1.18$, $p = .239$. In addition, the interaction between private self-focus and moral identity was also significant, $b = -0.20$, s.e. = 0.08, $t(304) = 2.58$, $p = .010$, such that moral identity significantly decreased unethical behavior when private self-focus was one s.d. above the mean (4.22), $b = -0.21$, s.e. = 0.07, $t(304) = -3.05$, $p = .003$, but it had no effect when private self-focus was one s.d. below the mean (2.96), $b = 0.04$, s.e. = 0.07, $t(304) = 0.58$, $p = .565$.

Next, we tested the significance of the product of the path from power to private self-focus and the path from the private self-focus X ethical culture interaction (the private self-focus X moral identity interaction) to unethical behavior. We used the coefficients from the prior analyses and applied the bootstrap method to construct bias-corrected confidence intervals of the

indirect effects based on 10,000 random replacements from the full sample. The 95% bias-corrected confidence interval for the size of the indirect effect excluded zero (indicating a significant indirect effect) for both the indirect effect of the power X ethical culture interaction (0.006 to 0.042) as well as the power X moral identity interaction (-0.053 to -0.005). Therefore, private self-focus mediated the moderating role of power in the effect of ethical culture, as well as the effect of moral identity, on respondents' unethical behavior.

STUDY 4: DISCUSSION

Study 4 demonstrated that power moderates the effect of social influences on unethical behaviors, even when social influences are based on compliance pressures. Power again weakened the effect of social influences (ethical culture), making individuals more likely to follow their own preferences (moral identity), and this effect was mediated by private self-focus. Study 4 added to the ecological validity of our research by testing the moderating effect of power among a diverse sample of managers.

GENERAL DISCUSSION

Four studies tested the idea that power weakens the effect of social influences, and instead makes individuals more likely to follow their own preferences when responding to moral issues. This effect was tested across the three main paradigms of social influence: informational influence (Studies 1 and 2), normative influence (Study 3), and compliance (Study 4). We operationalized power in different ways (primed, structurally manipulated, and measured), and used different designs to test our theory. All four studies offer converging evidence that power reduces the effect of social influences in ethical decision making.

In Study 1, participants primed with high power, relative to the control group, conformed less to others' responses when responding to an ambiguous ethical dilemma. Participants primed with low power, in contrast, conformed more than the control group. The moderating effect of

power on the effect of social influence was mediated by private self-focus. Study 2 provided a more rigorous test of the hypothesized psychological mechanism by manipulating private self-focus directly. We found that power (this time structurally manipulated) reduced the effect of social influence in the control condition, but when participants' private self-focus was experimentally heightened, the effect of power disappeared, indicating that the effect of power depends on its ability to heighten the decision maker's private self-focus. In Study 3, participants primed with high power, compared to those primed with low power, were less affected by normative social influences (ethical climate) and were instead more likely to follow their own preferences (operationalized as Machiavellianism) when deciding whether to deceive their opponent in negotiations, and private self-focus explained these effects. Finally, using a survey among a sample of managers, Study 4 demonstrated that as the level of managers' subjective sense of power increased, the effect of compliance pressures (ethical culture) decreased and instead the effect of individuals' own preferences (moral identity) increased with respect to unethical behavior. Again, private self-focus mediated the effects.

Theoretical Implications

This work has implications for several areas of research. First, our research contributes to the ethical decision-making literature by identifying self-focus caused by power as an explanation for when and why organizational environments influence employees to make (un)ethical decisions. A large body of research focused on understanding ethical decision making in organizations (Kish-Gephart et al., 2010) and this research suggests that individuals' behavior is strongly influenced by the characteristics of an organizational environment (Gino et al., 2009; Pierce & Snyder, 2008; Treviño, 1986; Treviño et al., 1998). However, not all employees react equally to social influences, and the question of when and why organizational environments affect employees was left unexplained by past research. This explanatory problem precluded a

deeper understanding of a range of organizational phenomena, including ethical climate (Victor & Cullen, 1988), ethical culture (Treviño, 1986; Treviño et al., 1998) and conformity to (un)ethical colleagues (Gino et al., 2009; Pierce & Snyder, 2008). Our research emphasized the fact that ethical decision making occurs in the context of power differences, and identified variations in power as a parsimonious explanation for when and why organizational environments affect employees' ethical decision making. We show that power makes people more focused on their own preferences and thus makes them less likely to be influenced by characteristics of the organizational environment when responding to moral issues.

