

Thinking about corrupt thinking

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Thinking About Corrupt Thinking:

Exploring the Decision-Making Process
of Corruption



Muhammad Untung Manara

THINKING ABOUT CORRUPT THINKING

Exploring the Decision-Making
Process of Corruption

MUHAMMAD UNTUNG MANARA



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DISSERTATION

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CHAPTER 1

General Introduction



The issue of corruption—defined as “the abuse of public power for private benefit” (Tanzi, 1998, p. 564)—has plagued humanity for millennia and remains a major problem in many modern countries (Tanzi, 1998). Recently, 180 countries scored on the Corruption Perceptions Index (CPI) which captures the level of corruption that regular people experience on a scale from 0 (most corrupt) to 100 (least corrupt), more than two-thirds scored below 50 (Transparency International, 2021). In addition, the Global Corruption Barometer (a survey that asks citizens worldwide about their direct experience with corruption in their daily lives) showed that nearly one in four people worldwide have paid a bribe for public services in the last 12 months (Transparency International, 2017b). Corruption has significant negative consequences on a society, such as increasing poverty and income inequality, undermining public services (Gupta et al., 2002) and impairing human development (Akhter, 2004).

The idea to explore corruption in this dissertation was inspired by the high level of corruption in my home country of Indonesia. Nearly every day, there are media reports about corruption cases in Indonesia, ranging from corruption in educational institutions to corruption in political organizations. Unsurprisingly, Indonesia always scores low on the CPI. For example, between 2012 and 2016, Indonesia’s CPI scores ranged from 32 to 37 (Transparency International, 2017a). The citizens have a low standard of living and little trust in the government. They need to pay bribes, for example, to file a police complaint, find a good school/university for their children, or become a public officer.

Motivated to understand corruption from a scientific perspective: specifically, the underlying decision-making processes involved in corrupt decisions, I hoped to be able to give recommendations for preventing corruption and started writing the dissertation proposal in order to lay the groundwork for this this dissertation. Several perspectives and theories are applied to identify the decision-making process that underlies corruption. The first empirical study aims to answer the question of how individuals decide to engage in corrupt behavior. The study proposes a model of decision-making that draws on general-decision-making theory (Engel et al., 1986). Meanwhile, the second and third empirical studies adopt the dual-system of information processing (Evans & Stanovich, 2013) to examine several determinants of corruption in the decision-making process. Particularly, those two empirical chapters build on the thinking style literature (Epstein et al., 1996) to measure the thinking process underlying corrupt behavior, as well as examine the effect of individual and organizational factors on that process.

The following parts of this first chapter describe the theoretical background, the research questions, and several key concepts in of the dissertation in more detail. The final part provides an overview of the three empirical chapters (Chapters 2, 3, and 4) and Chapter 5 providing a general discussion of this dissertation.

Corruption

The term ‘corruption’ comes from the Latin language *corruptus*, which means deviant,

abuse, or crush (Abidin & Siswandi, 2015). Beyond this common understanding, researchers and institutions have developed their own definitions and not yet reached a full consensus. One popular and simple definition, provided by the World Bank, is “the abuse of public power for private benefit” (Tanzi, 1998, p. 564). This definition captures a core characteristic of corruption that can take many forms, such as favoritism, embezzlement, and bribery (Vargas-Hernández, 2011).

Despite the many iterations of corruption, the corruption literature mainly focuses on bribery—to the point of often using ‘corruption’ and ‘bribery’ interchangeably (e.g., Köbis et al., 2017; Rabl & Kühlmann, 2008; Zhao et al., 2016). Therefore, there is room to qualitatively explore corruption in a general sense without focusing on a specific form. The first empirical study in this dissertation does exactly that. Rather than address a specific version expression of corruption, it primarily aims to use qualitative methods to explore the decision-making process underlying corruption. This study identifies what behaviors are considered corrupt and how decision-making processes underlie those behaviors in a sample of Indonesian prisoners who were convicted of corruption. They were in prison due to different forms of corruption. Therefore, using a general definition and not focusing on specific forms of corruption is more suitable for the first empirical study.

Of course, there is still value in investigating specific contexts of corruption. The literature has suggested that corruption research should focus on a specific context of corruption because of its complex nature and has multiple forms (Collins et al., 2009; Vargas-Hernández, 2011). Following this suggestion, the other two quantitative studies focus on a specific form of corruption, namely bribery. These chapters focus on bribery because it is one of the most common and well-known forms of corruption, affecting both organizations and societies (Corruption Eradication Commission, 2018; U4 Anti-Corruption Resource Centre, n.d.). For most people, the general impression of corruption is a bribery situation, such as a public officer secretly accepting money from a corporation in exchange for a public contract (U4 Anti-Corruption Resource Centre, n.d.).

Bribery is a form of corruption that involves offering money, services, or other valuables to someone who has a position of power in exchange for preferential treatment (Gorsira, Steg, et al., 2018). Rabl and Kühlmann (2008) summarized various definitions of bribery in order to highlight some common characteristics. Firstly, *exchange*: corruption is based on interaction between at least two partners, a supplier and a recipient (i.e., a corrupt initiator and the one who accepts the deal). This exchange results in advantages for both partners. Secondly, *violation of norms*: corruption represents immoral behavior that deviates from legal norms or prevailing ethical values. Thirdly, *abuse of power*: perpetrators of corruption use the authority, position, and knowledge entrusted to them for the sake of their personal or group interests. Finally, in the absence of immediately disadvantaged individuals, corruption does not necessarily make individuals suffer. The ‘victims’ are usually parties outside the corrupt interaction: for example, the organization or society at large. These characteristics will be the basis for defining bribery in this dissertation.

Research on Corruption

Previous studies of corruption have mainly focused on factors that are relevant at the country level (Gorsira, Steg, et al., 2018; Köbis et al., 2015), such as economic growth (Mauro, 1995), culture (Gelbrich et al., 2016), and political institutions (Lederman et al., 2005). Such research provides macro-level insights into why corruption is higher in some countries than in others. However, it does not explain why some organizations are more corrupt than others within a country, nor why some employees (but not others) engage in corruption (Gorsira, Steg, et al., 2018). These open questions indicate that many micro-level factors influencing corruption stay unexplained. There are always people involved who make decisions to engage in corruption. Thus, several authors have started to study corruption using the micro-level perspective.

In the organization literature, corruption has to some extent been studied in the context of unethical behavior Kish-Gephart (Kish-Gephart et al., 2010) and deviant behavior at work (Berry et al., 2007; Robinson & Bennett, 1995). Research on unethical work behavior covers a broad range of negative behaviors in organizations, ranging from low-intensity harms (such as ignoring colleagues, acting aggressively, and intentionally working slowly) to more severe impacts (such as cheating and stealing) (Bennett & Robinson, 2000; Kish-Gephart et al., 2010). Due to being unethical and generally illegal, corruption falls into the latter category of impact. Corruption can harm a broad range of stakeholders, including employees, consumers, organizations, and societies at large (Rose-Ackerman & Palifka, 2016). Therefore, various disciplines have studied corruption to determine its causes and ultimately prevent it (Jancsics, 2014). Nonetheless, there are many micro-level factors that remain unexplained, which has prompted several authors to investigate the people who make corrupt decisions.

Corruption research at the micro-level has revealed both individual and situational factors, such as personality, goals, attitudes, gender, organizational climate, and social norms (Gorsira, Steg, et al., 2018; Köbis et al., 2017; Rabl & Kühlmann, 2008; Zhao et al., 2016). However, little attention has been paid to the intra-individual cognitive mechanisms that drive corruption. At the same time, research on other forms of unethical behavior (such as dishonesty and cheating) has emphasized that intra-individual cognitive processes can lead to unethical decisions (Capraro et al., 2019; Köbis et al., 2019; Suchotzki et al., 2017). Yet, how employees decide to engage in corruption remains unexplored. This dissertation intends to address this gap by considering micro-level factors that encourage corrupt behavior. Specifically, this dissertation aims to shed further light on these topics by exploring the decision-making mechanisms underlying corruption and examining individual as well as organizational factors that contribute to these processes.

Previous studies have noted that information processing is important for understanding unethical behavior such as cheating (Anderman et al., 2009), lying (Van't Veer et al., 2014) and crime (Van Gelder et al., 2013). If the same holds for corruption, then knowing how employees think before they engage in acts of corruption could help improve anti-corruption programs. For example, anti-corruption campaigns could consider the degrees of intuitive or rational thinking

that occur when employees engage in corruption. For instance, if individuals who engage in corruption rely more on intuitive information processing, then perhaps anti-corruption campaigns should refer to emotions and personal experiences using concrete examples (Epstein et al., 1996).

Decision-Making Underlying Corruption

This dissertation draws from the decision-making literature to illuminate how people think before they engage in corruption. Decision-making is an internal process where people evaluate various alternatives before they choose which behavior to display (Pham & Higgins, 2005). However, the literature still lacks extensive studies on the decision-making processes that underlie corruption. The one exception was the model of corrupt action from Rabl and Kühlmann (2008). Following the Theory of Planned Behavior (Ajzen, 1991) and the Model of Effortful Decision Making and Enactment (Bagozzi et al., 2003), the model of corrupt action proposed that corrupt acts are formed by the desire and the intention to attain a particular goal through corruption. The desire to attain a goal in this way derives from the positive attitudes and subjective norms toward corruption. The intention to engage in corruption is fueled by this desire, but shaped by perceived behavioral control (the perceived ease or difficulty of performing a certain behavior; Ajzen 1991). Ultimately, if the intention to attain a goal through corruption is high enough, then individuals will pursue corrupt acts (Rabl & Kühlmann, 2008). Even though the model may explain corrupt acts as a means to achieve a certain goal, it does not explain the internal cognitive mechanisms behind how and why individuals conclude that corruption is the best way to achieve their goals.

Although scholars have not explicitly studied the decision-making process of corruption, theoretical models with a decision-making focus can be found in studies of moral and ethics in organizations, such as the (un)ethical decision-making model (Trevino & Youngblood, 1990) and the literature on moral thought and action (Hannah et al., 2011). The ethical decision-making model focuses on two factors that are often called “bad apples or bad barrels”: the former referring to individual factors (such as values and attitudes) and the latter referring to organizational factors (such as organizational ethics and reward systems). However, this model does not explain the internal cognitive mechanisms, such as thinking processes, that occur before those factors translate into (un)ethical behavior.

A model which does account for internal mechanisms in moral decision-making and behavior is the one proposed by Hannah et al. (2011). The model is based on four psychological mechanisms of moral behaviors that were first described by Rest et al. (1999): moral sensitivity, moral judgment, moral motivation, and moral action. These four mechanisms represent sequential steps in a process. *Moral sensitivity* reflects individuals’ budding awareness of a moral problem and efforts to identify various solutions. *Moral judgment* occurs when individuals determine the action that seems most appropriate to solving the problem. In the *moral motivation* step, individuals commit themselves to the chosen action. Finally, individuals undertake the *moral action* to address the moral problem. Since this model focuses on moral aspects, it will

not explain elements that extend beyond the moral dimensions of corrupt behavior. The moral sensitivity component, for example, refers to psychological process where individuals being aware of a moral problem but does not cover other problems that may exist underlying corrupt behaviors. Furthermore, the model does not explicitly feature a typical component (i.e., information search process) that individuals usually engage in before they make a judgment and take an action.

To uncover the decision-making process underlying corruption, Chapter 2 draws on general decision-making theory (Engel et al., 1986). This 'rational approach' presumes that individuals make decisions rationally according to a series of steps (Stevenson et al., 1990). The decision-making model by Engel (1986) comprises four stages: problem recognition, information search, evaluation, and choice. Exploring specific information that appear in these stages (e.g., what goals/problems individuals want to address by engaging in corruption; what information individuals search for before they engage in corruption) could generate a more comprehensive understanding of corruption. In this way, the dissertation may extend the previous model of corrupt action (Rabl & Kühlmann, 2008) and models of ethical decision-making (Hannah et al., 2011; Trevino & Youngblood, 1990).

Specifically, the empirical study in Chapter 2 will provide information that has not been acknowledged in the model of corrupt action (Rabl & Kühlmann, 2008), such as information on why individuals consider corruption as a solution to their problems. In addition, the previous models (i.e., Hannah et al., 2011; Rabl & Kühlmann, 2008; Trevino & Youngblood, 1990) did not cover information search processes (e.g., the information that individuals search for to base their corrupt decision). The goal of Chapter 2 is to fill these gaps and produce new insights by leveraging general decision-making theory in a qualitative study that avoids focusing on specific moral aspects (e.g., Hannah et al., 2011; Trevino & Youngblood, 1990) or specific goals (e.g., Rabl & Kühlmann, 2008).

The Determinants of Corruption

In addition to exploring the intra-individual cognitive mechanisms that underlie corruption, this dissertation also examines quantitatively specific determinants of corruption that may influence those intra-individual cognitive mechanisms. Corruption research at the micro-level has identified several antecedents of corruption (Gorsira, Steg, et al., 2018; Köbis et al., 2017; Rabl & Kühlmann, 2008; Zhao et al., 2016), but research in this area still needs to progress by exploring more diverse determinants. To that end, some authors have suggested that research should focus more on other potential antecedents of corruption (Rabl & Kühlmann, 2008; Zaloznaya, 2014). The present dissertation responds to such calls by advancing two antecedents: ethical leadership and bottom-line mentality.

Ethical leadership has been suggested as an organizational factor that can reduce unethical behaviors in organizations (Den Hartog, 2015). Previous research has found, for example, that ethical leadership is negatively correlated with counterproductive work behaviors (Bedi et al., 2016), workplace deviance (van Gils et al., 2015), and

employees' misconduct (Moore et al., 2019). However, the ethical leadership literature has emphasized the need for research on more diverse and specific ethical leadership outcomes (Brown & Mitchell, 2010; Den Hartog, 2015). Thus, Chapter 3 examines ethical leadership as a variable that may reduce corruption, thereby extending the literatures on corruption and ethical leadership.

Meanwhile, Chapter 4 investigates another determinant of corruption: *bottom-line mentality* (BLM), which is "one-dimensional thinking that revolves around securing bottom-line outcomes to the neglect of competing priorities" (Greenbaum et al., 2012, p. 344). In this competitive era, employees often exclusively focus on bottom-line outcomes (mostly financial profits) while ignoring other competing organizational goals. Past corruption research at the micro-level has not examined how BLM may influence the tendency to engage in corruption. For example, employees may engage in bribery because they narrowly focus on the bottom-line outcome while ignoring other competing organizational goals (such as moral values and quality of work). Although BLM could be beneficial for organizations in achieving better financial performance, several empirical studies have found that BLM can have detrimental effects on organizations (Barsky, 2008; Greenbaum, Bonner, et al., 2020). For instance, BLM is positively related to the social undermining of colleagues (Greenbaum et al., 2012), unethical pro-organizational behavior (Zhang et al., 2020), and weakened organizational citizenship (Eissa et al., 2019). Investigating the link between BLM and corruption might provide insights into the antecedents of corruption in organizations because BLM, as described before, is a typical mentality in the business world that has a positive relation with several unethical behaviors (Greenbaum et al., 2012; Wolfe, 1988).

