

Who is Willing to Sacrifice Ethical Values for Money and Social Status?

Gender Differences in Reactions to Ethical Compromises

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Keywords: gender, judgment and decision-making, ethics, morality

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Abstract

Women select into business school at a lower rate than men and are under-represented in high-ranking positions in business organizations. We examined gender differences in reactions to ethical compromises as one possible explanation for these disparities. In Study 1, when reading of decisions that compromised ethical values for social status and monetary gains, women reported feeling more moral outrage and perceived less business sense in the decisions than men. In Study 2, we established a causal relationship between aversion to ethical compromises and disinterest in business careers by manipulating the presence of ethical compromises in job descriptions. As hypothesized, an interaction between gender and presence of ethical compromises emerged. Only when jobs involved making ethical compromises did women report less interest in the jobs than men. Women's moral reservations mediated these effects. In Study 3, we found that women implicitly associated business with immorality more than men did.

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In the movie *Wall Street*, Gordon Gekko famously stated, “greed...is good.” To many, this mantra typifies the attitude held by businesspeople, particularly on Wall Street, where women comprise only 4% of executives (Moya & Basar, 2011). Recent data suggest that women pursue business at lower rates than men. Although women comprise nearly half of students in law school (Catalyst, 2012a) and medical school (Catalyst, 2012b), they are under-represented in business schools, comprising only 36% of students at the top-10 MBA programs, and in high-ranking positions in business organizations, comprising only 14% of executives at Fortune 500 companies (Catalyst, 2012c).

To explain gender segregation in employment, research has largely focused on women’s lack of advancement opportunities (Kanter, 1977; Lyness & Thompson, 1997; Martin, Harrison, & Dinitto, 1983; Miller & Wheeler, 1992). Other research has highlighted gender differences in values concerning group equality (Pratto, Stallworth, Sidanius, & Siers, 1997) and communal goals (Diekmann, Brown, Johnston, & Clark, 2010). Complementing this research, we identify a novel explanation for why women are under-represented in business careers. We propose that women, more than men, find ethical compromises unacceptable.

Conceptualizing Ethical Compromises

We conceive of an ethical compromise as a decision that subordinates ethical values (e.g., honesty or fairness) to secular values (e.g., monetary gains). Because ethical principles constitute categorical reasons for acting (Kant, 1997) – they must be upheld unconditionally – ethical values should trump other, non-categorical considerations (Orts & Strudler, 2009). When individuals compromise their ethical values, they forfeit their integrity. For instance, if a person opposed to biological warfare decides, in a moment of financial desperation, to accept work in a

laboratory that advances these technologies, this undermines the person's integrity (Williams, 1988, p. 33).

Extreme ethical compromises pose taboo trade-offs (Tetlock, Kristel, Elson, Green, & Lerner, 2000). Taboo trade-offs involve the sacrifice of sacred values, which are considered infinitely valuable. For instance, forfeiting one's national citizenship to save money in taxes may pose a taboo trade-off because loyalty to one's country is considered priceless and sacrificing it for money is normatively forbidden. In comparison, relocating from one's beloved hometown for a better-paying job may pose an ethical compromise. Ethical compromises may be seen by those who make them as necessary for survival in a world of scarce resources. However, like taboo trade-offs, even fairly commonplace ethical compromises may elicit moral outrage because they violate cherished ethical principles (Okimoto & Brescoll, 2010). Notably, whether a decision represents a taboo trade-off or ethical compromise is subjective and a matter of degree; what is taboo to one person may be a mere compromise for another.

Ethical Compromises in Business Organizations

Ethical compromises may be especially prevalent in business organizations because the primary goal in business is to produce profit (Friedman, 1962), a secular value (Fiske & Tetlock, 1997; Tetlock et al., 2000). Many business executives feel obligated to compromise their values to advance their careers and achieve company goals (Lincoln, Pressley, & Little, 1982). Although all careers may involve ethical compromises to some extent, the profit motive distinguishes business from other fields, such as law and medicine, which also have ethical values, such as justice and health, as underlying justifications. For instance, although law is a lucrative profession involving adversarial relations, its ultimate goal is widely understood to be advancing justice.

Further, business organizations often have hierarchical structures that incite competition for limited advancement opportunities (Magee & Galinsky, 2008). Social status may therefore be another scarce currency in organizations, for which individuals sacrifice ethical values (Jackall, 1988), although no research has examined ethical compromises for social status gains to date.

Gender Differences in Ethical Socialization Histories

Gender differences in socialization may result in men and women reacting differently to ethical compromises. Women are expected to be communal and expressive, whereas men are expected to be agentic and instrumental (Eagly & Steffen, 1984; Spence & Helmreich, 1978). Because of these prescriptions, men and women may hold themselves to different standards of behavior, with women expecting themselves to engage in behavior that is inherently good and men expecting themselves to succeed at the task at hand.

Consistent with this argument, women and men appear to differ in how they make ethical judgments. In seminal work, Gilligan (1982) proposed that men and women differ in moral orientation, with women placing greater value on care and relationships and men placing greater value on justice and impartiality. Although empirical evidence for this view is mixed (Hyde, 2005; Jaffee & Hyde, 2000), numerous studies have documented gender differences in ethical standards (Franke, Crown, & Spake, 1997). In adolescence, females report less moral disengagement than males (Bandura, Barbaranelli, Caprara, & Pastorelli, 1996). Moral disengagement involves justifying bad behavior by minimizing its consequences or otherwise rationalizing it. Gender differences in ethical standards may persist into adulthood. Compared to men, women use less deception to secure monetary payoffs (Dreber & Johannesson, 2008), accept unethical negotiating tactics less (Robinson, Lewicki, & Donahue, 2000), and are less

morally pragmatic (i.e., hypocritical and egocentric) in negotiations (Kray & Haselhuhn, 2012). Women also report greater proneness to the moral emotions of guilt and shame (Cohen, Wolf, Panter, & Insko, 2011). Overall, this research suggests women may react more negatively than men to ethical compromises.