The present research also contributes to social psychological research on power by developing and testing, for the first time, an explanation for the role of power in the effectiveness of social influences. We hypothesized and found in four studies that power increases private-self focus, which, in turn, determines individuals' likelihood of acting upon their own preferences, at the expense of the effect of social influences. This finding extends previous research on power and social influence (Galinsky et al., 2008; Guinote, 2008) by providing a more comprehensive account of the role of power in individuals' susceptibility to social influence. In so doing, our work allows for more detailed predictions of how and when having or not having power might influence individuals' susceptibility to social influence. For instance, in Study 2, we found that being powerless, as compared to being in a position of power, did not increase susceptibility to social influence when private self-focus was heightened. Future research can integrate the literatures on power and self-focus in a similar manner to explore additional implications of the role of private self-focus in the interaction between power and social influence. For example, past research found that public self-focus, in contrast to private self-focus, makes individuals pay greater attention to standards of conduct (Fenigstein, 1979; Froming & Carver, 1981). It is possible that raising public self-consciousness could alleviate potential negative effects of power,

such as the tendency to disregard ethical organizational standards (as documented in our Study 4) or ignore useful advice (See et al., 2011; Tost et al., 2011). Future research is needed to explore such possibilities.

Our research also extends the management literature on power. Management research generally implied that power has a negative impact on employees' behavior towards others (Dubin, 1982; Kipnis, Castell, Gergen, & Mauch, 1976; Kochan, 2002). For instance, commenting on the numerous instances of problematic behaviors in corporations in recent years, Kochan (2002: 139) concluded that "Power became highly concentrated at the top of organizations, and the adage that 'power corrupts and absolute power corrupts absolutely' once again has proven true." However, our findings provide a more nuanced interpretation of the role of power (cf. Chen, Lee-Chai, & Bargh, 2001; Overbeck & Park, 2001). Power is not a corruptive force in itself, but it does make employees more self-focused. Self-focus, in turn, weakens the effect of social influences in organizations, thus making the powerful more likely to follow their own preferences, whether ethical or unethical.

Limitations and Future Research

We offered a parsimonious explanation for when and why organizational environments affect employees' ethical decision making. Future research may examine more complex theoretical models. For example, it is possible that other factors, such as employees' need for affiliation (Cialdini & Trost, 1998; McGhee & Teevan, 1967) or the characteristics of the source of social influence (Cialdini & Goldstein, 2004; Gino et al., 2009), affect employees' susceptibility to social influence when making (un)ethical decisions. Similarly, future research could examine whether documented psychological consequences of power other than self-focus, such as self-confidence (Briñol et al., 2007; Tost et al., 2011), explain why powerful people make (un)ethical decisions more consistent with their preferences.

We also did not systematically examine whether differences in moral issues affect the role of power in ethical decision making. Moral issues can differ based on a number of characteristics, such as the magnitude of consequences or proximity of those affected by the decision maker (Jones, 1991). However, we believe that the role of power we documented holds across various types of moral issues. Specifically, social psychological research demonstrated that a heightened self-focus decreases susceptibility to social influence regardless of the decision-making issue (Froming et al., 1982; Gibbons & Wright, 1983; Hutton & Baumeister, 1992; Pryor, Gibbons, Wicklund, Fazio, & Hood, 1977). Since power reliably increases self-focus, as documented both in our studies and implied by other research (Guinote, 2010; Weick & Guinote, 2008), we believe that a our findings generalize across the different types of moral issues. Nevertheless, issue-contingent perspectives of ethical decision making (Jones, 1991) do have important links with our research more generally. For instance, Jones (1991: 375) proposed that when social consensus, or "the degree of social agreement that a proposed act is evil (or good)" is low, this creates ambiguity in ethical decision-making. Prior research shows that ambiguity can make it more likely for employees to observe and mimic others' decisions (Sherif, 1936; Sonenshein, 2007), rendering the role of power more salient. Therefore, characteristics of moral issues that render (un)ethical social influences more or less salient should make the role of power more or less relevant. Future research is needed to explore such interplay between characteristics of moral issues and power in ethical decision making.