The Underlying Mechanisms

To understand whether the aforementioned determinants influence intra-individual cognitive mechanisms of corruption, this dissertation examined cognitive processes as underlying mechanisms of the effect of external factors on corruption. Previous research has shown that several individual and situational factors contribute to corrupt behavior, such as personality (Zhao et al., 2016), private and professional goals (Rabl & Kühlmann, 2008), ethical climate (Gorsira, Steg, et al., 2018), and social (Köbis et al., 2015). However, scholars have yet to explore how those determinants influence intra-individual cognitive mechanisms before they translate into behavior. To address this gap, this dissertation leverages the dual-process system theory of information processing (Epstein et al., 1996) to measure the underlying cognitive mechanisms.

Dual-process models of cognition propose that individuals think in two different styles: intuitive-experiential thinking (fast and effortless processing) and analytic-rational thinking, (effortful and slow processing) (Epstein et al., 1996). The use of a specific style can be influenced by several variables, such as the type of tasks or individuals' age (Evans & Stanovich, 2013; Phillips et al., 2016), gender and personality (Balkis & Isiker, 2005). Several studies have indicated that a specific thinking style, particularly intuitive thinking, could positively impact unethical behaviors such as workplace deviance (Christian & Ellis, 2011) and cheating behavior

(Anderman et al., 2009). Therefore, this dissertation proposes that thinking style is a relevant underlying mechanism in the link between corruption and its determinants.

The Boundary Conditions

Even though past corruption research at the micro-level has explored various antecedents of corruption, some authors have highlighted the need for more research on the boundary conditions that may moderate the effect (e.g., Köbis et al., 2015; Zhao et al., 2016). Investigating the boundary conditions can provide a more comprehensive understanding of the relationship between corruption and its determinants. Therefore, this dissertation also examines a boundary condition (i.e., personality trait) that may moderate the effect of ethical leadership and employees' BLM on employees' corruption.

The ethical leadership literature has suggested that different employees show different reactions to ethical leadership (Den Hartog, 2015; van Gils et al., 2015). Individuals' personality differences impact how employees respond to an ethical leader (Taylor & Pattie, 2014). For example, the negative correlation between ethical leadership and workplace incivility has been found to be moderated by employees' core self-evaluation and conscientiousness (Taylor & Pattie, 2014). Specifically, that relationship is weaker when followers score higher on conscientiousness and core self-evaluations (Taylor & Pattie, 2014). Regarding BLM, the literature suggests that employees may attain their bottom-line goals in different ways (Greenbaum et al., 2012), with individual differences moderating the effect of employees' BLM on their work behaviors (Babalola et al., 2021; Zhang et al., 2020). For instance, empirical research has shown that the positive relationship between BLM and unethical pro-organizational behavior depends on employees' orientation to power-distance. The positive relationship was stronger when employees' power-distance orientation was high rather than low (Zhang et al., 2020).

The present dissertation argues that the personality trait of Machiavellianism might moderate the effect of ethical leadership and employees' BLM on employee corruption. Machiavellianism is of interest in this dissertation as it is one of the dark triad traits that roots unethical behaviors in organizations (Kish-Gephart et al., 2010). This trait is characterized by several negative characteristics, such as focusing on personal interests, a tendency to manipulate and exploit others, a lack of empathy, and an unconventional moral view (Christie & Geis, 1970; Spain et al., 2014). Scholars have found that Machiavellianism influences the extent to which both beneficial and detrimental factors impact employees' work behaviors (Belschak, Muhammad, et al., 2018; Ruiz-Palomino & Linuesa-Langreo, 2018; Zagenczyk et al., 2013; Zhao et al., 2018). For instance, Machiavellianism moderates the positive relationship between psychological contract breach and organizational disidentification; the relationship is stronger for employees who score high (compared to low) in Machiavellianism (Zagenczyk et al., 2013). For these reasons, the dissertation investigates employees' Machiavellianism as a boundary condition.

Methodological Aspects of Research on Corruption

In the past, corruption research at the micro-level mostly employed experimental designs in the laboratory and scenario studies that provided participants with hypothetical daily life scenarios about corruption (e.g., Abbink, 2006; Köbis et al., 2015; Zhao et al., 2016). Although those types of studies have clear advantages (e.g., allowing for causal conclusions and minimizing social desirability biases) and have made a significant contribution to the corruption literature, there are several limitations to such designs (Armantier & Boly, 2012). Lab and scenario studies have low external validity and lack generalizability of results to real-life context (Armantier & Boly, 2012; Rabl & Kühlmann, 2008).

As a result, several authors (e.g., Gorsira, Denkers, et al., 2018; Rabl & Kühlmann, 2008; Zhao et al., 2016) have suggested using alternative methods for studying corruption. This dissertation responds to those calls by adopting a variety of methods. The first empirical study (Chapter 2) applies an informed grounded theory approach (Thornberg, 2012) to explore the decision-making process underlying corruption through interviews with a sample of 38 prisoners convicted of corruption. This exceptional sample of participants illuminates the perspectives of real convicts of corruption and thus shows a high degree of ecological validity. Moreover, their cases involve multiple types of real-world corruption cases that may not be considered by previous studies that are mostly limited on a specific corruption situation.

Of course, asking participants to report their past experiences regarding corruption may have led to retrospective justification biases in their answers. In order to bolster the value of participants' responses, the second empirical chapter (Chapter 3) uses two different complementary methods: a survey and an experiment. The former offers general validity by surveying large samples from real-life situations, while the latter offers the ability to make causal conclusions (Abbink, 2006). The combination of a survey design (with more than 300 respondents from various organizations in Indonesia and Europe) and the experimental method allows us to generalize the results to a broader population and provide causal conclusions. Finally, the last empirical study (Chapter 4) adopts a diary design to examine corrupt behaviors among employees in Indonesia. The diary design contributes to the study's high ecological validity by capturing the phenomenon of corruption and its underlying factors in a natural context, thus reducing retrospection bias considerably.

Contributions and Research Questions

The literature review above revealed that the corruption literature can be extended in several ways. This dissertation contributes to the literature in the following ways.

First, while the model of corrupt actions by Rabl and Kühlmann (2008) incorporates several intra-individual cognitive processes underlying corrupt action, the model does not explain why and how individuals consider and choose corruption as a mean of achieving their goals. In the model by Hannah et al. (2011), those aspects may be included in the moral judgment processes. However, since the model exclusively focuses on moral aspects, it may overlook other reasons for why people engage in corruption. For

instance, individuals may also engage in corruption for social reasons (e.g., because others ask them to do so). Therefore, it is important to consider alternative models to explain the decision-making process underlying corruption. Drawing on the general decision-making model (Engel et al., 1986), this dissertation identifies and explores information from every stage of the decision-making process underlying corruption. By leveraging qualitative data to create a detailed decision-making model, we extend the current literature in an important way. This model complements the previous models—such as the corrupt action model (Rabl & Kühlmann, 2008) and the ethical decision-making model (Hannah et al., 2011; Trevino & Youngblood, 1990)—by adding knowledge about the information search process and more deeply exploring aspects in every stage of decision-making process.

Second, this dissertation extends previous studies on micro-level determinants of corruption by exploring leadership and individual factors. Representing situational and individual factors, respectively, these aspects may play crucial roles in predicting unethical behaviors in organizations (Belschak, Muhammad, et al., 2018; Den Hartog, 2015). Specifically, this dissertation examines ethical leadership that may reduce corruption and BLM that may facilitate corruption. No study to date has examined ethical leadership as a potential factor that might reduce corruption; however, the related literature has evidenced that ethical leadership has beneficial effects on preventing some negative behaviors in organizations (Den Hartog, 2015). Likewise, BLM has not been investigated as a factor that might increase the tendency to engage in corruption, although empirical research suggests that BLM could lead to negative behaviors in organizations despite its potential benefits for achieving bottom-line goals (Greenbaum et al., 2012).

Third, this dissertation contributes to the literature by examining thinking style as a mediator and Machiavellianism as a boundary condition in the link between the aforementioned antecedents and corrupt behavior. Previous research has largely failed to investigate how antecedents, such as personality (Zhao et al., 2016) and social norms (Köbis et al., 2015), impact the cognitive processes that lead employees to corrupt behavior. In addition, previous research has suggested that future studies should investigate when the antecedents impact corruption behaviors (e.g., Köbis et al., 2015; Zhao et al., 2016). Understanding the mechanisms and boundary conditions could be important to explaining *how* and *when* individual and situational factors influence corruption, which could then prompt better interventions.

Lastly, by applying different methods (i.e., qualitative interviews with an informed grounded theory approach, a cross-sectional survey study, a lab experiment, and a diary study), this dissertation underlines the importance of methodological rigor and complementary designs for studying corruption. Our use of different methods may inspire future research to expand its scope. For example, future research can apply a diary study design as a new method in studying corruption by applying our protocol and further improve it. Ultimately, incorporating more methodological rigor and diversity can enhance the robustness of conclusions in corruption research.

To summarize, this dissertation wants to understand the intra-individual cognitive process underlying corruption (i.e., decision-making process and thinking style), as well as the determinants of corruption, the boundary conditions, and the

underlying mechanisms. These goals are captured by the following research questions:

1. How is the decision-making process underlying corruption characterized?
2. What are the factors that contribute to the decision-making process underlying corruption?
3. Which cognitive mechanisms (i.e., thinking styles) may explain the effect of different antecedents on corruption?
4. What are boundary conditions that moderate the effect of different antecedents on corruption?

Overview of the Dissertation

Applying several different research methods, this dissertation presents three empirical chapters that address the research questions above. While Chapter 2 addresses Research Question 1, Chapters 3 and 4 contribute to Research Questions 2, 3 and 4. Each of the empirical chapters is written with co-authors. Therefore, I will use “we” when referring to the authors. The overviews of these chapters are provided below.

Chapter 2 addresses Research Question 1 by exploring the decision-making process underlying corrupt behavior. Drawing on the general decision-making theory (Engel et al., 1986), we explore the distinct decision-making stages—including problem recognition, information search, evaluation, and behavior—in a sample of participants who have been convicted of corruption. Following an informed grounded theory approach (Thornberg, 2012), we conducted semi-structured interviews with 38 prisoners from three prisons in Indonesia. The results provide new insights into every stage of the decision-making process underlying corruption. Particularly, this chapter indicates that participants engaged in some forms of corruption that have been discussed in the literature, such as bribery and embezzlement, but some that have not, such as assisting the corruption process. Thus, our study emphasizes that each decision-making stage can be shaped by the specific form of corruption that people are engaged in.

Chapter 3 uses two studies (a field survey and lab experiment) to examine the effect of personal and organizational factors on corrupt behavior and the underlying cognitive processes. Specifically, this chapter discusses the interaction effect of ethical leadership and employees’ Machiavellianism on intuitive thinking and corruption. Together, the studies in Chapter 3 indicate that ethical leadership is beneficial in reducing corruption. Furthermore, the results in the experimental study affirmed that ethical leaders can reduce followers’ corruption by making them think more intuitively. As expected, we found that ethical leadership interacts with followers’ trait Machiavellianism to influence corruption. However, the interaction effects were not consistent between the two studies and we dedicate space in the chapter to the possible reasons. In short, this chapter provides evidence for a new determinant of corruption as well as clarifies an underlying mechanism and a relevant boundary condition.

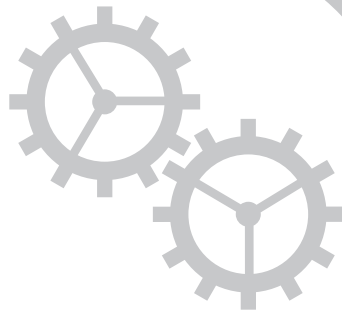
While Chapter 3 focuses on a situational factor (ethical leadership) that may

reduce corruption, Chapter 4 explores a determinant that could facilitate corruption. The chapter argues that employees might engage in bribery because of a narrow focus on a desired final outcome while ignoring other organizational goals—a way of thinking referred to as BLM. Specifically, Chapter 4 proposes that employees' BLM and corruption are positively correlated in a particular corruption situation on a weekly basis. In addition, we argue that the positive relationship is mediated by thinking style and moderated by employees' trait Machiavellianism. In order to evaluate these hypotheses in a natural context, while also reducing retrospection bias, we conducted a weekly diary design in the field. We recruited Indonesian employees from industries with a higher likelihood of experiencing bribery situations in the workplace (e.g., construction companies). Contrary to expectations, we did not find that BLM is correlated with corruption. The correlation was also not mediated by thinking style nor moderated by employees' Machiavellianism. These unexpected results may be due to the limited sample and small amount of diary entries, which could have led to insufficient power for detecting any effects. Chapter 4 discusses these findings in more detail, particularly as they relate to the short-term dynamics of corruption and BLM.

Finally, Chapter 5 provides a general discussion of the dissertation's main findings. For instance, it highlights how the decision-making process model in Chapter 2 extends the previous corruption models (Rabl & Kühlmann, 2008), as well as underlines how the moderated mediation models presented in Chapters 3 and 4 provide insights into the corruption literature at the micro-level. Furthermore, this chapter covers the dissertation's strengths and limitations. This segment discusses the limitations of every method used in this dissertation as a whole and how the strengths of each method may have addressed limitations in other designs. For example, the lack of generalizability from the experimental study could be offset by the qualitative study with real-life prisoners who were convicted of corruption. Finally, this chapter provides general practical implications for decision-makers hoping to prevent corruption. Decision-makers can incorporate the decision-making process that underlies corruption, along with the different determinants, mechanisms, and boundary conditions, in order to minimize corruption in organizations.

CHAPTER 2

Exploring the Path to Corruption – An Informed Grounded Theory Study on the Decision-Making Process Underlying Corruption



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Abstract

Past corruption research at the individual level has mainly focused on demographics, personality, attitudes, or morality related variables. Until now, only a few studies have focused on the *intra*-individual psychological mechanisms of corruption. Building on normative decision-making theory, the present study attempts to shed further light on the internal mechanisms that lead to the decision that corruption is a viable path. Following an informed grounded theory approach, we conducted semi-structured interviews with 38 Indonesian prisoners who have been convicted of corruption. Guided by a multi-step decision-making process, including problem recognition, information search, and evaluation of the information, our results revealed unique insights into individuals' considerations that led to corruption. We elaborate on interrelations between these stages and explore new forms of corrupt decision-making elements within this process. Theoretical implications for corruption research and the practical implications for anti-corruption programs of these findings are discussed.