Overview of Studies

In three studies, we examined whether gender differences in reactions to ethical compromises elucidate women's under-representation in business careers. Study 1 described ethical compromises in work settings and measured gender differences in moral outrage and perceptions of business sense. Study 2 manipulated whether ethical compromises were present in job descriptions and measured moral reservations and job interest. In Study 3, we examined whether women implicitly associated business with immorality more than men did.

This research makes at least three theoretical contributions. First, it extends knowledge of how work preferences and values differ by gender. Our research suggests men and women may differentially value not only communal goals (Diekmann et al., 2010) and group-based equality (Pratto et al., 1997), but also ethics. Second, this research is the first to examine social status as a basis for ethical compromises. Finally, this research provides a novel explanation for why women are under-represented in MBA programs and high-ranking positions in business organizations: Women's aversion to ethical compromises may steer them away from business careers.

Study 1

Study 1 examined whether women react more negatively than men to ethical compromises for monetary or social status gains. To do so, we measured moral outrage, which captures desire to distance oneself from violations of cherished ethical principles (Okimoto &

Brescoll, 2010; Tetlock et al., 2000), and perceived business sense (Tetlock et al., 2000), which captures evaluations of instrumental utility. We included both measures to explore whether feelings of moral outrage might be attenuated by recognition of practical value in ethical compromises.

Method

Participants were 103 adults¹ (65 women) recruited through Amazon Mechanical Turk. The study utilized a two-condition (Type of Gain: Monetary, Status), mixed-model design.² Type of gain varied within-subjects and gender varied between-subjects.

Participants read 14 vignettes describing compromises of ethical values (e.g., others' well-being, close relationships, honesty) for secular values (e.g., money and social status) in organizational contexts. For instance, one monetary gain vignette described using a cheap product ingredient known to cause lethal allergic reactions in some people in order to meet financial projections and secure a performance bonus. One status gain vignette described assigning a talented subordinate to peripheral projects and publicizing the subordinate's mistakes in order to prevent this person from receiving too much respect and admiration. (See Appendix A in the online supplement for the vignettes.) After reading each vignette, participants reported their moral outrage and perceptions of business sense. Including both measures allowed us to examine reactions along moral and pragmatic dimensions.

To report their moral outrage, participants rated the extent to which the decision was disgusting, objectionable, upsetting, offensive, shameful, contemptible, and morally acceptable (reverse-scored). We averaged these items to form scales for monetary ($\alpha = .95$) and status ($\alpha = .96$) gain vignettes. Participants also rated the decision's business sense and acceptability as a

business practice ($\alpha_{\text{monetary gain}} = .85$, $\alpha_{\text{status gain}} = .89$). Response scales ranged from 1 (*not at all*) to 7 (*very much*).

Results

A pre-test ($n = 37$) confirmed that the scenarios were perceived to involve ethical compromises. Using a scale of a 1 (*strongly disagree*) to 11 (*strongly agree*), participants indicated their agreement that something priceless, sacred, or morally important was sacrificed for money, economic gain, or wealth ($\alpha_{\text{monetary gain}} = .84$) or to feel higher rank, obtain prestige and admiration from others, or gain status ($\alpha_{\text{status gain}} = .87$). Means on both manipulation check scales significantly differed from the mid-point, suggesting an ethical compromise was perceived in both monetary, $M = 8.50$, $SD = 2.56$, $t(258) = 15.71$, $p < .001$, and status, $M = 7.62$, $SD = 3.06$, $t(258) = 8.52$, $p < .001$, gain vignettes.

We next examined moral outrage and business sense. Two separate mixed-model ANOVAs included gender as a between-subject factor and type of gain as a within-subject factor. A main effect of gender emerged for moral outrage. Women ($M = 3.74$) reported more moral outrage than men ($M = 3.21$) across both trade-off types, $F(1, 101) = 8.52$, $p = .004$, $\eta_p^2 = .08$. No other effects were statistically significant.

For business sense, two main effects emerged. Women ($M = 3.52$) perceived less business sense than men ($M = 4.18$), $F(1, 101) = 10.61$, $p = .002$, $\eta_p^2 = .10$, and participants perceived more business sense in ethical compromises for monetary ($M = 4.10$) rather than status ($M = 3.60$) gains, $F(1, 101) = 30.31$, $p < .001$, $\eta_p^2 = .23$.

Finally, we examined the correlation between moral outrage and business sense. When participants reported higher moral outrage, they perceived less business sense, for both the monetary, $r(101) = -.36$, $p < .001$, and status, $r(101) = -.48$, $p < .001$, gain scenarios.

Discussion

This study described ethical compromises in work contexts and found that women reacted more negatively than men to them. As hypothesized, women experienced more moral outrage and perceived less business sense than men when confronting ethical compromises made for either monetary or social status gains. Although both genders perceived less business sense in ethical compromises for social status rather than monetary gains, moral outrage did not vary by type of gain. Finally, because both types of gains were perceived to make moderate business sense, both monetary and status gains appear to be consistent with the goals of business in participants' minds. Nevertheless, the negative correlation between moral outrage and business sense suggests that participants did not see ethical compromises as necessary for success in business.