A related point is that we treated ethical and unethical social influences, as well as individuals' ethical and unethical dispositions, in a similar fashion. Our theory assumes that power reduces the effectiveness of social influence, regardless of whether the influence is ethical or unethical. Moreover, our theory is agnostic as to whether the decision maker's preferences are for ethical or unethical conduct. Although we find support for our predictions across different

types of social influence and different operationalizations of ethical preferences, it is possible that the effects we documented differ depending on the particular combination of the type of social influence and individual preferences. Future research might explore this possibility by systematically manipulating the content of social influence (ethical vs. unethical) as well as decision-makers' preferences.

Future research could also replicate our findings using different measures of (un)ethical decision making and behavior, including more objective indicators of ethical and unethical behavior (see Kish-Gephart et al., 2010, for a discussion of different approaches to the measurement of (un)ethical decisions and behavior). Although we found support for our theory across different operationalizations of (un)ethical decisions and behavior, future research could extend our work to more objective indicators of unethical behavior (e.g., Detert, Treviño, Burris, & Andiappan, 2007; Gino et al., 2009).

Finally, future work could explore in more detail the down-stream consequences of the interplay between power and social influences in ethical decision making. Our model leads to a number of interesting predictions—for instance, consider the case of an individual with strong unethical preferences but who is working in an organization that emphasizes ethical conduct and enforces its ethical policies diligently. Power should make such an individual more likely to disregard such the ethical organizational context and instead behave unethically. This, in turn, could ultimately come at the expense of this individual's self-interest as it violates organizational ethical policies and the employee is likely to be punished. Therefore, following our model, power could in certain cases have the ironic consequence of making employees act against their best interest and harm their standing in the organization.

Managerial Implications

Organizations implement various systems to promote ethical employee behavior, ranging from formal policies such as incentive and sanctioning systems (James, 2000; McCabe et al., 1996; Schwartz, 2001) to more informal systems such as value statements and peer socialization (Treviño et al., 1998). These systems have in common that they rely on a social influence logic to affect ethical decision making. Therefore, our findings can inform organizational decision makers of when these systems are more or less effective. For example, our results suggest that people occupying powerful organizational roles will be the least likely to respond to social influence-based systems. Powerful employees may need more incentives (rewards and punishments) to pay attention to these systems than do people lacking power. Another practical implication of our results is that organizations will be particularly challenged to foster ethical conduct among powerful organizational members if these members have unethical preferences. This finding underscores the importance of selecting the "right" people to hold positions of power in organizations.

Our results also imply that employees lacking power might be particularly susceptible to unethical social influence. Organizations could channel their efforts to prevent the diffusion of unethical behaviors onto organizational relationships in which power differences are salient (e.g., supervisors and subordinates). Employees lacking power may be particularly susceptible and more easily persuaded to join in unethical conduct by more powerful organizational members (Treviño & Brown, 2005). Our findings suggest that organizational interventions promoting employees' private self-focus have the potential to reduce the susceptibility of employees lacking power. For instance, in Study 2, individuals assigned to low-power positions ("subordinates") were more susceptible to social influence compared to individuals assigned to high-power positions ("managers"). Raising low-power individuals' private self-focus eliminated low-power

individuals' increased susceptibility to social influence. This implies that organizations interested in preventing unethical behavior should raise employees' private self-focus by training them to call to mind their personal standards whenever they are confronted with a moral issue. Research on implementation intentions suggests one way to do this practically: Through practicing so-called "if–then" plans (Gollwitzer, 1999), employees can adopt a habit of focusing on their personal standards of ethical behavior when they face a moral issue at work.