Keywords: corruption, decision-making process, informed grounded theory, semi-structured interviews

Introduction

Corruption remains one of the biggest and most pressing problems in many countries around the globe. Corruption can be defined as “misuse of an organizational position or authority for personal or organizational (or subunit) gain, where misuse in turn refers to departures from accepted societal norms” (Anand et al., 2004, p. 40). Every year, trillions of dollars—or more than 5% of the global gross domestic product—are lost due to corruption (United Nations, 2018). Moreover, data from the global corruption barometer (Transparency International, 2017b) revealed that one in four people around the world reported that they had to engage in bribery in order to access public services. Thus, the United Nations (2018) has identified corruption as the biggest obstacle in their efforts to achieve the 2030 Sustainable Development Goals, which include the eradication of poverty and the improvement of education quality, health, and infrastructure.

Due to its complex nature and its severe impact on organization and society, corruption has been studied by various disciplines such as anthropology, economics, sociology, law, political science, organizational science, and social psychology (Jancsics, 2014). In the present study, we are particularly interested in the internal psychological mechanisms leading to corrupt acts and, thus, we will adopt a micro-level perspective. Specifically, this study looks at corruption from a psychological perspective (i.e., decision-making). Although the corruption literature at the micro-level has explored the effects of both individual (e.g., personality; Zhao et al., 2016) and situational factors (e.g., organizational climate; Gorsira, Steg, et al., 2018) on unethical behavior in organizations, there is still scarce research focusing on the cognitive *intra*-individual processes preceding an individual’s decision to engage in unethical action (e.g., Hannah et al., 2011). Furthermore, decision-making processes leading to corruption as a specific sub-form of unethical behavior have, with one exception (Rabl & Kühlmann, 2008), not been studied yet (Pinto et al., 2008). Furthering our knowledge in this area is important, however, as research has indicated that corrupt behavior is typically a process that is *not* automatic, but requires thought and consideration (Rabl & Kühlmann, 2008).

Furthermore, although insights from initial studies (e.g., Hannah et al., 2011; Rabl & Kühlmann, 2008) have advanced our understanding of the intra-individual antecedents of unethical and corrupt actions in organizations, these models paid little attention to the *reasons* and *means* that drive the decision to engage in such behaviors in the first place. A better understanding of the underlying cognitive-motivational processes (e.g., goal formation, information processing) would allow us to not only describe, but also explain such decisions, which could then bolster anti-corruption programs. In order to find answers to the questions of *why* and *how* individuals come to the conclusion that corruption is the best way to reach their goals, we particularly aim to explore the internal cognitive-motivational processes underlying corruption. In doing so, we draw on normative decision-making theory (Stevenson et al., 1990) and particularly the decision-making model by Engel et al. (1986) and use this as a guiding framework.

In the present study, we adopt a qualitative approach using informed grounded theory (Thornberg, 2012). While the original version of grounded theory (Glaser & Strauss, 1967) emphasizes pure induction without any prior theoretical knowledge and perceptions, informed grounded theory acknowledges the advantage of pre-existing theories to guide researchers in exploring specific phenomena (Thornberg, 2012). This approach is particularly suited for our study because we draw on the decision-making model (Engel et al., 1986) to guide our exploration of the aspects of decision-making in the data collection and data analysis processes. We will discuss this approach in more detail below.

This study involves a sample of individuals who have been convicted of corruption in Indonesia. Indonesia is an example of a highly corrupt country, as ranked by the Corruption Perception Index (CPI) issued by Transparency International (2021). In this index, low-ranked countries tend to have a high level of corruption, characterized by weak standards of integrity among public officials, a bad judicial system, and little transparency about public expenditure. Our sample is exceptional as there has been little research involving corrupt actors themselves, due to the immoral and illegal nature of corrupt behavior (Zaloznaya, 2014). In the present study, we interviewed 38 imprisoned convicts of corruption, offering us a unique perspective on the intrapersonal thoughts and feelings or behaviors that eventually led to the corrupt action.

In summary, the present study advances the literature on corruption in three important ways. First, this study provides new insights into the psychological mechanisms of corruption by applying a general decision-making framework that goes beyond moral decision-making theories (e.g., Hannah et al., 2011; Rest et al., 1999) and initial work on decision-making leading to corruption (Rabl & Kühlmann, 2008). While these studies have primarily focused on the actor's moral awareness and judgment, or on the ability to solve one's problem with corruption *per se*, our study focuses on the *why* and *how*, i.e., the cognitive-motivational stages that occur *before* individuals conclude that corruption is the best option to reach their goals. We apply each of the four stages of the general decision-making model proposed by Engel et al. (1986) to corruption in order to explore the content and interrelations of these stages. In this way, we further our understanding of corruption as a rational decision-making process.

Second, by adopting a qualitative, informed grounded theory approach (Thornberg, 2012), the present study answers calls for more diverse approaches in corruption research, such as qualitative interviews with real-life offenders (Rabl & Kühlmann, 2008). Qualitative research leads to fundamentally different findings than its quantitative counterpart, as it allows for a much more detailed description of the phenomena at hand (Corbin & Strauss, 2008). This is particularly valuable given that most corruption studies to date (Abbink et al., 2002; Armantier & Boly, 2012; Köbis et al., 2015; Rabl & Kühlmann, 2008) have entailed lab experiments and did not involve the actors of corruption themselves. As Rabl and Kühlmann (2008) stated, one of the limitations of corruption studies using lab experiments is the lack of generalizability to real-life settings. Using an informed grounded theory

approach (Thornberg, 2012), we will add to existing knowledge about corruption and the decision-making processes preceding it.

Finally, shedding light on corrupt behavior by applying a decision-making approach is also valuable from a practical perspective. Exploring the distinct steps that precede the decision to engage in corruption creates several opportunities for intervention. Understanding the nature of the cognitive-evaluative processes that lead to corrupt behavior enables policymakers to craft interventions that target those key processes more precisely (and potentially all at once), making anti-corruption programs more powerful and effective.

Theoretical Background

How Has Ethical/Moral Decision-Making Been Studied Thus Far?

The psychological literature has typically taken a micro-level perspective to study unethical or immoral behavior in organizations. Many ethical decision-making studies (e.g., Trevino & Youngblood, 1990) have focused on understanding the role of two factors for unethical decision-making, often called “bad apples and bad barrels.” Bad apples represent individual factors (e.g., cognitive moral development and locus of control), while bad barrels represent organizational factors (e.g., reward systems and outcome expectancy). While this stream of literature has made great contributions regarding the predictive power of individual and contextual factors for moral decisions, it has not explicitly investigated ethical decisions as a dynamic process comprising different cognitive stages.

In contrast, models of moral decision-making, such as the model proposed by Hannah et al. (2011), usually *do* take into account the psychological processes that are involved in moral actions. Hannah et al.’s (2011) model is based on four psychological mechanisms following research by Rest et al. (1999): moral sensitivity, moral judgment, moral motivation, and moral action. Moral sensitivity refers to the process of identifying the moral problem, interpreting the situation, and identifying various options in order to address the problem. Moral judgment is the process by which the person determines what the most appropriate course of action is. Moral motivation is concerned with the process that increases commitment to a given action. Finally, moral action refers to the decision to engage in a certain behavior in order to address the moral problem. Although Hannah et al.’s (2011) model supports the idea that moral decision-making follows a certain sequence of stages before being translated into behavior, it strongly focuses on the moral content of a situation and the potential reactions to it. The model does not explicitly acknowledge more typical cognitive mechanisms that may drive such judgments and actions (e.g., goal formation or information processing).

Furthermore, although unethical and immoral behavior share conceptual similarities with corruption, they also differ from it in several ways. The concept of

unethical behavior subsumes a broad range of behaviors that violate widely accepted (societal) moral norms such as lying, cheating, and stealing (Kish-Gephart et al., 2010). Corruption, which can be seen as one specific form of unethical behavior, additionally includes the misuse of power or authority in an organizational context with far-reaching negative effects, not only on organizations, but society as a whole. The abuse of power is thus essential to distinguishing corruption from other forms of unethical behavior. Although every behavior that violates certain norms has different characteristics and may well follow a different decision-making process (Spector et al., 2006; Van Gelder et al., 2013), scholars have yet to explore whether decision-making in corruption follows the same proposed stages as other forms of norm-violating actions (e.g., unethical and immoral behavior).

As one exception, a study by Rabl and Kühlmann (2008) has examined decision-making in the context of corruption. Their proposed model represents a combination of the Model of Effortful Decision-Making and Enactment (MEDME; Bagozzi et al., 2003) and the Theory of Planned Behavior (TPB; Ajzen, 1991). According to this model, individuals go through two processes before engaging in a corrupt action: firstly, the overall desire and intention to achieve a goal; secondly, the desire and intention to achieve a goal through corrupt action. While this model is valuable for understanding how corrupt action may be initiated by goal striving and intentions, it remains unclear *why* individuals consider corruption to be a suitable means of achieving their goals in the first place (i.e., *how* the decision to engage in corrupt behavior is formed). Thus, we are missing the important link between the intention to achieve a goal and the desire and ultimate decision to achieve the goal through corrupt action is missing.

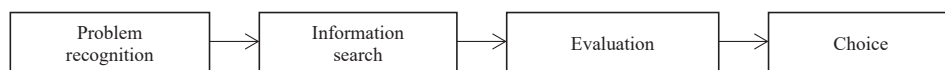
Benefits of a General Decision-Making Model to Study Corruption

In order to find out how the cognitive-motivational decision-making process leads to corruption, we draw on normative decision-making theory (Stevenson et al., 1990) and particularly the decision-making model by Engel et al. (1986). Engel et al.'s (1986) model describes how individuals make their decisions in a rational way by elaborating on different stages of the decision-making process. This basic model of consumer decision-making has been widely used in marketing research (e.g., Hoyer & MacInnis, 2008). This model typically explains that there are some stages before consumers chose a specific product: problem recognition, information search, and evaluation. The approach is particularly well suited for shedding light on the questions of *why* and *how* individuals conclude that corruption is the best means for reaching their goals or solving their problems. Thus, it goes beyond current decision-making models of immoral behavior (e.g., Hannah et al., 2011) and initial research on corrupt decisions (Rabl & Kühlmann, 2008). In contrast to the moral decision-making models discussed above (e.g., Hannah et al., 2011; Rabl & Kühlmann, 2008; Trevino & Youngblood, 1990), the model proposed by Engel and colleagues (1986) is not limited to particular aspects of decision-making such as moral and specific goals. Thus, the model is more appropriate for the present study because we want to focus on more than just the moral aspects of the decision-making process. To that end, the

present study utilizes an informed grounded theory design (Thornberg, 2012) in order to explore the decision-making process underlying corruption. Using the general decision-making model as a theoretical framework will hopefully reveal new or even contradictory insights. By abstaining from moral aspects, this study may minimize social desirability bias in the data collection process because it can avoid feelings of being judged as participants are not specifically concerned with the question whether the corruption they engaged in is moral or immoral.

The chosen model (Engel et al., 1986) consists of four stages: problem recognition, information search, evaluation, and choice (see Figure 1). *Problem recognition* involves processes related to identifying and being aware of a problem. The problem is recognized when individuals detect a discrepancy between the current state and a certain desired state (Pham & Higgins, 2005). For example, an employee might receive a very low salary (current state), but yearns to buy a house for their family (desired state). The desired state thus becomes a goal that the individual hopes to achieve via a certain behavior (Carver & Scheier, 2000).

Figure 1.1 *The Stages of the Decision Making-Process (Engel et al., 1986)*



Once the ‘problem’ and corresponding goal have been identified, individuals move to the second stage: *information search*. This stage includes activities focused on finding potential ways to solve the previously identified problem and reach one’s goal. In relation to the previous example, the employee may search for information about the various options available for earning the money to buy a house (e.g., borrowing money from the bank, saving their income, or engaging in corruption). According to Hoyer and MacInnis (2008), individuals use a range of *information sources* when looking for ways to satisfy a certain goal. Sources may include internal sources (e.g., prior knowledge) or external sources (e.g., the Internet or colleagues). The *content of information* is the type of information that an individual obtains before deciding to take action (e.g., the costs and benefits associated with a particular solution. When individuals try to obtain information, they may focus on only one specific type of information and elaborate on its attributes, or they could search for several alternative pieces of information (Jacoby, 1984). In the case of corruption, an individual could search for information about what is actually understood to constitute corruption, what the risks of getting caught are, or what penalties could be expected as a result of engaging in corrupt action. In the other hand, an individual could also search for alternative solutions other than corruption. Information search has, to date, received meager attention in the corruption literature or in general research on unethical behavior. For instance, it is not included in the corrupt action model developed by Rabl and Kühlmann (2008), nor Hannah et al.’s (2011) and Trevino and Youngbloods’ (1990) models of moral/ethical decision-making. However, research from other fields has shown that the source and content of information are both important elements

in the decision-making process (Pham & Higgins, 2005). Thus, models related to corruption need to incorporate this factor.

Once individuals have gained a certain amount of information on how to achieve their goal, the *evaluation* stage follows. This stage is concerned with processes in which individuals compare and contrast the different options to find out what the best option is (Hoyer & MacInnis, 2008). In this stage, individuals examine the information about the attributes of the different options that they have gathered (Pham & Higgins, 2005). In relation to our previous example, employees will examine which option is the best for achieving their goal of buying a house; for example, whether borrowing money from the bank, saving money, or engaging in corruption will be the easiest, quickest, or safest option. This stage overlaps with the stage of moral judgment in the literature on moral decision-making (e.g., Hannah et al., 2011), which refers to mental processes that determine what action is the most appropriate one to take. However, in those models, little (or no) attention has been given to the underlying reasons behind the conclusion that corruption is the best solution. Exploring the reasons that drove convicts of corruption to see corruption as an adequate solution to their ‘problem’ is essential for understanding underlying motives behind corrupt action.

The last stage in the process is *choice*. In this stage, individuals choose corruption as the best option among various alternatives. In the corruption literature, there are several classifications of corruption, e.g., individual versus interpersonal corruption (Köbis et al., 2016) or individual versus organizational corruption (Pinto et al., 2008). Since corruption is a complex phenomenon, there is no universal classification of corruption, however. Examples of corrupt behavior include bribery (giving some form of benefit in exchange for preferential treatment), embezzlement (taking or converting money, property or other valuables of public/organizational funds for personal benefit), and favoritism (misuse of authority to favor family, friends, or one’s own party) (Vargas-Hernández, 2011). Asking individuals convicted of corruption about their concrete actions and thought processes may therefore lead to new, more psychology-oriented insights and potentially the discovery of additional (sub-) forms of corruption.