Notably, this study lacked a control condition without ethical compromises. Because of this limitation, alternative explanations for our results exist. Gender differences in moral outrage may have emerged because women are more inclined than men to report negative emotion or because they value money and status relatively less. We designed Study 2 to address this limitation.

Study 2

The first study found that women react more negatively than men to ethical compromises. The second study aimed to establish a causal relationship between ethical compromises and women's disinterest in business careers. To do so, we manipulated whether ethical compromises were present in business environments and measured moral reservations and job interest. We expected resolution of ethical compromises in favor of secular gains (but not ethical values) to

cause gender differences in job interest. To examine whether the mere presence of an ethical conflict produced gender differences on these outcomes, we also included a control condition.

Method

Participants included 178 undergraduate students (94 men) who received course credit. The study utilized a three-condition (Ethical compromise: High, Low, Control), between-subjects design and included gender as a non-manipulated factor. In all conditions, participants read three job descriptions that provided task responsibilities and compensation levels in consulting, private equity, and wealth management firms. (See Appendix B in the online supplement for these descriptions). We collapsed across descriptions in analyses below.

In both experimental conditions, each vignette included a description of an ethical issue – for instance, as a consultant, how to advise a client when a trade-off existed between giving honest advice and collecting fees or, as an investor, whether to fund companies that used unethical business practices to produce profits. In the low ethical compromise condition, vignettes stated that the company's norm was to choose in favor of ethics. In the high ethical compromise condition, vignettes stated that company norms favored profits. For instance, participants read either that they would be expected to forgo (low ethical compromise condition) or make (high ethical compromise condition) investments in companies that employed unethical business practices. After reading each job description, participants reported their interest in the job.

Two items served as a manipulation check ($\alpha = .80$). Participants rated their agreement that at the firm, the ends justified the means and getting ahead required harming others at times.

We measured moral reservations with 5 items ($\alpha = .89$) gauging the extent to which participants would, if they were at the firm: experience difficulty with the moral compromises

asked of them, have to compromise their ethical values to be successful, be uncomfortable with the moral trade-offs required to succeed, find it to morally troubling to work there, and find it easy to maintain their moral integrity (reverse-scored).

After each vignette, participants reported how interested they were in the job (Diekmann, Clark, Johnston, Brown, & Steinberg, 2011), $\alpha = .65$. Response scales ranged from 1 (*not at all*) to 7 (*extremely*).

Results

Manipulation check. ANOVA indicated only a main effect of ethical compromise condition, $F(2, 172) = 7.21, p = .001, \eta_p^2 = .08$. Participants in the high ethical compromise condition ($M = 4.99, SD = 1.16$) perceived greater ethical compromise than those in the control ($M = 4.54, SD = 1.21, p = .03$), and low ethical compromise ($M = 4.18, SD = 1.20, p < .001$) conditions. No difference between the control and low ethical compromise conditions emerged, $p = .11$. Neither gender, $F(2, 172) = 0.33, p = .57$, nor the interaction, $F(2, 172) = 1.10, p = .34$, were statistically significant, suggesting both genders agreed about the degree to which each condition highlighted an ethical compromise.

Job interest. We next examined whether women's job interest suffered more than men's in jobs involving ethical compromises. ANOVA showed no effect of gender, $F(1, 172) = 0.51, p = .48$, a main effect of ethical compromise condition, $F(2, 172) = 8.20, p < .001, \eta_p^2 = .09$, and the predicted interaction, $F(2, 172) = 4.28, p = .02, \eta_p^2 = .05$. Participants showed less interest in the job in the high ethical compromise condition ($M = 4.06, SD = 1.34$) than the control ($M = 4.76, SD = 1.23, p = .001$) or low ($M = 4.83, SD = 1.14, p < .001$) ethical compromise conditions. Job interest did not vary between the control and low ethical compromise conditions, $p = .80$.

We then examined the interaction between gender and ethical compromise condition. As hypothesized, men's job interest did not vary by ethical compromise condition, $F(2, 91) = 0.33$, $p = .72$, but women's did, $F(2, 81) = 11.78$, $p < .001$, $\eta_p^2 = .23$. Women had less job interest in the high ethical compromise condition ($M = 3.56$, $SD = 1.25$) than in the control ($M = 4.86$, $SD = 1.24$, $p < .001$) or low ethical compromise ($M = 4.97$, $SD = 1.10$, $p < .001$) conditions (see Figure 1). No difference emerged for women between the control and low ethical compromise conditions, $p = .73$. Relative to men ($M = 4.45$, $SD = 1.30$), women ($M = 3.56$, $SD = 1.25$) showed lower job interest in the high ethical compromise condition, $t(57) = -2.66$, $p = .01$. In the control, $t(57) = 0.61$, $p = .55$, and low ethical compromise conditions, $t(58) = 1.02$, $p = .31$, no gender differences emerged.

Moral reservations. A main effect of ethical compromise condition, $F(2, 172) = 8.11$, $p < .001$, $\eta_p^2 = .09$, a main effect of gender, $F(1, 172) = 5.92$, $p = .02$, $\eta_p^2 = .03$, and a significant interaction emerged, $F(1, 172) = 5.50$, $p = .01$, $\eta_p^2 = .06$. Participants reported greater moral reservations in the high ethical compromise condition ($M = 4.55$, $SD = 1.03$) than in the control ($M = 4.09$, $SD = 0.98$, $p = .01$) or low ethical compromise ($M = 3.85$, $SD = 0.99$, $p < .001$) conditions. No difference emerged between the low ethical compromise and control conditions, $p = .18$. Women ($M = 4.34$, $SD = 1.02$) also reported greater moral reservations than men ($M = 3.99$, $SD = 1.02$). The interaction resulted from women's reactions to the high ethical compromise condition. In this condition, women ($M = 5.06$, $SD = 0.86$) reported greater moral reservations than men ($M = 4.04$, $SD = 0.93$), $t(57) = 4.33$, $p < .001$. No gender difference in moral reservations emerged in the low ethical compromise, $t(58) = -0.24$, $p = .81$, or control, $t(57) = -0.36$, $p = .72$ conditions.