Conclusion

We have shown that private self-focus caused by power explains when and why employees disregard their organizational environment and instead follow their own (un)ethical preferences. These findings are important for understanding various ethical and unethical social processes in organizations—from the effectiveness of ethical organizational policies, to the process of organizational corruption—and thus contribute to an integrated and more contextualized understanding of ethical decision making.

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TABLES

TABLE 1

Study 1, Hypothesis 2 Test: Regression Analysis Results

	Model 1: Private Self-Focus			**Model 2: Ethical Decisions, Step 1**			**Model 3: Ethical Decisions, Step 2**		
Variables	***b***	***LLCI***	***ULCI***	***b***	***LLCI***	***ULCI***	***b***	***LLCI***	***ULCI***
(Constant)	4.00**	3.78	4.22	4.56**	4.36	4.76	4.58**	4.38	4.77
Low power[a]	-0.62**	-0.92	-0.31	0.14	-0.14	0.43	-0.02	-0.30	0.26
High power[a]	0.53**	0.22	0.84	-0.17	-0.45	0.12	-0.05	-0.33	0.23
Social influence[b]	0.06	-0.15	0.28	0.63**	0.43	0.83	0.65**	0.46	0.84
Low power X social influence	-0.15	-0.46	0.16	**0.29***	0.01	0.57	**0.15**	-0.13	0.43
High power X social influence	-0.03	-0.34	0.27	**-0.29***	-0.57	-0.01	**-0.21**	-0.49	0.07
Self-focus[c]							**-0.22****	-0.34	-0.11
Self-focus X social influence							**-0.16****	-0.27	-0.05
R^2		.185**			.353**				.409**
ΔR^2									.056**

Note. *LLCI* = 95% confidence interval lower limit; *ULCI* = 95% confidence interval upper limit.

[a]Of theoretical interest in this research was the effect of high (low) power as compared to the control condition, so dummy coding was used for the two variables. [b]The social influence manipulation was effect-coded. [c]Mean-centered.

* $p < .05$. ** $p < .01$.

TABLE 2

Study 3, Hypothesis 1 and 2 Test: Regression Analysis Results

Variables	Model 1: Private Self-Focus			Model 2: Deception, Step 1			Model 3: Deception, Step 2		
	b	***LLCI***	***ULCI***	***b***	***LLCI***	***ULCI***	***b***	***LLCI***	***ULCI***
(Constant)	4.11**	3.99	4.23	2.57**	2.43	2.71	2.55**	2.41	2.68
Mood	0.03	-0.06	0.12	-0.04	-0.15	0.06	-0.04	-0.15	0.06
Negotiation experience	0.03	-0.08	0.15	0.08	-0.06	0.22	0.05	-0.08	0.19
Power	**0.31****	0.19	0.43	0.06	-0.08	0.20	0.06	-0.09	0.20
Ethical Climate	0.06	-0.05	0.18	-0.43**	-0.57	-0.29	-0.43**	-0.57	-0.30
Machiavellianism	-0.01	-0.16	0.16	0.27**	-0.08	0.46	0.25**	0.06	0.44
Power X Ethical climate	-0.01	-0.12	0.11	**0.16***	0.02	0.30	**0.09**	-0.05	0.24
Power X Machiavellianism	-0.01	-0.17	0.15	**0.20***	0.01	0.40	**0.14**	-0.06	0.34
Self-focus							0.03	-0.11	0.18
Self-focus X Ethical climate							**0.27****	0.11	0.42
Self-focus X Machiavellianism							**0.27****	0.09	0.44
R^2		.106**			.191**			.242**	
ΔR^2								.051**	

Note. *LLCI* = 95% confidence interval lower limit; *ULCI* = 95% confidence interval upper limit.

All categorical variables were effect-coded and all continuous variables were mean centered for this analysis.

* $p < .05$. ** $p < .01$.