Aims of the Present Study and Research Questions

Using the normative decision-making model by Engel et al. (1986) as a framework alongside a qualitative approach (i.e., informed grounded theory; Thornberg, 2012), our study explores each stage of the decision-making process for corruption (i.e., problem recognition, information search, evaluation, and choice). We aim to advance the current literature on the decision-making around unethical, immoral, and corrupt behavior (Hannah et al., 2011; Rabl & Kühlmann, 2008; Trevino & Youngblood, 1990). This literature has largely ignored the *reasons* (i.e., goals) and *means* (i.e., information processes and evaluation thereof) that drive individuals’ conclusion that corruption is the best option for achieving their personal and professional goals. Based on the theoretical model by Engel et al. (1986) described above, we formulated the following research questions:

Research question 1: What are the specific goals that individuals convicted of corruption wanted to achieve when engaging in corruption?

Research question 2a: What type of information content did individuals convicted of corruption search for before they decided to engage in corruption?

Research question 2b: Which sources did individuals convicted of corruption consider when searching for information?

Research question 3: What aspects of the different options to act did individuals convicted of corruption consider when they eventually chose corruption as a solution to a specific problem?

Research question 4: Which concrete behaviors did individuals convicted of corruption engage in that eventually led to a sentence of corruption and their subsequent imprisonment?

Method

Design

In this qualitative study, we used an informed grounded theory approach (Thornberg, 2012) to answer the above research questions. Grounded theory is especially appropriate for research topics about which little is yet known (Glaser & Strauss, 1967). This approach allows researchers to describe phenomena in a detailed way (Corbin & Strauss, 2008) and is especially useful when studying processes (Glaser, 1978). By connecting stages within a process (Urquhart, 2013), grounded theory allows for the emergence of a new theory and provides insight into the processes between categories. As the decision-making process of corruption has not been investigated yet, and we aim to study decision-making as a process, grounded theory is particularly appropriate for our study.

There are different variants of grounded theory. In classic grounded theory, the researcher should delay conducting a literature review until the end of the data analysis (Glaser & Strauss, 1967; Strauss & Corbin, 1994). The point of this delay is to keep the researcher free and open to discovering theory from the data and avoiding bias, such as forcing data into a pre-existing theory that may not fit the data. Thornberg (2012) proposed another version: informed grounded theory. According to Thornberg (2012), informed grounded theory is research processes that is grounded in data by grounded theory methods while being informed by existing research and theoretical frameworks. Rather than considering existing research and theoretical frameworks as obstacles for developing theory from the data, informed grounded theory considers them as sources of inspiration and tools to help a researcher focus on specific aspects and phenomena.

This study adopted an informed grounded theory approach (Thornberg, 2012) to explore the decision-making process underlying corruption. We draw on the normative decision-making model (Engel et al., 1986) as a theoretical framework. Therefore, the development of grounded theory in the current study is based on the

decision-making model by Engel et al. (1986). Following that model, we identified aspects of four different stages of the decision-making underlying corruption: goal, information search, evaluation, and behavior. In order to identify the aspects of each stage, we constructed codes, concepts, and theories that were grounded in the data by applying grounded theory methods (Corbin & Strauss, 2008; Thornberg, 2012). We considered the existing corruption literature as important insights to identify new potential concepts or theories in every stage of the decision-making process underlying corruption. Therefore, the development of the decision-making model underlying corruption in this study is based on the decision-making model on newly collected data and considers the existing corruption literature to analyze aspects within the decision-making process.

Participants

In order to better understand the decision-making process underlying corruption, we studied individuals who had experience with corruption and had been sentenced for their corrupt behavior. Our participants were individuals convicted of corruption in Indonesia. After the Suharto era, political power in Indonesia became decentralized, leading to a spread of corruption at the regional level (Rinaldi et al., 2007). The Corruption Eradication Commission of Indonesia (KPK), for example, reported that at least 32 persons in the position of the head of the regional government were prosecuted and caught in corruption cases between 2015 and 2018 (Taher, 2018). This study was conducted in three regional prisons in Indonesia. Two of the prisons are male prisons, and one is a female prison.

To gain access to the prisons, we sought a permit letter to conduct interviews by sending a research proposal to the East Java Regional Office of the Ministry of Justice and Human Rights, Indonesia. When the permit was issued, we brought it to the regional prisons with individuals convicted of corruption. In each prison, the prison authority appointed a public officer to interact with the first author. The first author explained the research proposal, including the characteristics of the study participants. A separate room was provided for interview processes in the prisons, to ensure that conversations would not be overheard by the other prisoners or guards. Each participant who meets the inclusion criteria was called by the public officer to the room to answer the interview questions. The interviews were conducted from May 2017 until August 2017.

The researcher interviewed each participant privately, face to face, using the prison's provided room. Before the interview began, participants were informed about the research context, the purpose of the study, and informed consent. Participation in this study was fully voluntary. Even though invited participants were in prison, they had the option to refuse to participate in the interview without any negative consequences. In this study, three invited individuals declined to participate in the interview process.

In grounded theory, the principle of 'theoretical saturation' is used to justify the sample size. Theoretical saturation refers to the point in the data collection and coding process at which no additional new conceptual categories emerge (Glaser & Strauss,

1967). In this particular study, we reached data saturation after conducting 38 interviews. The participants included 27 men and 11 women who were between 32 and 73 years old ($M = 51.7$, $SD = 9.4$) at the time of the interview. Most participants were educated individuals (i.e., 15 participants had a bachelor degree, 13 held a master degree, three were doctors, seven had a senior high school degree, and the rest had obtained another educational level). In terms of organizational employment, 26 participants had worked for public organizations, while 12 had been employed in private organizations. Participants held a variety of positions at the time that they had engaged in corruption (e.g., principal, company owner, lecturer, regional government head, secretary, treasurer, broker, and tax officer). Furthermore, 22 participants had been in a leadership position, while 16 had been subordinates without any supervisory responsibility.

Data Collection

We employed semi-structured interviews to explore the specific decision-making stages that individuals engaged in before deciding to behave corruptly. The interview guide was developed based on the stages of the normative decision-making process (Engel et al., 1986) described above. We attempted to find information on the four main stages of this process. In line with grounded theory, the interview questions were changed and adapted during the process of interviewing based on the insights gained from the previous interviews (Glaser & Strauss, 1967). For example, the question about the goal that participants wanted to achieve was revised from “What was your goal when you made that decision?” to “What was the benefit for you of carrying out that behavior?” in order to maximize insights into participants’ goals for engaging in corrupt behavior (see Appendix for examples of questions in the interview guide).

All interviews were conducted by the first author, who is a native Indonesian. Having an interviewer who is the same nationality of the interviewees is beneficial for helping participants feel comfortable and allowing them to talk in their native language (Chan et al., 2017; Dickson-Swift et al., 2007). Likewise, the shared background can incline participants to feel greater trust toward the interviewer, which is crucial when talking about their unethical behaviors (Chan et al., 2017; Dickson-Swift et al., 2007).

Because corruption is very delicate topic, we tried to minimize any types of undesirable treatment effects and participant reactions (Chan et al., 2017; Dickson-Swift et al., 2007). To this end, we started the interview by expressing empathy for their situation. We began the interview by asking participants about their behavior that led them to prison instead of using the term corruption in order to minimize social desirability bias. To create a safe environment for participants where they could honestly and openly discuss their experiences, we carefully ensured their confidentiality and privacy during the process of data collection. Participants were encouraged to talk about their experiences related to the behavior for which they had been convicted as openly as possible. Most of them were enthusiastic about participating in the interview. They were thankful for being heard and enjoyed being able to talk about their experiences, their coping mechanisms with the prison situation, and their

personal opinion about the court decisions with a researcher. After the interview, participants completed a demographic questionnaire. All responses to the interview questions were recorded with an audio recorder (average duration was 45 minutes per participant). The internal ethical review committee at the first author's university in Europe approved the procedure of this study.

Data Analysis

Following Wilhelmy et al. (2016), we transcribed the interview data until nearly reaching saturation (i.e., until the number of new categories decreased significantly). Thus, we transcribed 23 interviews; the remaining 15 interviews were coded directly from the audio files. As suggested by Urquhart (2013), the data obtained from the interviews was coded in the original language (Indonesian). It has been recommended that researchers use the original language as far along in the analysis process as possible, in order to capture the experiences of participants in an unbiased way and avoid loss of meaning (van Nes et al., 2010). Thus, we did not translate the complete interviews. For illustrative purposes, we only translated the codes and the corresponding excerpts from the transcripts. The coding was conducted by two coders (i.e., the first author and a research assistant) who are native Indonesians with excellent English skills. The first author trained the research assistant in three one-hour sessions. This training included how to assign a code to the text and organize categories. Since not all authors had mastered the Indonesian language, our team discussions revolved around the material (codes and excerpts) that was translated into English.

For the data analysis, we followed the three steps specified by grounded theory: open coding, axial coding, and theoretical coding (Corbin & Strauss, 2008). Coding is a process of deriving and developing concepts from the data at hand (Corbin & Strauss, 2008). According to Corbin and Strauss (2008), coding can be done word by word, phrase by phrase, sentence by sentence, or paragraph by paragraph. Following Wilhelmy et al. (2016), we coded each possible element that we considered worthy of coding, that is, single words, sentences, or whole paragraphs. Constant comparative analysis, which is the analytic process of comparing different pieces of data and looking for similarities and differences (Corbin & Strauss, 2008) occurred in the three coding steps. The constant comparative analysis was conducted based on the informed grounded theory approach (Thornberg, 2012). In this process, we considered the existing literature and how this could be used to identify and label new categories (Locke, 2001). Through all the coding processes, we made use of the coding software MAXQDA 2018.

First, in the *open coding* stage, we analyzed and coded the raw data. The purpose of this coding step is to understand the essence of what is being expressed in the raw data and assign a conceptual name (code) to describe that understanding (Corbin & Strauss, 2008). Following the procedure described by Corbin and Strauss (2008), the two coders independently coded the data and then met to compare and discuss the differences in their individual coding. Following previous grounded theory studies (Kreiner et al., 2009; Nübold et al., 2017; Wilhelmy et al., 2016), we used a coding dictionary to facilitate the coding process. The coding dictionary is an evolving system of categories that is continually modified (e.g., new codes are added; some codes are changed) based on constant comparison between new codes and existing codes (Kreiner et al., 2009). The two

coders recorded their consensus on the appropriate use of code in the coding dictionary.

Second, in the *axial coding* stage, we organized codes into categories in order to elevate them to a more abstract level that is relevant for the research questions (Urquhart, 2013). The purpose of this process is to find higher-level concepts called *themes* (Corbin & Strauss, 2008). We constantly compared the codes to codes that had already been classified into categories or subcategories based on their similarities and differences. For example, all codes related to corrupt behavior could be categorized using the main code *behavior*, which covered possible subcategories such as bribery, embezzlement, favoritism, and manipulation of information. At this stage, the two coders also met to discuss differences in their reasoning for classifying sub-codes into main codes. These categorizations were documented in the coding dictionary.

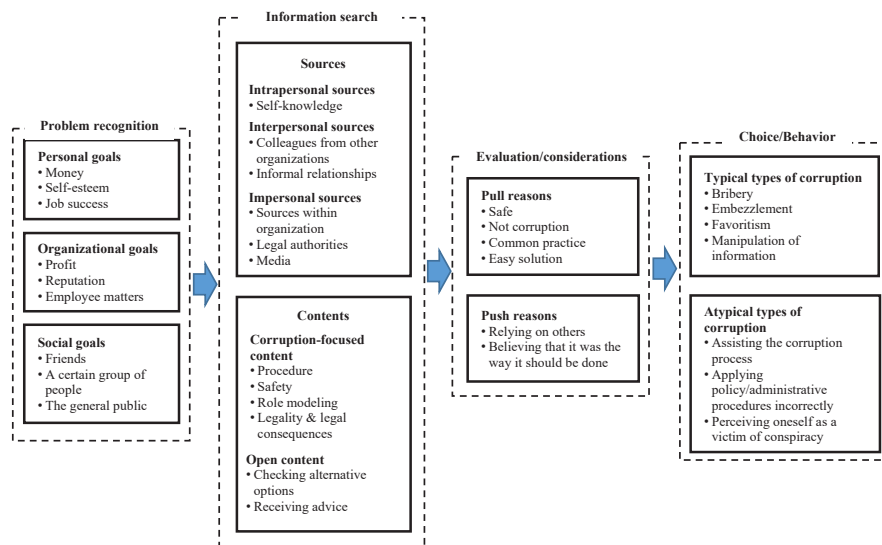
The third and final step is *theoretical coding*. In this stage, the goal is to link various categories to a core category and reveal an underlying theory (Corbin & Strauss, 2008; Urquhart, 2013). A core category is a conceptual idea that could cover all other categories and represent the core theme of the research topic (Corbin & Strauss, 2008). In order to investigate the relationships between our categories, we compared categories to each other and discussed the links between them (Urquhart, 2013). In this process, we tried to identify categories that occurred together across each stage of the decision-making process. For example, we tried to discover whether any specific goal or information search activity was related to a certain type of corrupt behavior. To reveal these relationships, we used the *code relations browser* tool of the MAXQDA 2018. This tool is able to identify the relationships between codes by examining codes that were reported together by the participants. Finally, we integrated our findings, identified core categories and links between categories, and developed a diagram that illustrates our emerging theory, grounded in the data (Corbin & Strauss, 2008).

Results

Overview

The aim of this study was to shed further light on the decision-making processes of individuals who had been sentenced for corruption. Following the normative perspective on decision-making proposed by Engel et al. (1986), we first explored the last stage of the decision-making process, that is, participants' behaviors that had been identified as corrupt and for which they had been sentenced. We then proceeded with the first three stages: the goals that our participants wanted to achieve by engaging in corruption, the information that they searched for before deciding to engage in corruption, and the aspects that they considered when choosing corruption as a solution to a certain problem. We chose this specific order, as we first wanted to familiarize participants with the interview setting and the topic (Jacob & Furgerson, 2012) and let them explain their point of view before asking more detailed questions about their underlying motives and considerations. Figure 2 presents an overview of our findings. In Table 1, we provide more detailed information about higher-level categories (axial codes), and lower-level categories (open codes).