Mediation. Finally, we examined whether women's greater moral reservations could explain the gender difference in job interest. A bootstrapping analysis of mediation (Preacher & Hayes, 2008) with 5,000 re-samples with replacement showed a significant indirect effect of moral reservations (95% *CI* -.86 to -.19) on job interest, indicating evidence of significant mediation (see Figure 2).

Discussion

Using an experimental design, this study found, again, that women reacted more negatively than men to ethical compromises. When a job entailed ethical compromises, women reported less interest in it than men did, despite exhibiting no difference in interest when the job did not entail ethical compromises. Women's greater moral reservations explained why they were less interested in jobs involving ethical compromises. No differences emerged between the control and low ethical compromise conditions, suggesting it was not the mere presence of a conflict between ethical and secular values, but the forfeiture of ethical values, that caused women's reactions.

By manipulating the presence of ethical compromises, this study addressed two limitations of Study 1. When no ethical compromise was present, women's and men's interest in business jobs did not differ, suggesting women neither explicitly value business jobs (or the money and social status they offer) less than men nor do women experience more negative emotions than men overall. Moreover, perceptions of ethical compromise did not vary between the control and low ethical compromise conditions, suggesting high ethical standards are explicitly assumed by default. When ethical compromises were highlighted, gender differences emerged. To further understand how reactions to business ethics may contribute to gender segregation in employment, we examined implicit associations. We expected that even in the

absence of salient ethical lapses, women would implicitly associate business with immorality more than men do.

Study 3

The previous study established that salient ethical compromises cause gender differences in job interest. However, the lack of gender differences in job interest under baseline conditions raises the question of whether women's relatively negative reactions to business ethics depend on ethical compromises being salient. To address this concern, Study 3 examined implicit associations between business and immorality. We used an implicit measure for three reasons. First, because ethical judgments could be a socially sensitive topic, implicit measures may have more predictive validity than explicit measures (Greenwald, Poehlman, Uhlmann, & Banaji, 2009). Second, interest in business careers may serve as a proxy for interest in power (Pratto et al., 1997). Past research has found women's implicit beliefs to better predict interest in power than their explicit beliefs (Haines & Kray, 2005; Rudman & Heppen, 2003). Finally, if ethical views result from quick, automatic evaluations not amenable to articulation (Haidt, 2001), then they may be best measured implicitly. Consistent with these points, in a separate study ($N = 300$), we observed no gender difference in explicit attitudes toward the morality of business relative to medicine and law. Neither gender, $F(1, 294) = 0.54, p = .46$, nor the interaction between gender and career type, $F(2, 294) = 0.26, p = .78$, attained significance.

If women implicitly associate business with immorality more than men do, this would provide support for the idea that women are under-represented in business careers because they find the domain more ethically aversive than men do. We chose law as a contrast category for business because it is another lucrative profession involving competitive relations, but its

ultimate goal is to advance justice, an ethical value, rather than to produce profits, a secular value. Thus, this comparison provides a conservative test of our hypothesis.

Method

Participants ($N = 106$, 52 women) were students at a West Coast university. They completed an implicit association test (“IAT,” Greenwald, McGhee, & Schwartz, 1998) measuring associations between business and immorality. Participants classified words associated with “business” (e.g., *corporation, earnings*) and “law” (e.g., *court, litigation*) and “immorality” (e.g., *wrong, unethical*) and “morality” (e.g., *honesty, ethical*). (See Appendix C in the online supplement for word items.) Pre-testing ($n = 32$) showed each word to be significantly more associated with the target category than the contrast category. The IAT was scored according to Greenwald, Nosek, and Banaji’s (2003) revised method, resulting in a D -statistic. Higher scores represented stronger associations between immorality and business compared to law.

Results

A one-sample t -test comparing the average D -score to zero revealed a marginally significant implicit association between business and immorality overall, $D = .06$, $t(105) = 1.66$, $p = .10$. This pattern reflects an overall tendency to associate business, more than law, with immorality. More important for our hypothesis, a gender difference emerged. Women ($D = 0.18$) showed stronger implicit associations between business and immorality than men ($D = -0.05$) did, $t(103) = 3.13$, $p = .002$.

Discussion

As expected, women held more negative implicit attitudes about the morality of business than men. This was true although the contrast category, law, provided a conservative test. This

difference contrasted with the results of Study 2, in which people generally assumed ethical conflicts would be resolved in favor of ethics. Women's relatively strong implicit association between business and immorality may explain why they are under-represented in business careers.

General Discussion

This research is the first to identify gender differences in reactions to ethical compromises as an explanation of the gender gap in business careers. By examining why women are under-represented in MBA programs and high-ranking positions in business organizations, we address a question with potentially far-reaching practical implications for women's economic well-being (Bakija, Cole, & Heim, 2012). Existing psychological research has highlighted the role of external barriers – such as stereotypes (e.g., Heilman, 2001; Spencer, Steele, & Quinn, 1999), social roles (e.g., Eagly & Karau, 2002), and backlash (Rudman & Phelan, 2008) – in limiting women's success in masculine domains such as business. More recently, research has considered women's unique values as determinants of their career choices (Diekmann et al., 2010). Following in this vein, we propose a novel theoretical explanation: women's unique socialization histories instill more negative reactions to ethical compromises and, therefore, reduce the appeal of business careers. Three studies provided support for this hypothesis.