TABLE 3

Means, Standard Deviations, Internal Consistency Statistics, and Correlation Matrix of Variables in Study 4

Variables	Mean	s.d.	1	2	3	4	5	6	7
1. Age	43.00	10.25	-						
2. Impression management	3.48	0.65	.01	(.72)					
3. Ethical culture	4.15	1.13	-.02	-.04	(.92)				
4. Moral identity	5.91	0.71	.13	.19	-.01	(.83)			
5. Sense of power	4.53	1.02	-.01	-.01	-.04	-.02	(.90)		
6. Private self-focus	3.59	0.63	.01	.02	.02	.03	.18	(.73)	
7. Unethical behavior	2.05	0.76	-.11	-.14	-.06	-.12	-.03	.03	(.91)

Note. $N = 312$. All values greater than |.12| are significant. Cronbach's alphas are displayed on the diagonal.

* $p < .05$. ** $p < .01$.

TABLE 4

Study 4, Hypothesis 1 and 2 Test: Regression Analysis Results

Variables	Model 1: Private Self-Focus			Model 2: Unethical Behavior, Step 1			Model 3: Unethical Behavior, Step 2		
	b	***LLCI***	***ULCI***	***b***	***LLCI***	***ULCI***	***b***	***LLCI***	***ULCI***
(Constant)	3.59	3.52	3.66	2.47	2.10	2.83	2.41	2.06	2.77
Age	0.01	-0.01	0.01	-0.01*	-0.02	-0.01	-0.01*	-0.02	-0.01
Impression management	0.02	-0.09	0.13	-0.14*	-0.27	-0.01	-0.14*	-0.27	-0.01
Power	**0.11****	0.04	0.18	-0.04	-0.12	0.04	-0.06	-0.14	0.02
Ethical culture	0.01	-0.05	0.08	-0.04	-0.12	0.03	-0.05	-0.12	0.02
Moral identity	0.02	-0.06	0.10	-0.09	-0.19	0.01	-0.09	-0.18	0.02
Power X Ethical culture	0.05	-0.01	0.11	**0.08***	0.01	0.15	**0.05**	-0.03	0.12
Power X Moral identity	-0.02	-0.09	0.05	**-0.10***	-0.19	-0.02	**-0.06**	-0.15	0.03
Self-focus							0.06	-0.08	0.19
Self-focus X Ethical culture							**-0.20***	-0.36	-0.05
Self-focus X Mora identity							**0.18***	0.05	0.30
R^2			.045*			.083**			.124**
ΔR^2									.041**

Note. *LLCI* = 95% confidence interval lower limit; *ULCI* = 95% confidence interval upper limit. All continuous variables were mean centered for the analysis.

* $p < .05$. ** $p < .01$.

FIGURES

FIGURE 1

Overview of the Theoretical Model

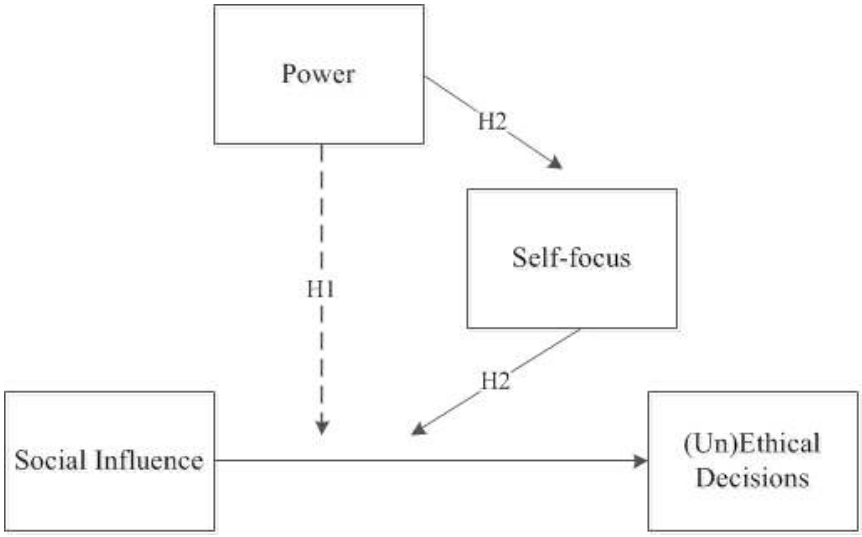


FIGURE 2

Study 1, Mean Scores by Groups. Error Bars Represent Standard Errors.