Figure 1.2 *Conceptual Model of Decision Making-Process Underlying Corruption*



In relation to behavior, we found seven categories that we then organized into two broad categories. The first covers behaviors that represent typical types of corruption in the literature (i.e., embezzlement, bribery, manipulation of information, and favoritism). The second is behaviors that are not generally considered to be typical examples of corruption that we will call atypical types of corruption (i.e., behaviors related to assisting the corruption process, behaviors associated with the false application of policy/administrative procedure, and participants' perception of being the victim of a conspiracy). Regarding participants' goals, the data analysis revealed three different categories: personal goals, organizational goals, and social goals. In terms of the information search stage, we explored two types of information content that participants searched for before deciding to engage in corrupt behavior: corruption-focused and open content. Corruption-focused content is a category of information that only focuses on the attributes of corruption as a behavioral option, whereas open content is a category that focuses on alternative options. Participants searched for information by considering several information sources, namely: intrapersonal sources, interpersonal sources, and impersonal sources. Finally, participants chose corruption as a solution to a specific problem because of two main reasons, which we labeled *pull* and *push* reasons. *Pull* reasons include decisions to participate in corruption that were motivated by a positive or normative evaluation of the corrupt behavior itself, e.g., not considering the behavior to be corrupt, or considering the behavior to be 'safe', an easy solution to the problem, or as accepted and enacted by others. On the other hand, *push* reasons referred to participants' decisions to participate in corrupt behavior because others (e.g., authorities) had involved them in the process of corruption or because their corrupt behavior was considered to be the only solution to a problem.

Table 1

Axial Code, Open Code, and Example Quote

Axial code and open code	Example quote
Behaviors: Which of participants' behaviors were judged as being corrupt?	
Typical types of corruption	
<i>Embezzlement:</i> Obtaining money from a project, taking money from the government budget, asking for higher prices	"I took it [the money] all. They did not know that. They only see the data... I gathered it from the individuals' taxes. Then I made the report." (Participant 10, a tax officer)
<i>Bribery:</i> Giving a monetary bribe in order to secure a project, a grant, or lower taxes	"I was only coordinating things so that they would receive the money. The thing was, in the circle of the Ministry of A, if we wanted to secure a project, we would have to be bold, give some [money] to the people in the head office. So, every budget should have their [the ministry's] approval." (Participant 6, a principal)
<i>Favoritism:</i> Giving a loan from the organizational budget to the football club, to ineligible people, or to small enterprises	"I gave it [the loan], but doing that led to my involvement in this corruption case. I gave it to individuals who were not eligible, to the sub-district head, local police head, and village head. It said it was forbidden in the instruction manual." (Participant 33, a manager of an empowerment program)
<i>Manipulation of information:</i> Falsifying a document, data, and financial report	"And I, as the treasurer, should be smart, so that we would get the funding again... I falsified [the financial report], so that [we] would get the funding again." (Participant 32, a treasurer of an empowerment program)
Atypical types of corruption	
<i>Assisting the corruption process:</i> Assisting in money transfer processes, helping in land acquisition processes, lending the name of one's company to a corrupt project,	"At that time, my company name was borrowed by a colleague of my relative for a uniform procurement project... I just put the sign and stamp on it, and they did the job... The project was executed well, and I got the fees.

managing events within the program that is used for one's corrupt actions, finding an institution as a partner for the corruption process, and signing a document

Applying policy/administrative procedure incorrectly:

Building a market place in disputed land, signing a contract or receipt for a corrupt project, giving money to a project without obtaining a proper receipt, spending money that was not included in the budget, letting the project grant lapse, acquiring land without a proper appraisal process, investing money into businesses outside the organization's vision, giving a credit without proper management, and applying the wrong procedure when borrowing money from the bank

Perceiving oneself to be a victim of conspiracy: Selling land to the state company, providing a loan, assisting the farm community in order to increase productivity, and buying the land for the sugar factory

Two months later, I was called by the prosecutor. There was a problem (with the project)." (Participant 12, an owner of a company)

"I was sentenced because [I] did not use appraisal [in the land acquisition].

However, we had asked the tax office about the appraisal process, but they never processed it. Then, we had a consensus meeting [to determine the price of the land]." (Participant 24, a district head)

"We, as managers, were considered to be violating the procedure, spending the money was not in accordance with the budget plan." (Participant 38, a manager of regional government company)

"I was convicted for violating the law, but in reality, it was not like that... In short, I was hindered in terms of participating in the political election [regional senator election]. I was tricked with the Corporate Social Responsibility [CSR] program. I managed the CSR program from a public company... Finally, political opponents accused the program of corruption, and made me go to jail." (Participant 9, a secretary of farmer organization)

Problems: What are the goals that the participant wanted to achieve with his/her decision to engage in corruption?

Personal goals: Money (consumptive needs, paying off a debt, buying a home and land, paying for family needs), self-esteem (demonstrating one's ability, being appreciated and praised, being popular), and job-related (following one's job description, career development, getting jobs/projects)

"The point is, what I wanted, was to get the acknowledgement that I was able to do it, able to do a good job." (Participant 32, a treasurer of the empowerment program)

"If I did not follow (the instruction), I would not have gotten the project." (Participants 16, a lecturer)

<i>Organizational goals:</i> Supporting a regional government project, organizational profit, organizational reputation, employees' benefits, and helping the organization to get the project	<p>"But it [giving a bribe] was for the common good. For the school's progress (Participant 6, a principal).</p> <p>"I did it (taking the money) for the employees' sake... So, I shared the money, it was not for my own and my family's benefit." (Participant 21, a branch manager of a national company)</p> <p>"What I truly wanted was to make the road comfortable. [So] Cars can pass through. I just wanted to get funding for the construction, wherever the money comes from." (Participant 11, a community secretary)</p>
<i>Social goals:</i> Helping the farmers, helping a friend, for public facilities, for the people, and for one's village	
<hr/>	
Information search: Where did the participant search for information?	
Intrapersonal sources	
<i>Self-knowledge:</i> Previous experiences and knowledge	<p>"No (I didn't search for further information), I had experience working as an accountant. [I had] experience to apply." (Participant 32, a treasurer of the empowerment program)</p>
Interpersonal sources	
<i>Colleagues from other organizations:</i> The principal from another school, a colleague from another district, colleagues from other universities, another company owner, and another private school owner	<p>"Then I asked my friend, who was in the same position, 'Does it occur in your district?', 'never', he said." (Participant 10, a tax officer)</p>
<i>Informal relationships:</i> Wife and relatives	<p>"I thought about it for so long, sir. Every night, almost every night I talked to my wife about the same issue [whether I should take the money or not].," (Participant 10, a tax officer)</p>
<i>Sources within organization:</i> Supervisor/leader, board representative, and staff members	<p>"I always coordinated with my treasurer. [She] agreed and I did it. Suppose that she did not agree, it would not have been like this." (Participant 25, a treasurer)</p>
Impersonal sources	

<p><i>Legal authorities:</i> Government regulations, criminal law books, the law department within the organization, the audit board, the provincial government, a befriended law student, village land database book, and national land agency</p>	<p>“I read the criminal law book and I knew the maximum sentence was six years.” (Participant 27, a civil servant)</p> <p>“The government regulations said that it can be done by achieving consensus.” (Participant 24, a district head)</p>
<p><i>Media:</i> News and books</p>	<p>“Beforehand, I was, ‘huh’! I had read all the books about corruption; I’ve read the news. If I got arrested, I would have to spend this much time [in jail].” (Participant 10, a tax officer)</p>
<p>Information search: What kind of information did the participants search for before they decided to engage in corruption?</p>	
<p>Corruption-focused content</p>	
<p><i>Procedure:</i> Checking how to do corruption securely, how to falsify the report, how to keep one’s assets safe from corruption, and knowing the procedure for getting a loan</p>	<p>“Yeah, we learned [from others], we were a new district. I learned it [to falsify the report] from the more senior ones.” (Participant 32, a treasurer of the empowerment program)</p>
<p><i>Safety:</i> Checking whether the behavior would have negative consequences, and whether the chances of getting caught would be high or low</p>	<p>“Yeah, about that, whether this project was safe or not. Many (people) said that it was safe. Everyone said this was safe. This was the governor’s program and not a fake program.” (Participant 16, a lecturer)</p>
<p><i>Role modelling (comparison):</i> Checking whether other people also did it, whether others’ behavior was ‘safe’, checking how others behaved in the same situation, and if their behavior was common</p>	<p>“At that time, I made a comparison with the other districts related to this program. I saw that they were fine.” (Participant 5, a civil servant)</p> <p>“There were several [schools]. I knew the other schools did it [bribery] as well.” (Participant 6, a principal)</p>
<p><i>Legality:</i> Checking whether the behavior violates laws/regulations, whether the behavior is defined as corruption, what the legal basis for the behavior is, and what the status of the land is</p>	<p>“We sent a letter to the province tax department [the appraisal team], but [we] didn’t get an answer. Then [we saw] in the presidential decree it said that it could be done by achieving a consensus... Finally, we did it, [because] there was a regulation about that.” (Participant 24, a district head)</p>

<i>Legal consequences:</i> Checking the amount of years for the particular sentence	“Before that, I was, ‘huh!’ I’ve read all the books about corruption; I’ve read the news. “If I got arrested, I would have to spend this much time [in jail].” (Participant 10, a tax officer)
Open content <i>Checking alternative options</i>	“It was quite long, Sir, I applied for it [the funding] in 2010... I started to apply for funding in 2010. It was rejected because I didn’t want that [to bribe].” (Participant 6, a principal). “So, I gave the information about the project to the Dean, and I asked ‘if there was an offer like this [a project], whether we should take it or not?’” (Participant 16, a lecturer)
<i>Receiving advice</i>	“I always coordinated with my treasurer. [She] agreed and I did it. Suppose that she did not agree, it would not have been like this.” (Participant 25, a treasurer)

Evaluation/consideration: What aspects did the participant consider when he/she chose corruption as a solution to a specific problem?

Pull reason

<i>Safe:</i> The idea that one’s own behavior was safe, that others’ behavior was safe, the notion that one could handle the risks, that the behavior would not be noticed, and that the behavior would not be a problem	“In my organization, many other individuals did it [took the money] for their own sake, but nobody went to the jail. It encouraged me; nobody got caught. Maybe many individuals took more than me, the director maybe, but all of them were free.” (Participant 21, a branch manager of a national company)
<i>Not corruption:</i> The notion that the behavior was not violating any regulations, was based on regulations, that the behavior was auditable, that it was the right way of doing things, not receiving the money oneself, not engaging in any corruption oneself, and not understanding the laws related to corruption	“It didn’t violate the regulation because the money went to the organizational account. I didn’t get any money, and the head of the regional government didn’t either. Because of a political conflict, it became a problem [corruption case].” (Participant 35, a secretary of the district government)

<i>Common practice:</i> Other individuals also did it, it was a tradition	“I thought the tradition was to do that [give the bribe]. Almost everyone, also other colleagues, did that as well.” (Participant 6, a principal)
<i>Easy solution:</i> Less complicated, less time consuming, less expensive, not having to do anything to get money	“First of all, it was a fast way. APBD [the procedure with the government budget] could have lasted two years. Then, the efficiency was clear. We just needed to make a simple report, less complicated.” (Participant 38, a manager of regional government company)
Push reason <i>Relying on others:</i> Following instructions, trusting others, behavior was approved by others (leader/committee), and the notion that others would be held responsible for their own (corrupt) behavior	“It was on the Dean’s instruction, I did not initiate that. I only followed the instruction... So, I did it because of the Dean’s instruction.” (Participant 16, a lecturer)
<i>Believing that it was the way it should be done:</i> The idea that nothing is for free, it was impossible without bribery, it was the best way, and there was no other way	“It was what I could do. It was a good way. Want it or not, there were no other ways. It was the way. I was sure about that.” (Participant 32, a treasurer of the empowerment program)

Considering that corruption is a complex phenomenon and takes on various forms in different contexts (Luo, 2005), we describe our findings on the decision-making process based on the category of corrupt behavior that we found. For every corruption category, we describe the specific behavior and the associated decision-making stages (i.e., goals, information search, and evaluation aspects).

Typical Types of Corruption

This category refers to those typical forms of corruption that have already been identified in the literature. This category includes behaviors like bribery, embezzlement, favoritism, and manipulation of information. Bribery is a behavior that involves offering someone money, services, or other valuables in exchange for preferential treatment (Gorsira, Denkers, et al., 2018). As can be seen in Table 1, the data analysis showed a number of bribery behaviors. For example, a school principal said:

I was only coordinating them. The thing was, in the circle of the Ministry of A, if we want to get some projects, we have to be bold, giving some [money] to individuals in the head office. So, every budget needs their approval. (Participant 6)

Embezzlement is characterized by taking or converting money, property, or other valuables for personal benefit (Vargas-Hernández, 2011). For example, a tax officer reported: “*I took it [the money] all. They did not know that. They only knew the data... From the individuals’ taxes, I gathered it. Then I made the false report*” (Participant 10). In the data analysis, we also explored behaviors categorized as *favoritism*: the misuse of authority to favor certain individuals (Lasthuizen et al., 2011). An example of behavior that could be categorized as favoritism is giving a loan intended for poor people to ineligible people, i.e., people who are not poor. Finally, *manipulation of information* refers to the intended or unintended abuse of (access to) information, such as cheating, violation of secrecy rules, disregarding the confidentiality of information, or concealing information (Lasthuizen et al., 2011). For instance, some of our participants reported that they had engaged in behaviors such as falsifying a document, the creditor’s identity, or a financial report.

Participants who engaged in typical forms of corruption were mostly ‘active’ decision makers and, thus, responsible for their behavior. They had different positions in their organization, such as school principal, tax officer, manager and secretary of an empowerment program, village head, and government official. They reported a variety of goals underlying their corrupt behaviors, including personal, organizational, and social goals. The majority of them either explicitly or implicitly reported personal goals underlying their corrupt behaviors. For example, a tax official said that he took much money from the tax account for his personal benefit: “*First of all, honestly, I bought a house for my wife. I bought it for 800 million [rupiah], taken from that account*” (Participant 10). The personal goals were not only related to money, but also to psychological benefits, such as a boost of self-esteem. For instance, a treasurer of the village empowerment program who manipulated the financial report said: “*The point is, what I wanted, was to get the acknowledgment that I was able to do it, to do a good job*” (Participant 32). She also stated that she manipulated the financial report to reach

a social goal, namely for the village's sake, as she said: *"I only wanted to get the grant again, so the village gets the grant, that was my intention, even though, maybe, I took the wrong way"* (Participant 32). Besides that, some other participants reported that organizational goals motivated them to engage in corruption, such as goals related to organizational reputation, organizational profit, and employee compensation (e.g., passing on the benefits arising from the corrupt action to the employees).

In terms of the information search process, all participants who engaged in typical forms of corruption made social comparisons before they finally acted corruptly. They typically searched for information about how other people, particularly their colleagues, behaved in the same situation. For example, a school principal who engaged in bribery stated: *"There were several [schools]. I knew the other public schools did it [bribery] as well. I have a colleague. He was the one who told me that the others got the projects in the same way"* (Participant 6). Some of the other participants engaging in typical forms of corruption also searched for information regarding the best procedure for engaging in corruption. In addition, some participants engaging in typical forms of corruption had searched for information on the safety and the legal consequences of their behavior. For instance, a tax officer who engaged in embezzlement told us, *"Beforehand, I was, huh! ... I have read all the books about corruption, I have read the news... how long the sentence would be if I get arrested"* (Participant 10). Besides self-knowledge, informal relationships, and impersonal sources, colleagues from the other organizations were the most common information source who participants in this category consulted for information related to corrupt behavior.