In Study 1, women reported feeling more moral outrage and perceiving less business sense in ethical compromises than men did. In Study 2, when jobs involved making ethical compromises, women reported less interest in the jobs, whereas men were not affected by ethical compromises. Greater moral reservations among women explained this gender disparity. In Study 3, women showed stronger implicit associations between business and immorality than did

men. Because women reacted more negatively to ethically questionable decisions aimed at increasing profit and social status, two key currencies in business organizations, this research suggests a novel explanation for women's under-representation in business: Women's aversion to ethical compromises may steer them away from business.

This research also contributes to knowledge of how work preferences differ by gender. Past research has found that women prefer collaborative work that helps other people (Diekmann et al., 2010). In addition, more women than men cite opportunities for growth, stimulation, and development as reasons they pursue their careers (Betz, O'Connell, & Shepard, 1989). Here, we found that women also prefer jobs that maintain high ethical standards. Future research should explore whether ethical appeal helps to explain sex segregation in occupations (Anker, 1998; Petersen & Morgan, 1995).

Finally, we introduced social status as a basis for ethical compromises. Past research has overlooked social status as a driver of ethical compromise, focusing instead on its ability to encourage some forms of ethical behavior, such as justice (Blader & Chen, 2012). Although status pursuit is pervasive in business (Jackall, 1988), ethical compromises made in pursuit of status seem to make little business sense to men and women alike.

Future research should examine the implications of these differential reactions to ethical compromises in real world contexts. Although our research suggests women may not enter business, aversion to ethical compromises could disadvantage those who do as they seek to advance. If women forgo profits in favor of ethics, they may produce fewer economic returns and garner less influence and recognition than men within business organizations, at least in the short-term. If men value short-term profits and make the promotion decisions, women may

struggle to advance. Even seemingly small gender differences can have considerable practical importance (Eagly, 1995; Martell, Lane, & Emrich, 1996).

Nevertheless, it does not logically follow from this evidence that women should change their values. If misfit (cf., Chatman, 1991) between women's values and business ethics exists, either women or organizations could change their values to resolve this. The negative correlation between moral outrage and business sense in Study 1 argues against ethical compromises being inherent properties of successful businesses. Raising ethical standards in business may be a more promising solution to this misfit, as many unethical business practices are self-defeating in the long-term (Bowie, 1999). Future research should examine whether business organizations can ameliorate this misfit by adopting more rigorous ethical training, selecting individuals partially on the basis of their ethics, or emphasizing ethics as a core cultural value.

Moreover, this research does not suggest that women are simply opting-out of business. In Study 2, women were as interested as men in business careers that did not explicitly require ethical compromises. Like inflexible workplace policies (Stephens & Levine, 2011), ethical compromises may make it unnecessarily difficult for women to participate and contribute in business organizations.

Future research could also explore the apparent contradiction between Studies 2 and 3. Study 2 found no gender differences in explicit job interest when ethical compromises were not salient. Study 3 documented a stronger implicit association between immorality and business for women than men. This difference between explicit and implicit attitudes may reflect women's heightened sensitivity to ethical issues. When ethical issues are salient, women may react more negatively than men to them. By presenting ethics-related words, the IAT may have made ethics

salient. However, when ethical issues are not salient, women may not consciously perceive business to have an ethics problem. This may imply that women will select into business as readily as men, but upon discovering ethical issues, experience more dissatisfaction and desire to exit. Consistent with this, some evidence suggests women have higher turnover rates (Cotton & Tuttle, 1986) and lower organizational commitment (Mardsen, Kalleberg, & Cook, 1993) than men.

Finally, future research should explore boundary conditions of these effects. Although we focused on business, we acknowledge that other careers involve ethical compromises as well, even law and medicine. Future research could examine whether these gender differences emerge when gains are unrelated to money and status. For instance, it could examine women's reactions to a doctor who deceives insurance companies to save patients' lives, or to a person who betrays a sister for the sake of a romantic relationship.

We believe this research has at least one positive practical implication: retaining more women may have positive ethical consequences for business organizations. As women occupy positions with authority, they may improve the ethical standards of the organizations in which they work, if they can maintain these standards on the way up the hierarchy.

Footnote

¹ In a prior MTurk study ($N = 200$), years of managerial experience did not vary by gender, $t(173) = -1.60, p = .11$.

² We also manipulated perspective to ensure that any gender differences were not due to women holding themselves, but not others, to high ethical standards (or vice versa). Only one significant effect for perspective emerged. Participants perceived more business sense when they imagined themselves ($M = 4.05, SD = 0.96$) rather than others ($M = 3.66, SD = 1.12$) making ethical compromises, $F(1, 99) = 3.79, p = .05, \eta_p^2 = .04$. Thus, we collapsed across perspective subsequently.