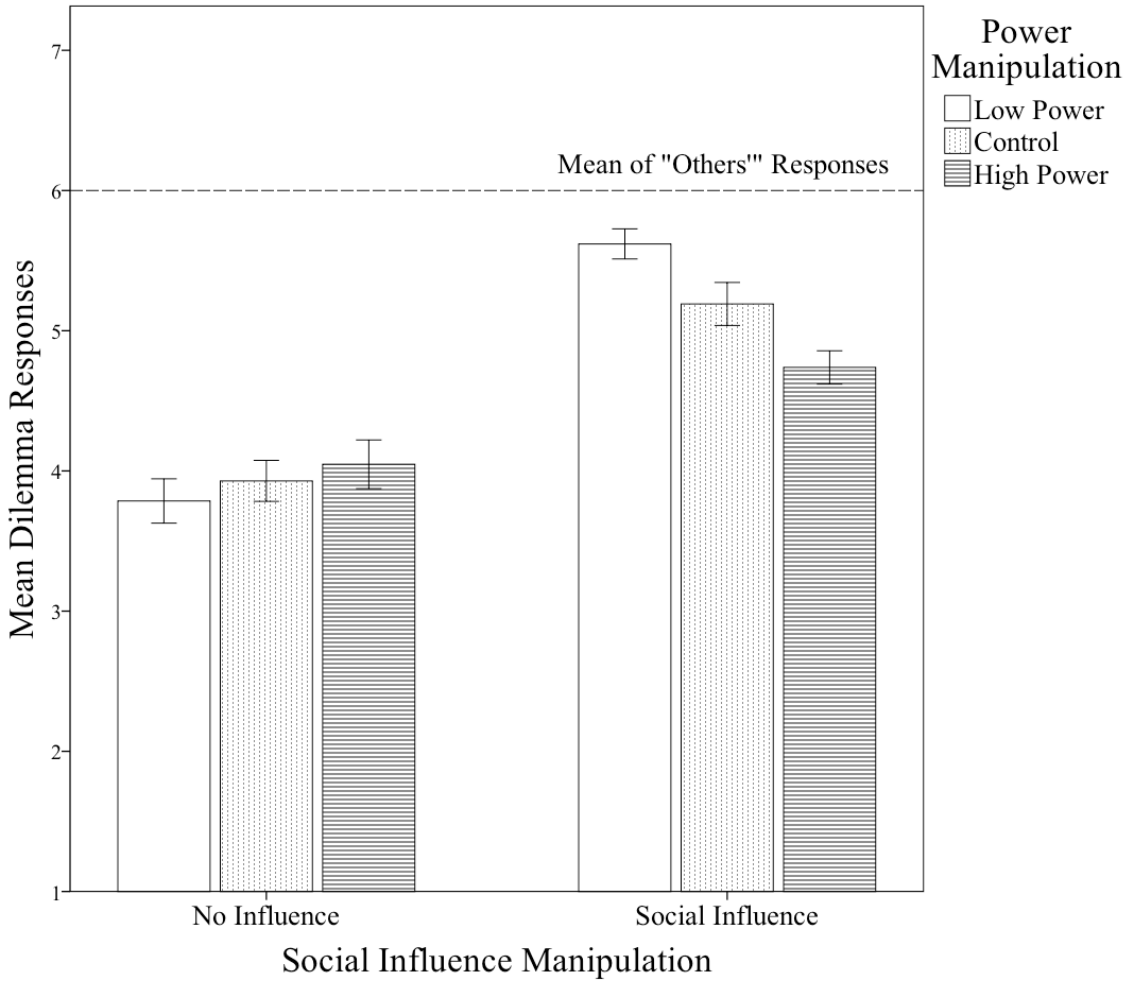
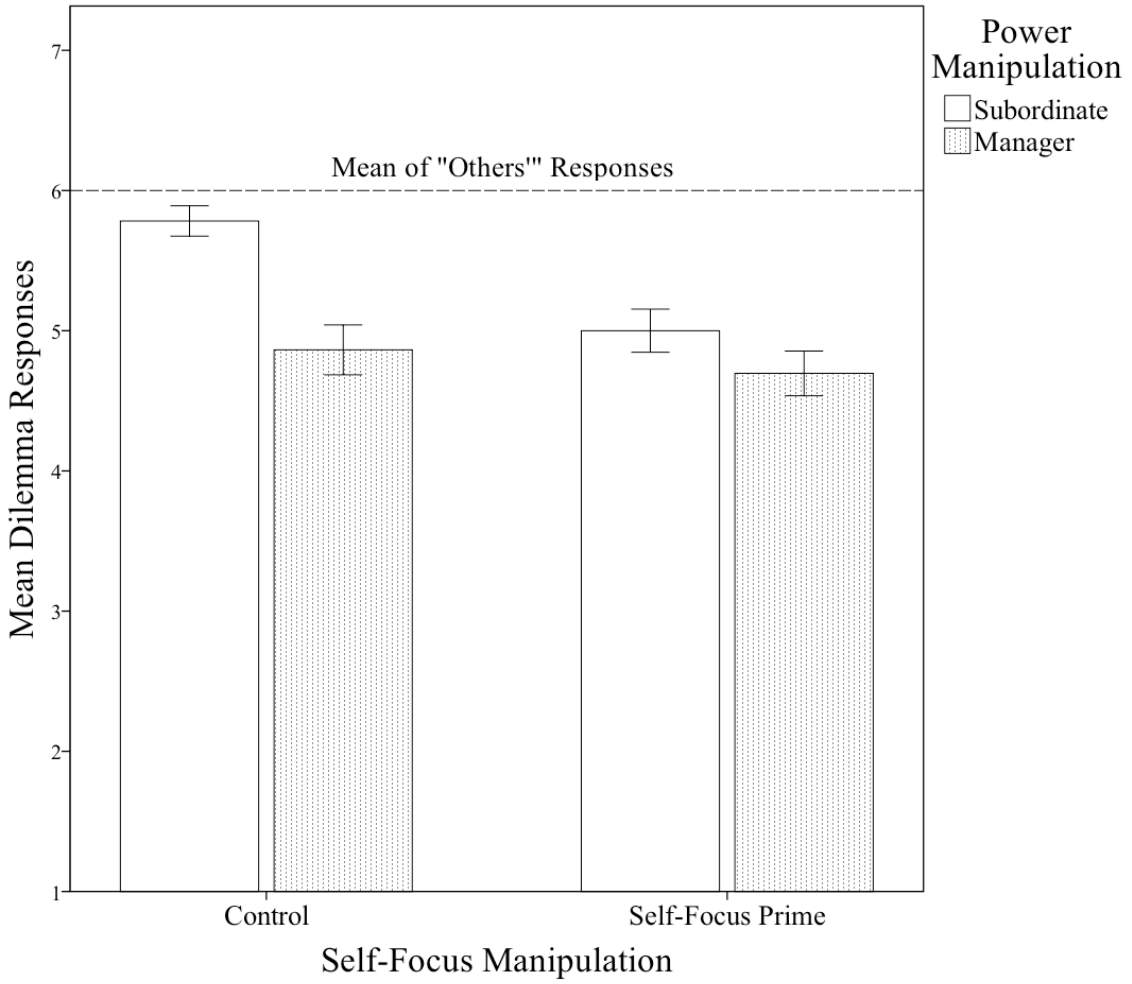


FIGURE 3

Study 2, Mean Scores by Groups. Error Bars Represent Standard Errors.



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