Regarding the evaluation aspects of their decision, participants in this category chose corruption as a solution to a specific problem because of several reasons. The reason most frequently cited by participants was that they had considered the behavior to be safe. They made sure that the behavior would not create any problems for them in the future and would not lead to them getting caught. Participants commonly evaluated the behavior as safe based on their own prior experience or on information they had received from close others. For instance, a manager of an empowerment program who engaged in favoritism reported: *"It was because in the first, second, third, and fourth-year, it was okay; there were no issues. Even in 2007, I got the award, sir. So I continued to dare to do so"* (Participant 33). A branch manager of a national company who engaged in embezzlement similarly said:

In my organization, many other individuals did it [took the money] for their own sake, but nobody went to jail. It encouraged me; nobody got caught. Maybe many individuals took more [money] than me, the director maybe, but all of them were free. (Participant 21)

Most of these participants also reported additional reasons, such as considering the corrupt behavior as common and enacted by many others, as an easy solution to the problem, or even as the only solution to a problem.

Atypical Types of Corruption

Assisting the Corruption Process

One of the behaviors that participants described—assisting the corruption process—is not commonly studied in the literature. This behavior captures participants who reported that they had only contributed in a minor way to the whole corruption process. This category was the most common behavior reported by participants. It includes lending the name of one's company to a corrupt project, providing the signature on a document, assisting the money transfer process, or managing events within the program that had been used for one's corrupt actions (see Table 1). This category of behaviors does not define participants as an active or driving force of corruption, but rather as facilitators who contribute to a certain part of the corruption process. The majority of participants of this category were regular employees in their organization, such as a treasurer, lecturer, teacher, general affairs staff, or a third-party who was involved in the corruption process (e.g., villagers; a construction company director). Some participants reported that, at the time, they were unaware that their behavior had contributed to the corruption process. For example, a university treasurer said:

I did not know, I was also not involved in the project team. I was not involved at all. I was just asked by the rector [to issue the money], and of course, I did so because I was the treasurer of the rector. If I would not have done it, it would have meant that I did not do my job right. (Participant 29)

Some participants who had assisted the corruption process, particularly those who were not aware that their activities related to corrupt actions, trusted others' (e.g., their leaders or colleagues) decisions. Therefore, the evaluative aspects underlying their corrupt behaviors were mainly push reasons, such as following the instructions of others, their leader approving their behaviors, and others being held responsible for their behaviors. For example, a villager who signed the documents (related to corrupt projects) without knowing the details of these documents reported: *"It was an educational institution, I thought [they] were more aware of the details of what's being processed, and I thought there wouldn't be any problem. They would not deceive a villager like me, who had a good intention"* (Participant 2). Logically, participants in this category did not search for much information before they took action.

Other participants in this category engaged in information search before they assisted the corrupt behaviors, especially those who were aware that their behaviors were relevant for the corrupt process. The content of information that participants in this category searched for was similar to those who engaged in typical forms of corruption, such as social comparisons and safety issues. The most considered aspect of these participants was whether their behavior would be safe to do. For example, the head of the institute for research and community service at a private university who was involved in a bribery process said:

From 1.75 billion [rupiah], 70% was paid back. It means that what my university used was only 30%. However, the report should sum up to 100%... Other [universities] refused [such a project] because the money that should be paid back was too huge. My institution was small, and therefore interested [in the project] to have funding [for research]. (Participants 16)

Before he finally engaged in corrupt behavior, he searched for information among his colleagues on whether this would be a problem or not: “Yeah [I did search for information], whether it was safe or not. Many said it was safe. It was the governor’s program” (Participants 16). He also asked for his manager’s approval and compared his situation to other organizations:

Yes, I think it was quite a lot [of information]. First, I went to the dean, and then, I asked the other universities that had frequently dealt with this kind of project. All of them agreed... The fund deductions from the government project were common. All of them understood this. (Participant 16)

In sum, some participants who assisted or were involved in the corruption process were aware that their activities were corrupt, while others were not. Their decision-making process differed accordingly. The former group engaged in extensive information search before committing to the corrupt process, while the latter largely avoided this stage.

Applying Policy/Administrative Procedures Incorrectly

Among the atypical forms of corrupt behaviors, applying policy/administrative procedures incorrectly covers behaviors that deviate from the standard procedures or policy regulations that apply in a certain context. An example of this type of behavior is the acquisition of land without a proper appraisal process. A district head reported:

I was sentenced because I did not follow the proper appraisal procedure [in the land acquisition]. However, we had asked for an appraisal process at the tax office, but they never processed it. Then, we just had a consensus meeting [to determine the price of the land]. (Participant 24)

Another example stems from a manager of a regional government company who invested organizational money in a way that deviated from the organizational vision: “I, as a manager, was considered as violating the procedure, spending the money was not according to the budget plan” (Participant 14). Interestingly, most of the participants in this category were in a position of power in their organization, such as district heads, a managing director of a public company, a village head, a school director, and a school principal. Thus, they had more insights, authority and, thus, opportunities to apply policy and administrative procedures in an incorrect way.

Some participants in this category reported social and organizational goals motivating their behavior, such as improving public facilities and increasing organizational income. However, most of these participants also reported personal goals, including their career, self-esteem, and personal income. These participants mostly searched for information about the legality of the behavior before they

finally engaged in the activities that led them to jail. They mostly searched for that information in regulation documents or asked a higher authority, such as the board committee. Therefore, most of the participants in this category did not consider their behavior to be corruption.

Perceiving Oneself as a Victim of Conspiracy

Several participants reported that they were victims of the ‘real actor of corruption’ and his/her political motives. For instance, a secretary of the farming organization said:

I was convicted of violating the corruption law, but in reality, it was not like that... In short, I was hindered from participating in the political contestation [regional senator election]. I was trapped with the CSR [Corporate Social Responsibility] program. I managed the CSR program for a public company... Finally, this program was corrupted based on political motives to make me go to jail. (Participant 9)

In terms of hierarchy, participants in this category mostly had a high-level position in their organization, including a village head, branch manager of a bank, NGO founder, businessman, and a manager of a regional public company. Participants in this category mostly reported that they had a conflict of interest with people who had more power and higher authority. For instance, a village head told her story:

I participated [as an incumbent] in the village head election. In that process, my competitor cheated. The regency head appointed this guy [as the elected village head]... and I took legal action against the regency head [for his decision]... I won the judicial process, and the court asked the regency head to annul the election result. But the regency head appealed to a higher court. However, the higher court rejected his appeal. Finally, the regency head said, “search for any type of mistake that she made [that could be considered violating the law].” I knew this from someone who joined the meeting... Then I was sued by the prosecutor for corruption with regard to the building project. (Participant 30)

These participants did not consider their actions as corrupt behavior or unethical behavior in general. For example, when we asked, “what behavior of yours was regarded as violating the law?”, a secretary of a farming organization reported:

I managed 2.3 billion [rupiah] from a farming company in the form of rice seeds, fertilizers, and the cost of the farm activities. The fund was from the CSR program of a public company. In the end, we failed to harvest because of the poor quality of the seeds, and we were asked to pay back the fund. We could not pay the money back... It was not corruption. (Participant 9)

Regarding the goal formulation, participants in this category did not report any personal interests underlying the behavior that they engaged in. Instead, they reported social goals. For instance, the secretary of a farming organization claimed: “I did this for social reasons. I did not get any salary for that. I even used my own money for that program” (Participant 9). Similar to participants who applied policy/administrative incorrectly, these participants believed that their behaviors were not corrupt and did

not violate any regulations. For example, a credit analyst in a public bank said: “*We had all of the requirements for that [giving a loan to a businessman]. In terms of regulations, it was not possible to be regarded as violating any regulations*” (Participant 17). Finally, most of these participants did not search for any information, as they had engaged in the respective behavior (which they regarded as legal) many times before.

Discussion

In the present study, we set out to explore the intra-individual cognitive-motivational decision-making processes underlying corruption. We took an informed grounded theory approach (Thornberg, 2012) while using a general decision-making model (Engel et al., 1986) to guide our study. The detailed analysis of our data revealed some interesting new insights. We identified new categories for each stage of the decision-making process and uncovered previously unconsidered relationships between different aspects of these stages.

Firstly, with regard to corrupt behavior, we found atypical forms of corruption that did not align with the literature’s usual categories, like bribery, embezzlement, manipulation of information, and favoritism (Lasthuizen et al., 2011; Vargas-Hernández, 2011). These behaviors included applying policy/administrative procedures incorrectly and assisting the corruption process. In addition, some participants perceived themselves to be victims of a conspiracy. In line with the typology of ethical decision outcomes (Tenbrunsel & Smith-Crowe, 2008), participants engaged in corruption both intentionally and unintentionally.

For these atypical, mostly unintentional forms of corruption, the decision-making process was followed less consistent than what happens with typical forms. According to those participants, they were not (fully) aware that their actions were illegal and could be considered corrupt. Consequently, they reported fewer personal goals or information search activities, and mostly did not actively decide to engage in the behavior that was then later judged as corrupt as it was part of their everyday behavior or because they blindly relied on the judgment of others. For most of the typical forms of corruption, our qualitative data support the idea that the process leading to corruption does indeed resemble general decision-making models and proceeds through different stages, including the identification of a problem and goal formation, information search, and evaluation of this information. Thus, our findings highlight that corruption may involve a more elaborate decision-making process than previously considered in models of unethical and immoral decision-making (e.g., Hannah et al., 2011; Trevino & Youngblood, 1990).

Secondly, in the domain of goals, participants mentioned not only their personal and organizational goals (Anand et al., 2004), but also a number of what we categorized as *social* goals. These included helping farmers, improving public facilities, and aiding the general public. Corruption is generally regarded as immoral behavior (Vargas-Hernández, 2011) used to advance personal and organizational goals (e.g., Anand et al., 2004; Rabl & Kühlmann, 2008). However, our findings indicate that corruption can be a means of achieving pro-social and morally sound goals. This aligns

with suggestions by De Graaf and Huberts (2008), who proposed that goals like friendship or love, status, and impression management could play a role in corruption.

Thirdly, concerning information search, participants reported both searching for information related to corruption and searching for alternative solutions and advice about whether corruption would be the best solution or not. Participants mainly used interpersonal sources, such as close colleagues, especially from other organizations. This finding emphasizes that corruption is not always performed by an individual in isolation, but often performed by consulting with others (Köbis et al., 2016). Thus, scholars may need to take a network perspective (Jancsics, 2014) when studying corruption. Furthermore, we found that participants who reported having had a personal goal related to corruption pursued a more elaborate information search process than participants who reported having had social or organizational goals. Logically, the extent of awareness with regard to the corrupt actions determined the amount of information searched for. Less aware participants reported that they signed a document without reading it in detail, acted based on trust in others, or simply carried out a certain behavior without any further consideration of its consequences. In contrast, more aware participants reported having searched for much more information (e.g., about corruption laws, alternative solutions, and the potentially negative consequences of getting caught). This result suggests that contextual factors (e.g., task type, time pressure, hierarchical structures) can determine whether individuals engage in more or less information search and, thus, rational or intuitive corruption (Phillips et al., 2016).

Finally, in the evaluation stage, we identified what we labeled as push and pull reasons for engaging in corrupt behavior. Push reasons which have not been identified in the literature so far were associated with participants not being aware of the corrupt character of their actions. Participants felt pushed to engage in these behaviors because they trusted and obeyed authorities (i.e., engaged in corruption because their supervisor involved them in the corruption process). Furthermore, they may have considered corruption as the only solution to a problem, highlighting the role of contextual and systemic pressures in encouraging corrupt decisions. These findings align with the notion that corrupt behavior is influenced by not only individual aspects, but also situational, organizational, and environmental aspects (Luo, 2005; Misangyi et al., 2008; O'Higgins, 2006). Pull reasons corresponded to previously reported positive motivations for corruption, such as perceived behavioral control and attitude toward corruption (Rabl & Kühlmann, 2008), risk of disclosure and the size of the bribe (Rabl, 2011), as well as descriptive norms of corruption in or across organizations (Green, 1991; Köbis et al., 2015). Most of the participants that engaged in typical forms of corruption and were aware of their acts used rational cost-and-benefit analysis (Husted, 1994; Jancsics, 2014) (e.g., checking whether they would be caught) to reach a decision.

While pull reasons for corruption fit with the notion that bad people intentionally make bad decisions (Tenbrunsel & Smith-Crowe, 2008), the push reasons listed by our participants suggest that scholars should consider the possibility of unintentional corrupt behavior. While we used rational decision-making theory (Engel et al., 1986) as

a framework for our research, our findings indicated that decision-making in corruption can be both rational and intuitive. This aligns with previous work on unethical behavior and moral decision-making, which has also emphasized rational and intuitive approaches, such as the moral decision-making model (Rest et al., 1999) versus the literature on intuitive dishonesty (Köbis et al., 2019).

Theoretical Implications and Contributions

This study makes several theoretical contributions. First, we contribute to the literature on corrupt decision-making by further exploring the intra-individual, multi-stage process of corruption that goes beyond the previously identified mechanisms outlined in ethical, moral, and corrupt decision-making models (Hannah et al., 2011; Rabl & Kühlmann, 2008; Trevino & Youngblood, 1990). By exploring additional aspects at every stage of the decision-making process leading to corruption (e.g., *how* do individuals search for information? *why* do individuals choose corrupt behavior over another kind of behavior as a solution to a specific problem?) as well as the relationships between them, this research furthers our understanding of the cognitive-motivational mechanisms that lead to corrupt actions.

Second, using an informed grounded theory approach (Thornberg, 2012) and interviewing a sample of individuals who had actually been convicted of corruption enriches our understanding of how real-life actors of corruption came to the decision to act corruptly in greater conceptual depth. Most corruption studies have failed to generalize their findings to real-life contexts, as they are mostly conducted in laboratory settings with student samples and using scenarios or games (Armantier & Boly, 2012). By investigating the process of corruption with actual convicts of corruption, we were, for example, able to discover atypical forms of corruption (e.g., assisting the corruption process) alongside affirming more typical types (e.g., bribery). We also found that participants engaged in corruption because of push reasons, such as getting involved in corruption by following the instructions of one's supervisor. Thus, the findings of our qualitative approach with real-life actors add to the external validity of corruption research and provide a deeper understanding of the mechanisms involved in making such decisions. Future studies may build on these findings and investigate the corruption process with a stronger systemic perspective (e.g., with social network analysis) that accounts for the dynamic interplay between active and passive actors and the associated intra- and interpersonal mechanisms. Previous corruption studies applying a network approach have indicated that corruption involves multiple actors (Diviák et al., 2019; Jancsics & Jávör, 2012). Each actor within the network has a different role, engages in different activities, and has individual connections (Diviák et al., 2019). Analyzing the intra-individual decision-making processes within such a corrupt network may further our understanding of the interplay between intra- and inter-individual factors in corrupt decision-making processes.