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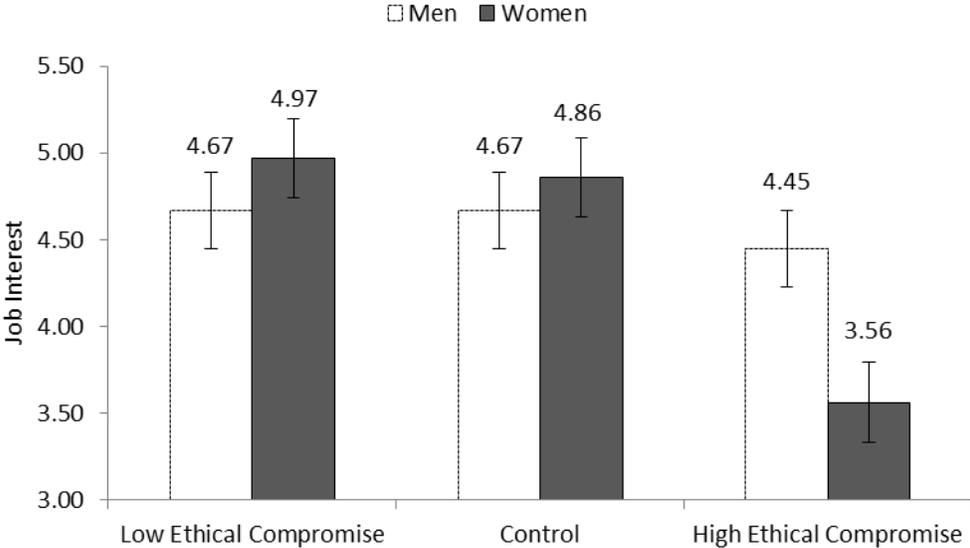


Figure 1. Job interest by gender and ethical compromise conditions in Study 2.



Figure 2. Mediation of gender differences in job interest by moral reservations in Study 2.

Unstandardized regression coefficients appear outside of parentheses and standardized ones are given in parentheses. ** $p < .01$. *** $p < .001$.

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Appendix A**Vignettes (Study 1)****Ethical Compromises for Monetary Gains**

1. A.B. is CEO of a manufacturing company. The company has been losing money and A.B. must decide whether to take a large pay cut or lay off 100 workers, including most of the janitorial staff and line workers who have served the company for over a decade. A.B. has less need for the money than those who would be laid off, but A.B.'s salary is the market price for a CEO in the industry. A.B. decides that the salary is therefore justified and decides to keep it at its current level and lay off 100 workers.

2. E.L. is head of a division at a pharmaceutical company. The division is close to bringing a new cancer drug to market. One of the drug's components is very expensive, so the team has asked E.L. if they should replace it with a cheaper ingredient. The cheaper ingredient is known to randomly cause lethal allergic reactions in a small number of people, and these reactions are impossible to predict. E.L. runs the numbers and sees that the drug will produce much higher annual profits if they go with the cheaper ingredient, which means E.L. and the team will receive much larger annual bonuses for producing the drug this way. If E.L. uses the expensive ingredient, the division will barely meet projected numbers, resulting in no annual bonus at all. E.L. tells the team to go with the cheaper ingredient and sets aside some funds to compensate families of individuals who suffer the allergic reaction.

3. K.C. and B.C. are expecting a baby. B.C.'s boss is anticipating a very busy time in the group and wants B.C. to continue working as much as possible after the baby is born. K.C. and B.C. had looked forward to the first few weeks with their new baby and had planned to split all

anticipated duties. B.C.'s boss offers them a sizable bonus to forgo the planned leave and hire a nanny to help at home. B.C. takes the money and plans to forgo leave and spend nights and weekends in the office for a while.

4. S.W. is a management consultant facing a critical career decision. S.W. has been asked to move overseas to join the company's new Zurich office, for 3 times the salary, plus a bonus based on the office's performance. It would be a two-year position. The problem is that S.W.'s spouse is amidst a critical career period as well and can't move overseas. Therefore, they would have to live apart, seeing each other for only a few days a month. S.W. forecasts earning statements for the office and projects the savings that would accumulate in the bank, and eventually decides the move is worth it. S.W.'s spouse is upset, but S.W. decides to go anyway.

5. J.F. moved across the country and started a small venture capital firm. J.F. hired an assistant, P.Z., from the old fund to be the new fund's assistant, so P.Z. moved across the country as well. P.Z. was very competent and dedicated, supporting all four of the firm's partners at once and handling myriad administrative duties as the firm got up and running. Managing everything often required P.Z. to work on weekends or respond to email about travel arrangements late at night. P.Z. was paid the same amount as assistants at J.F.'s old fund. Recently, J.F. discovered that the local market price for assistants is much lower than what P.Z. is paid. J.F. decides to let P.Z. go and hire a less expensive assistant now that the fund is up and running and the duties will be less involved.

6. R.Z. is a defense attorney who is considering taking on a new case. The potential client is a CEO accused of "cooking the books" at a large, public company. While meeting with the CEO, it becomes obvious that the CEO is guilty as charged. R.Z. knows the company's bankruptcy caused severe problems in the local economy and that many employees are depending on

proving the CEO's guilt in order to recover some fraction of their lost retirement savings from the settlements. R.Z. wanted to believe the CEO was innocent, but sees a few ways to convince the jury of the CEO's innocence despite knowing the truth. If they win, the CEO will pay R.Z. millions of dollars. R.Z. decides on the spot to take the case.

7. E.W. is an accomplished doctor who feels entitled to a high level of earnings and frustrated by the rate caps put in place by HMOs. E.W. has taken some classes on running a medical practice as a business and is brainstorming ways to increase profits while staying within the letter of the law and abiding by HMO rate agreements. E.W. considers having patients fill out an extremely long health history form in order to identify any potential problems patients could have and using these factors to justify as many tests and minor procedures on patients as possible. The only problem with this idea is that patients usually find tests unpleasant and they have to cover approximately 20% of their cost. E.W. projects next year's earnings based on this system and discovers that it could double annual income. Since it will look like high quality medical care while increasing income drastically, E.W. decides to start doing this the very next day.