Study Limitations

Despite the contributions that this study makes, as outlined above, it also has several limitations. One such limitation is that our participants were all from Indonesia. It is possible that the results for individuals from other countries (e.g., Western countries in North America or Europe) will differ because previous studies have shown that corruption in one country is related to cultural aspects (Gelbrich et al., 2016). Furthermore, our participants' corrupt behavior was only enacted at a regional level, and we did not investigate corrupt behavior at a national level. Including acts of corruption at a national level might have given us a more comprehensive understanding of large-scale acts of corruption (e.g., grand corruptions). Nevertheless, our sample was still quite diverse and included both men and women who worked in different types of organizations (private/public) and in a variety of positions (e.g., principal, lecturer, and regional government head, secretary, treasurer, and tax officer). In addition to the heterogeneity of our sample, the fact that we collected data until reaching theoretical saturation (Glaser & Strauss, 1967) helped to ensure that our insights may generalize to other samples and contexts.

Another potential limitation of our study design is that participants reported their corrupt behavior retrospectively. Because corruption is a socially undesirable act, it can create cognitive dissonance (i.e., discomfort arising from the idea that one is a good person but has committed a bad act). Therefore, we cannot rule out the possibility that participants engaged in retrospective rationalization in order to reduce cognitive dissonance (Ashforth & Anand, 2003), leading them to reframe their past corrupt behaviors as normal and acceptable (Anand et al., 2004). Specifically, the denial of responsibility – one form of rationalization where individuals view circumstances beyond their control as responsible for their corrupt actions (Ashforth & Anand, 2003) – may explain why several participants reported that they only contributed in a small way to the corruption process, were victims of a conspiracy, simply followed orders, or did not have any other choice. In summary, we cannot rule out the possibility that cognitive reappraisal and justification processes influenced participants' answers, such that they did not accurately reflect their original decision-making processes at the time of their corrupt involvement. However, in an attempt to limit this kind of desirability bias, we ensured complete confidentiality during the research process in order to make participants feel safe and allow them to talk honestly about their experiences (Cox & Hassard, 2007). Furthermore, as many participants in our sample did report intentional corrupt behaviors and did not deny responsibility, we believe that our findings may rather reflect an empirical reality rather than simply retrospective rationalization. Nonetheless, future studies should examine the decision-making process more directly and with less delay to avoid the issue of retrospection bias (e.g., in an event sampling study, if possible).

Practical Implications and Contributions

Our findings may help decision-makers in designing anti-corruption interventions or developing new policies. More specifically, our model provides detailed information about the stages of goal identification, information search, evaluation, and corrupt actions, in addition to the interrelations between these stages. Our results show that the type of corruption the person engaged in determines the decision-making process underlying corrupt behavior. For example, the most frequently reported reason for why participants engaged in bribery was that it was common practice. On the other hand, the most frequently mentioned reason for why participants applied policy/administrative procedures incorrectly was because they did not consider their behavior to be corrupt. Thus, decision-makers should tailor their interventions to the unique aspects of decision-making involved in a specific form of corruption (van Doorn et al., 2018), rather than utilize a one-size-fits-all solution.

It is important to note that participants who engaged in typical forms of corruption most often considered the issue of safety. Most of the participants concluded that their behavior was safe and that they would not be caught. They came to this conclusion based on their consultation with others and on their own prior experiences. This finding is consistent with the idea that the ethical climate within an organization plays a crucial role in ethical decision-making (van Gils et al., 2017). Specifically, individuals are more likely to behave corruptly when they work in a context where unethical behavior (e.g., corruption) is not punished, but is instead a socially accepted norm. Based on these findings, we emphasize the importance of considering the ethical climate when designing intervention programs to reduce or prevent corruption.

Another of our findings that may prove useful for policymakers is that some participants believed that their behavior was not corrupt. This indicates that they did not know which behaviors can and cannot be classified as corrupt. Consequently, we highlight the importance of distributing information about corruption laws in order to increase individuals' awareness and understanding of what is and is not legal. In addition, interventions need to strengthen individuals' personal responsibility for their own actions, their vigilance toward doubtful supervisory behaviors, and their self-esteem for withstanding orders from authorities that they are critical about. These may be useful complementary strategies in addition to fostering an ethical climate in organizations. Increasing awareness, vigilance, and self-responsibility in individual actors may also help to reduce automatic responding. Following a dual process logic, people could be encouraged to engage in more effortful information processing before proceeding with corruption. This could help to prevent people from unintentionally engaging in corrupt processes due to a restricted decision-making process, as described above.

Appendix

Interview Guide

Examples of Pre-Prepared Questions

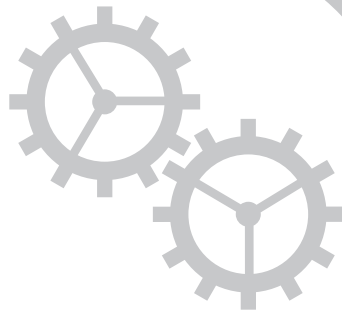
- a. What behavior of yours was regarded by the judges as violating the law?
- b. What was your goal when you decided act like that?
- c. Before you decided to act like that, did you look for any kind of information to base your decision on?
- d. What kind of information did you search for?
- e. What was the most important factor that you considered when you finally made the decision to act like that?

Examples of Questions Added Later Based on Prior Interviews

- a. What was your role in that situation?
- b. So, what was your fault?
- c. What was the benefit for you of carrying out that behavior?
- d. Why did you choose that behavior and not another?

CHAPTER 3

Corruption, Fast or Slow? Ethical Leadership Interacts With Machiavellianism to Influence Intuitive thinking and Corruption



This chapter is based on: Manara, M. U., van Gils, S., Nübold, A., & Zijlstra, F. R. H. (2020). Corruption, fast or slow? Ethical leadership interacts with Machiavellianism to influence intuitive thinking and corruption. *Frontiers in Psychology*, 11, Article 578419. <https://doi.org/10.3389/fpsyg.2020.578419>

Abstract

Ethical leadership has been suggested as an organizational factor that could reduce unethical behaviors in an organization. We extend this research by examining how and when ethical leadership could reduce followers' corruption. We examined the moderating role of followers' Machiavellianism and the mediating role of intuitive thinking style in the negative effect of ethical leadership on corruption. Across two different studies (field study and experiment), we found that ethical leadership decreases followers' corruption (Studies 1 and 2) and that this negative effect is mediated by followers' intuitive thinking style (Study 2). Furthermore, followers' Machiavellianism moderated the direct negative effect of ethical leadership on corruption. However, the pattern of this moderation was not consistent. In Study 1, we found that ethical leadership has the strongest direct negative impact on corruption when followers' Machiavellianism is high, whereas in Study 2, we found that ethical leadership has the strongest direct negative effect on corruption when followers' Machiavellianism is low. The theoretical implications for corruption, ethical leadership, and information processing research, as well as practical implications for corruption prevention, will be discussed.

Keywords: corruption, ethical leadership, Machiavellianism, intuitive thinking style, survey, experiment

Introduction

Cases of corruption are reported in the media almost every day. Corruption refers to unethical behavior, which is characterized by the misuse of public or organizational power (Anand et al., 2004), which can cause harm to not only organizations, but also to society. For example, corruption has been identified as one of the root causes of poverty (Gupta et al., 2002). Once corruption is revealed, the organization involved in corruption faces a problem of public trust (Mauro, 1995). Corruption research taking a micro-level perspective (Jancsics, 2014) has both explored individual antecedents such as personality, attitudes, and goals (Rabl & Kühlmann, 2008; Zhao et al., 2016), and situational antecedents such as social norms and ethical climate (Gorsira, Steg, et al., 2018; Köbis et al., 2015).

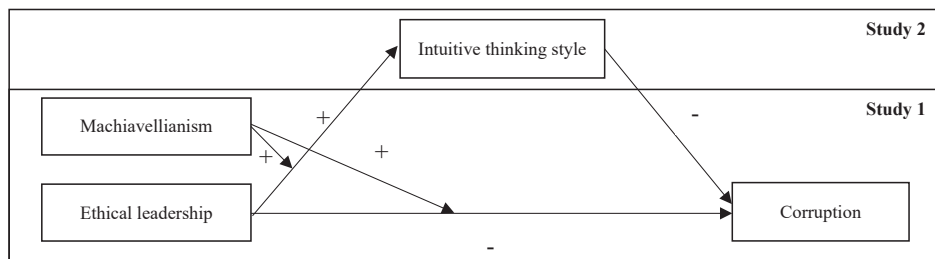
Drawing on the interactionist model of ethical decision making in organizations (Treviño, 1986), we focus on ethical leadership (Brown et al., 2005) and Machiavellianism (Christie & Geis, 1970) as situational and individual factors that may jointly contribute to corruption. Previous research has already demonstrated that ethical leadership is an organizational/situational factor that is beneficial in reducing unethical behaviors in organizations (Brown & Treviño, 2006; Den Hartog, 2015). Ethical leaders play a role as models, use reward and punishment to decrease unethical behavior, and stimulate ethical conduct (Brown & Treviño, 2006). Previous studies have shown that ethical leadership is negatively related to organizational and interpersonal deviance (van Gils et al., 2015), employee misconduct (Mayer et al., 2010), and other counterproductive work behaviors (Bedi et al., 2016). We extend this literature by examining the negative effect of ethical leadership on a specific unethical behavior, namely corruption.

Although ethical leadership negatively relates to unethical behaviors, there are some potential boundaries of the beneficial effect of ethical leadership (Brown & Mitchell, 2010). Besides contextual factors (Den Hartog, 2015), followers' characteristics could moderate the impact of ethical leadership on followers' behaviors (Taylor & Pattie, 2014; van Gils et al., 2015). Not all followers will have the same response to ethical leadership. Their personality characteristics might determine how they react to ethical leaders. For example, the negative correlation between ethical leadership and workplace incivility (a type of deviant behavior that causes harm to the organization or its members) was only significant for followers low on conscientiousness and core self-evaluations, but not significant for followers who score high on those two traits (Taylor & Pattie, 2014). In the present work, we examine Machiavellianism as a moderator of the negative correlation between ethical leadership and follower corruption. Machiavellianism involves a manipulative tendency and willingness to behave amorally (Dahling et al., 2009). We are interested in this personality trait because it has been suggested as one of individual characteristics that has positive impact on unethical behaviors in organizations (Kish-Gephart et al., 2010).

Previous research has evidenced that ethical leadership and Machiavellianism jointly affect both pro-organizational and counterproductive behavior, attributed to factors such as low emotion regulation and egoism (Belschak, Den Hartog, et al., 2018; Ruiz-Palomino & Linuesa-Langreo, 2018). For example, ethical leadership has a stronger negative correlation with knowledge hiding when followers' Machiavellianism score is high rather than low (Belschak, Den Hartog, et al., 2018). We extend the previous research on the interaction effect of ethical leadership and Machiavellianism by setting out to establish causality for this effect in the context of a specific counterproductive behavior, namely corruption. Moreover, we aim to shed more light on the underlying intrapersonal process through which ethical leadership and followers' Machiavellianism influence corruption by turning to the literature on information processing.

Despite accumulating knowledge about different antecedents of corruption and extensive research on ethical leadership outcomes (Bedi et al., 2016), research on the *intra*-individual mechanism translating the effect of both situational and individual factors on corruption is still scarce (Tenbrunsel & Smith-Crowe, 2008; Zaloznaya, 2014). In the field of leadership, some authors have called for more research to examine the underlying mechanisms to understand how ethical leaders influence their followers (e.g., Den Hartog, 2015). Initial research has suggested that followers' cognitive processes (i.e., moral disengagement) play a role as an underlying mechanism between ethical leadership and followers' unethical behavior (Moore et al., 2019). In this study, we propose that the situational intuitive thinking style (i.e., associative, low effort, and quick thinking in the specific activity; Novak & Hoffman, 2009) could be a possible cognitive mechanism that may explain how ethical leadership influences followers' corrupt behaviors. Furthermore, scholars concerned with unethical decision research have suggested that future research consider the distinction between deliberate and automatic processing and its relation to immoral decision-making, such as corruption (Tenbrunsel & Smith-Crowe, 2008). Previous work indicates that people could intuitively engage in honest or dishonest behavior depending on situational factors (Köbis et al., 2019). Specifically, research on corruption has shown that many individuals engage in less intuitive thinking when involved in corruption (Manara et al., 2019). A meta-analysis also showed that people react faster when they were asked to tell the truth than they were asked to tell a lie (Suchotzki et al., 2017). Drawing on this previous work, we suspect intuitive thinking style may mediate the negative relationship between ethical leadership and corruption. This mechanism will be discussed in more detail below. Integrating Machiavellianism as a moderator and intuitive thinking style as a mediator, we propose a moderated mediation model in which Machiavellianism will moderate the negative relationship of ethical leadership and corruption via intuitive thinking style. Figure 1 depicts our conceptual model.

Figure 3.1 *A Moderated Mediation Model of Corruption Including Person, Situation, and Intra-Personal Factors*



Our study advances the literature in several ways. First, by examining the situational intuitive thinking style as an underlying cognitive process that translates the interaction effect of ethical leadership and followers' Machiavellianism on corruption, we advance our understanding of corruption by investigating its underlying mechanisms on an intrapersonal level. In turn, this extends the literature on how ethical leadership influences follower unethical behaviors (Moore et al., 2019), and may lead to better prevention of corruption. Second, we extend the corruption literature by investigating the interaction effect of two of the most important personal and situational antecedents of corruption: namely, ethical leadership and followers' Machiavellianism. Previous studies mostly examined the direct impact of individual and situational factors on corruption separately (Gorsira, Steg, et al., 2018; Köbis et al., 2015; Zhao et al., 2016). Third, we broaden the information processing literature (Epstein et al., 1996) by focusing on the interaction effect of ethical leadership and Machiavellianism as antecedents to intuitive thinking style in a context of (un)ethical decision-making. This is important to have a better understanding of information processing in the context of corruption.