Ethical Compromises for Social Status Gains

8. L.D. is a project manager at a consulting firm. One of L.D.'s subordinates, C.E., stayed at the office until 3am to process L.D.'s changes to a presentation created for a client. C.E. has asked to attend the client meeting with L.D. in order to hear the client's reactions to the presentation, but business analysts don't usually attend client meetings. L.D. doesn't want to share credit for the work and is annoyed by the request. L.D. tells C.E., "This request is inappropriate. You're a business analyst; you don't go to meetings. You're going to stay at the office today. And don't request this again."

9. B.M. is a vice president at an investment bank. B.M. is in a team meeting, walking through the materials designed for a client, when the new analyst on the team suggests a different way to present the analyses, suggesting it would be clearer and more persuasive. B.M. recognizes that the idea is good, but is surprised that the analyst, who just recently graduated from college, is talking during the team meeting. After the meeting, B.M. tells the analyst to remember that vice presidents and associates have a lot of experience presenting work to clients and that, generally, analysts are expected to be seen and not heard.

10. D.W. is a senior associate in a law firm. One day, D.W. asks a new associate, S.H. to create a document for their case. Later in the day, D.W. hears that S.H. had been there all night already, and sees S.H. looking very frazzled, tired, and still busy on another case. D.W. has some free time and momentarily thinks about just getting the work done so they can both go home, but then figures, "I've been above this kind of work for a while now. I feel like leaving early tonight and S.H. needs to know who is boss." So D.W. calls out to S.H. in the hall, "Remember - 6pm! I want that on my desk by 6pm and not a minute later, S.H.!"

11. G.D. recently graduated from college and joined a company with a rigorous new employee training program. At the end of the training program, G.D. works in a team to prepare a mock project that the team will present to senior management at the company. G.D. doesn't understand much of what the team does because G.D. was not a business major in college. Therefore, G.D. asks another new employee on the team, C.S., to stay late one night before the presentation to explain what the team did. C.S. is very helpful and generously explains all the analyses in the presentation. The next day, during the presentation, G.D. wants to earn the respect and admiration of senior management, so G.D. says many of the things C.S. explained

the night before, interrupting C.S. to do so. Because of this, C.S. doesn't get to talk much during the presentation; G.D. already jumped in with what C.S. had to say.

12. B.K. is planning to serve in the bridal party at a close friend's wedding one weekend. B.K. is in the middle of an important deal at work, though, so it is a crazy time. The day before B.K. is supposed to leave for the wedding, B.K.'s boss gets a call from the client and says someone on the team needs to work that weekend. B.K. wants an edge over peers at work, so B.K. agrees to stay and get the work done.

13. K.G. manages a recent hire, A.S., who is increasingly recognized as a "star." For a few weeks, K.G. has started to feel threatened and put off by A.S. While K.G. admires A.S.'s talent and confidence, K.G. also sort of dislikes A.S. After hearing a bold recommendation by A.S. at a recent meeting, K.G. decides to teach A.S. to respect the hierarchy more. Over the next few months, K.G. assigns A.S. to peripheral projects and scrutinizes A.S.'s performance, looking for flaws. After finding a few flaws that will be easy to spin, K.G. points them out to A.S.'s mentors and supporters to be sure A.S. isn't given too much respect or admiration.

14. D.M. is a new employee at a private equity fund. D.M. wants to do well there and decides to try to ally with an influential partner. In the next few investment committee meetings, when the group is discussing new investment ideas, D.M. supports whatever the partner has to say. At one meeting, the partner has a crazy idea about an electric car company almost certain to lose millions of dollars for the limited partners. No one else at the fund supports it, and D.M. thinks it is an awful investment idea, but figures this is precisely when agreeing with the partner could count. So D.M. chimes in, "That's a great idea! We will be on the cutting edge and potential investors will find us more interesting. This is a really innovative idea. I will call the company today to assess their interest."

Appendix B

Job Descriptions (Study 2)

Job Description 1

You are graduating soon and are considering going to work for a consulting firm, Whitestone & Co. The firm makes money by analyzing clients' business strategies and recommending improvements based on what they see. The entry-level job you are interviewing for will involve:

- Travelling to the client's office and spending a few days there each week
- Working with managers at the company to identify and obtain relevant data on their operations, strategy, and business practices
- Conducting interviews with the client's customers or suppliers when necessary to obtain data
- Working closely with a team of consultants to analyze data provided by the company
- Brainstorming solutions to identified problems with your team of consultants
- Exploring relevant precedents from Whitestone's previous case work
- Writing memoranda and creating presentations for the client to describe your recommended solutions to the identified problems
- Presenting analyses you ran and answering client questions about the analyses

The first year associate position pays a salary of \$70,000 a year and there is the potential for a \$20,000 bonus. These figures increase consistently every year. If you decide to go to business school and are a high performer, the firm may pay for your business school education, or you may have the opportunity to rise to an associate position without going to business school. From the associate position, you can rise to a partner position and share directly in the firm's profits. If you decide to leave the consulting firm, you are likely to land a good subsequent opportunity

because the firm has an excellent reputation and its partners are well-connected and supportive of analysts seeking other jobs after two years of service.

At a career fair, you speak with a second year analyst about the position. You ask this analyst to be candid with you about the challenges of the job.

Control Condition:

The analyst says that the hours can be long some weeks and that the travel is tiring.

High and Low Ethical Compromise Conditions:

The analyst says that the hours can be long some weeks and that the travel is tiring. In addition, the analyst says that, on a fairly large number of cases, it has been unclear that the team of consultants was going to impact the client's bottom line. Sometimes the client's problems are so complex or are driven by systematic issues in the client's business market that it's not clear that the consultants can really help.

The analyst says that it can be tough because, in those situations, the norm is for the team to *(present their work in as convincing a way as possible in order to collect their fees. In these situations, the analyst feels they are getting paid without adding any value and fears the client will spend more money to implement solutions that won't actually work / present their work carefully and modestly, identifying the true source of the problems. In these situations, the consultants collect a far-reduced fee because the client probably won't implement their solutions since they are unlikely to work).*

Job Description 2

Graduation is upon you and you are thinking of applying for a job in LawlorMorgan, an investment firm. The investment firm makes money by investing funds it has raised from wealthy individuals, pension funds, and other sources. The investment firm buys companies

with this money. The entry-level job you are interviewing for will involve assisting in the following activities:

- Researching new investment ideas by finding companies that look promising and may need your investment firm's money in order to grow
- Presenting and discussing the merits of the new investment ideas you find to colleagues within your investment firm
- Financial modeling of companies' projected cash flows to predict how much money you could make from your investment
- Analyzing companies' business model and strategy to predict how much money you could make from your investment and to identify ways to improve the company
- Negotiating agreements with the companies surrounding how much you will invest, how much ownership you will get
- Working with companies' management teams to identify growth opportunities and to improve operating results
- Recruiting new management team members from other companies
- Holding Board seats at your investment companies
- Travelling to occasional Board meetings and industry conferences
- Networking with professionals at other investment firms who may invest in a company alongside you

Making investments involves some financial risk, but the job pays a salary of \$100,000 a year and there is a lot of upside potential – when your investments make a lot of money, you receive a portion of that return. For instance, if your firm's investment of \$3 million returns \$9 million, you may receive a bonus of \$20,000 from your investment firm that year. Because your firm

invests in many companies, this number can be multiplied many times over in a good year. Over time, you can rise to a partner position and receive a larger portion of the firm's profits. The investment firm is prestigious and you will work with smart, accomplished people there.

Control Condition:

No further information was provided.

High and Low Ethical Compromise Conditions:

The companies you invest in rely on a wide variety of strategies to make money. Sometimes you encounter companies that rely on lax environmental or child labor laws in other countries to make a good profit. Other times, you learn that companies may be engaging in morally questionable business practices. For instance, they may hire their employees as contractors to avoid supplying insurance to them, lay people off when they can find cheaper replacements, or use make products that could have negative long-term effects on people's health.

At your investment firm, the senior partners expect you to (do what it takes to make money – if the activities are legal and the business is profitable, they consider it a good investment idea and expect you to work with the management team to make good profits so that you and your firm make as much money as possible / do what is right – if the activities are morally questionable, they consider it a bad investment idea and expect you to forgo the investment opportunity or hold the management team accountable for their behavior, even if this means you and your firm make less money that year).

Job Description 3

You are considering whether to accept a financial analyst position at Riverrock Investments, a private wealth management company, after graduation. Over the summer, between your junior and senior year, you worked as a summer analyst at the company. The work involved:

- Working with a team to analyze high net worth clients' current investment portfolios in order to examine their current levels of risk, return, and diversification
- Researching new investments (stocks, bonds, mutual funds, index funds, hybrid securities) using criteria laid out by more senior members of your team
- Running analyses of the returns provided by each possible security portfolio under a variety of market conditions
- Creating charts and presentations in Powerpoint to summarize your findings and recommendations for clients
- Listening to calls between high net worth individuals and your more senior team members to understand high net worth individuals' concerns and to gain understanding of possible solutions recommended by your team
- Attending meetings and social events with high net worth individuals and your team
- Attending conferences with your team

Analysts work with multiple teams at all times. The financial analyst position pays \$55,000 in salary and there is the potential for a bonus (usually \$5,000 to \$25,000) at the end of the year, based on where you rank in your analyst class according to reviews given by your team members. The promotion track is steady and clear – you move from analyst to associate to vice president to managing director – over a course of approximately 10 years. You will work about 50 hours a week, on average, and the company is prestigious. Many people leave for a few years to go to business school. Over the course of your summer, you noticed that the review system is subjective and it is important that your colleagues like and respect you so that you receive a good year-end bonus.

Control Condition:

No further information was provided.

High and Low Ethical Compromise Conditions:

Some of the associates and vice presidents are easier to work with than others. From watching the full-time analysts, you have seen that some associates and vice presidents can make unreasonable demands on analysts, redo client presentations at the last minute, creating stress for analysts and keeping them there late at night, or treat the analysts rudely and disrespectfully by refusing to answer their questions or excluding them from client meetings. These situations are difficult because analysts need senior team members to evaluate them positively in order to obtain a good year-end bonus.

In these situations, you saw that most analysts (suffered in silence in order to obtain the best review and highest year-end bonus possible, no matter what they had to put up with from senior team members. Most analysts thought that having a better reputation and more status in the eyes of their senior team members were worth putting up with some mistreatment and suffering through difficult times / spoke with the staffer or senior team members about their concerns and requested to be re-staffed if the problem was not resolved. Even if it resulted in a senior person thinking less of them or writing a slightly more negative review, most analysts thought holding the person accountable was the right thing to do).

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Appendix C**Implicit Association Test Items (Study 3)**

Business words	Legal words
Corporation	Legal
Investment	Court
Profits	Litigation
Earnings	Advocacy
Losses	Lawyer
Shareholder	Ruling
Finance	Prosecution
Market	Defense
Stock	Settlement
Capital	Argument
Cash	Judge
Trade	Case
Transaction	Attorney
Commodity	Lawsuit
Income	Precedent

Morality words	Immorality words
Fair	Wrong
Moral	Unfair
Truth	Tainted
Right	Deceitful
Justice	Injustice
Honest	Ruthless
Ethical	Irresponsible
Pure	Unethical
Responsible	Corrupt
Loyalty	Immoral
Respect	Exploitation