The Effect of Ethical Leadership on Corruption

A growing body of evidence suggests that ethical leadership negatively relates to several unethical behaviors in an organization, such as organizational or interpersonal deviance, as well as other counterproductive work behaviors (Bedi et al., 2016; Ruiz-Palomino & Linuesa-Langreo, 2018; van Gils et al., 2015). However, it has been suggested to extend the literature by examining the effect of ethical leadership on specific types of unethical behavior (Brown & Mitchell, 2010; Den Hartog, 2015). One such type is corruption, which has been defined as the misuse of public or organizational power for personal or organizational benefits (Anand et al., 2004; Tanzi, 1998). Corruption is based on the exchange between at least two parties, usually between a bribe giver and bribe taker, who jointly negotiate an exchange of benefits (Rabl & Kühlmann, 2008). One of those parties misuses the authority entrusted to them for their own benefit. Unlike other deviant behaviors, corruption victims are often unaware of the transgression (Rabl & Kühlmann, 2008). In the case of corruption, victims are often parties outside the corrupt interaction, such as society or the organization where the corrupt actors work. For example, when a construction

company gives a bribe to an official in public procurement in exchange for a project contract, the other bidders are unaware that their failure is due to a secret transaction between the bribe giver and bribe taker. Furthermore, because the procurement is not based on objective qualifications, the execution of a project that was acquired through a corrupt process could be of poor quality, thereby impacting public services. On the other hand, when corruption is uncovered, the organizations involved could lose public trust (Mauro, 1995).

Because corruption harms organizations and public interests, corruption is considered an immoral and illegal behavior (Rabl & Kühlmann, 2008). Therefore studying corrupt behavior stemming directly from the perpetrators of corruption is challenging. Some studies only measure corrupt intention by providing a corruption scenario and asking participants to rate how likely they will behave in the same way (e.g., Powpaka, 2002; Zhao et al., 2016, 2019). Although intention has a strong correlation with behavior, people could behave differently from their intention (Sniehotta et al., 2005). Thus, following calls for greater ecological validity (Zhao et al., 2016), this study measures corruption as an actual behavior rather than an intention. Moreover, we employ a combination of research methods that help confirm the proposed causality of our proposed relationship (cf. Belschak, Den Hartog, et al., 2018).

As corruption is a specific type of unethical behavior, we argue that ethical leadership may reduce followers' corrupt behavior toward third-parties. Ethical leadership has been defined as "the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making" (Brown et al., 2005, p. 120). Research on ethical leaders has illustrated how they influence their followers through social exchange and social learning processes (Brown et al., 2005). For instance, followers of ethical leaders may feel that they need to reciprocate the positive behavior that is offered to them (Brown & Mitchell, 2010; Peng & Kim, 2020). Researchers advocating this perspective build on theorizing by Bandura (1986), who posited that a learning process can occur via not only direct experience, but also via vicarious experience (i.e., observing others' behaviors and their consequences). Followers working with ethical leaders learn that their leader sets ethical standards, rewards ethical behaviors, and punishes unethical behaviors (Jordan et al., 2013; Treviño et al., 2000). Thus, ethical leaders affect their employees' moral behavior by impacting their moral cognition (Moore et al., 2019).

Ethical leaders also promote ethical conduct via decision-making. When making decisions, ethical leaders emphasize the importance of *how* results are obtained rather than focus on the results alone. Ethical leaders always ask themselves and their followers what the right thing to do is (Brown et al., 2005), thereby encouraging their followers to search for alternative ethical ways when confronted with an unethical option. Having the leader as a role model for ethical behavior and a potential punisher of unethical behavior (Brown et al., 2005), followers will be less likely to give in to temptations or pressures for bribery or falsification. Leaders who are more ethical will also not provide followers with those temptations themselves. Thus, we argue that

ethical leadership may reduce followers' corrupt behavior. In contrast, a lack of ethical leadership may mean that employees only focus on personal gain and, ultimately, engage in unethical behavior such as corruption (Köbis et al., 2019; Zhao et al., 2016). Thus, we propose:

Hypothesis 1: Ethical leadership will be negatively related to followers' corruptive behavior; the more ethical the leader, the less followers engage in corruptive behavior.

The Moderating Role of Machiavellianism

In addition to proposing a direct negative relationship between ethical leadership and follower corruption, we assume that not all followers that are prone to corruption will respond to ethical leadership by reducing their corrupt behavior to the same extent. Previous research has shown that individual differences in employee personality can influence their response to ethical leadership (Taylor & Pattie, 2014; van Gils et al., 2015). For example, followers' conscientiousness moderates the negative effect of ethical leadership and follower incivility. We broaden this literature by examining followers' dark traits (i.e., Machiavellianism) as a moderator of the negative relationship between ethical leadership and follower corruption. As one of the dark personality traits (Paulhus & Williams, 2002), Machiavellianism is characterized by a willingness to manipulate and exploit others, a lack of empathy, low affect, an unconventional moral view, and a focus on personal goals (Christie & Geis, 1970; Spain et al., 2014). Machiavellianism is of particular interest in this context because it is a dominant feature of individual characteristics that contribute to unethical decisions at work (Kish-Gephart et al., 2010). It has been suggested that Machiavellianism has its roots in the dark side of the organization and its members (Paulhus & Williams, 2002).

Individuals scoring high on Machiavellianism (high-Machs) are master manipulators who use all possible means for personal gains (Jones & Paulhus, 2014). High-Machs tend to engage in cunning behavior and manipulation and often use any means in order to achieve their goals (Judge et al., 2009). Therefore, high-Machs are more likely to act in unethical and illegal ways. For example, high-Machs are more willing to engage in spontaneous cheating (Cooper & Peterson, 1980), unethical pro-organizational behavior (Castille et al., 2018), counterproductive work behavior (Rehman & Shahnawaz, 2018), and deviant behaviors in general (Zagenczyk et al., 2014). Specifically, high-Mach followers are more likely to engage in corruption than their low-Mach counterparts (Zhao et al., 2016).

However, high-Machs are also likely to adapt their behavior in response to situational factors based on their self-interested motives (Belschak et al., 2015; Vernon et al., 2008). Among the dark triad traits, Machiavellianism is the only one with no association with impulsivity (Jones & Paulhus, 2011). Having impulse control enables Machiavellians to resist unethical behavior (Jones & Paulhus, 2011). Accordingly, high-Machs do not *always* engage in unethical behavior, but only when they feel that it is a way to achieve their goals (Kuyumcu & Dahling, 2014). Under some circumstances, Machiavellianism can even be positive for organizations because

high-Machs may find it serves them to adapt their behavior in such a way that it benefits the organization (Belschak, Den Hartog, et al., 2018; Belschak et al., 2015). For instance, high-Machs have been shown to engage in more citizenship behaviors when they have a transformational leader (Belschak et al., 2015) and exhibit better task performance when faced with inadequate resources (Kuyumcu & Dahling, 2014).

Given their ability to adapt, high-Mach followers might adapt their behavior when interacting with ethical leaders by reducing their motivation for corruption. Ethical leaders act as role models, communicate ethical standards, punish unethical behaviors, and reward ethical behaviors (Brown et al., 2005). As high-Mach followers have a strong goal orientation and are highly adaptive when the behavior is beneficial for them, they may be more sensitive to what ethical leaders communicate regarding what behavior is rewarded and punished (Kessler et al., 2010). Therefore, we argue that they could be more likely than low-Machs to react to ethical leadership by reducing their corrupt behaviors. On the contrary, ethical leadership might not have a strong negative effect on low-Mach followers because they are already less likely to engage in corruption. It might be less necessary for ethical leaders to communicate the moral messages to low-Mach followers as they engage less or even not at all in corruption. Thus, we argue that when followers receive clear moral messages from ethical leaders, high-Mach followers are more likely to reduce their corrupt behavior than low-Mach followers who already engage less in corruption in the first place. In further support of this view, a recent study by Belschak, Den Hartog, et al. (2018) reported that ethical leadership and Machiavellianism have an interaction effect on several outcomes such as OCB, knowledge hiding, and emotional manipulation. High-Mach followers react to an ethical leader by showing increased OCB and reduced knowledge hiding and emotional manipulation (Belschak, Den Hartog, et al., 2018). Thus, rather than solely basing their behavior on their self-interest, as would fit their personality, this study shows that high-Machs will modify their behavior if that benefits their relationship with an ethical leader. In the present study, we build upon and extend previous findings by examining corruption as an outcome of the interaction effect of ethical leadership and Machiavellianism. Therefore, we propose:

Hypothesis 2: Followers' Machiavellianism will moderate the negative relationship between ethical leadership and followers' corruptive behavior, such that the negative relationship will be stronger when followers' Machiavellianism is high.

Intuitive Thinking Style as an Underlying Mechanism of the Negative Relationship Between Ethical Leadership on Corruption

It has been suggested that people typically engage in information processing before they commit to a particular behavior (Engel et al., 1986). Dual-process models of processing information have proposed that the human thought process can be differentiated into intuitive thinking that is characterized by fast and effortless processing, and deliberate thinking that is characterized by slow and effortful processing (Epstein et al., 1996; Novak & Hoffman, 2008). Previous research has explored the relationship between intuitive thinking and unethical behavior (e.g.,

Anderman et al., 2009; Barnes et al., 2011; Christian & Ellis, 2011; Suchotzki et al., 2017). However, research on intuitive thinking and unethical behavior have presented mixed results, suggesting that the effects were contingent on situational boundary conditions (Köbis et al., 2019).

More recently, research on corruption found that individuals engaged in elaborate thinking processes before they acted in a corrupt way (Manara et al., 2019). Supporting this notion, a study observed that intuitive thinking is higher when people act morally by showing that individuals react faster when they were instructed to tell the truth compared with those instructed to tell a lie (Suchotzki et al., 2017). Building on these previous research, we argue that ethical leaders facilitate an intuitive thinking style by promoting ethical norms, which encourages followers to show less corruption.

In this study, we argue that because ethical leaders provide clear ethical norms (Brown et al., 2005), followers will intuitively engage in less corruption. As leaders have a central role in the organizations, ethical leaders could decrease corrupt behavior by diminishing the deliberate thinking of followers who are prone to justify their ethical behavior. The ethical leadership literature has suggested that ethical leaders affect followers' cognition as a psychological mechanism linking ethical leadership to follower behavior (Den Hartog, 2015). For example, a study by Moore et al. (2019) showed that ethical leadership influences employee deviance and unethical behavior by reducing employee moral disengagement, which is a set of eight cognitive mechanisms (i.e., moral justification, euphemistic labeling, advantageous comparison, diffusion, displacement of responsibility, distorting consequences, dehumanization, and attributing blame to others) that people use to facilitate unethical behaviors without being distressed (Bandura, 1999). In other words, ethical leaders motivate employees to stop engaging in cognitive processes that make them avoid thoughts about their unethical behavior. However, the precise cognitive process regarding unethical behaviors that followers engage in, motivated by their ethical leaders, has not been elaborated yet. Therefore, we argue that ethical leaders lead followers to engage in intuitive thinking processing of information regarding corrupt behavior.

Ethical leaders set clear guidance about ethical dimensions for their followers by acting as role models, communicating ethical standards, punishing unethical behaviors, and rewarding ethical behaviors (Brown et al., 2005). Ethical leaders influence their employees through social learning and social exchange (Brown et al., 2005; Peng & Kim, 2020). By social learning, followers of ethical leaders learn and understand collective norms regarding ethically appropriate conduct in the organization because the leaders directly communicate them and play a role model in terms of ethics (Peng & Kim, 2020). As a consequence, followers are aware of clear norms about what is the right or wrong thing to do. Having very clear norms, followers with ethical leaders may more quickly and intuitively engage in ethical acts and intuitively avoid unethical behaviors such as corruption. By social exchange mechanisms, ethical leaders establish and maintain high-quality exchange relationships with their followers by being honest, fair, and trustworthy (Peng & Kim, 2020; Treviño et al., 2000). These characteristics make followers trust in ethical leaders (Bedi et al., 2016). Trust in

their leader may make followers more intuitively follow their ethical leader instead of engaging in more deliberate and effortful thinking when they have to decide whether to engage in corruption or not.

In contrast, low ethical leaders do not set ethical standards. They do not use rewards and punishments to form moral norms in the organization, fail to maintain trust from their followers, and do not provide an ethical identity for their members. Accordingly, followers under low ethical leadership do not have clear norms about what is right or wrong, have a low moral identity, and do not trust in their leaders. As a consequence, followers of unethical leaders have to engage in more deliberate thinking when faced with an ethical dilemma and are more prone to engage in corruption. Thus, we propose:

Hypothesis 3: Intuitive thinking style will mediate the negative relationship between ethical leadership and follower corruption.

Machiavellianism Moderates the Indirect Negative Effect of Ethical Leadership on Corruption via Intuitive Thinking Style

Machiavellians are strategic thinkers. For example, Wilson et al. (1996) noted that Machiavellians are masters in strategy. High-Machs are willing to utilize any strategy or behavior needed to achieve their personal goals (Belschak et al., 2015). In line with this assumption, previous research has evidenced that high-Machs are less impulsive compared with those who score high on the other dark triad traits (psychopathy and narcissism). Past research also showed that Machiavellianism did not correlate with a fast life history strategy (Jonason et al., 2010), indicating that high-Machs are less intuitive when they try to achieve their goals. As high-Machs are strongly goal-oriented, they may refrain from acting impulsively in order not to jeopardize achieving their goal. Instead, they make use of clever strategies. Strategic thinking is a particular way of thinking with specific attributes and an analytical process (Mintzberg, 1994). The literature on strategic thinking has identified five elements: a system perspective, intent-focused, thinking in time, hypothesis-driven, and intelligent opportunist (Liedtka, 1998). These characteristics imply that people who engage in strategic thinking also think less intuitively. Conversely, people engage in intuitive thinking, have less time to be strategic because intuitive thinking is a form of fast and effortless processing (Epstein et al., 1996; Novak & Hoffman, 2008).

In the current research, we propose that ethical leadership and Machiavellianism interact when influencing intuitive thinking and corruption. Specifically, the effect of ethical leadership on corruption via intuitive thinking will be stronger for high-Mach followers than low-Mach followers. As we can expect more room for change in high Mach followers, we assume that ethical leadership will lead to stronger adaptations of high-Machs' tendencies for strategic thinking. Although high-Machs are more likely to think strategically and engage in unethical behaviors to achieve their goals (Wilson et al., 1996), they may learn from ethical leaders that there is no tolerance for them to engage in any unethical behaviors, such as corruption. Ethical leaders set clear standards indicating that every single unethical behavior will be punished (Treviño et

al., 2000). Moreover, there may be clear expectations to reciprocate ethical behaviors, or to conform to an ethical organizational identity (cf. Peng & Kim, 2020). As a result, due to ethical leadership, high-Machs might adapt their strategy by resolving to the standard strategy that is proposed by their leader and, thus, they will intuitively act more ethically and refrain from engaging in corruption. In contrast, low-Mach followers are less likely to engage in strategic thinking and unethical behaviors when faced with an ethical dilemma in the first place. Thus, the effect of ethical leaders on their thinking style and corrupt behavior will be weaker. Therefore, we propose:

Hypothesis 4: Machiavellianism will moderate the indirect negative relationship between ethical leadership and follower corruption via intuitive thinking style, such that the indirect negative relationship will be stronger when followers' Machiavellianism is high.

We will test our research model (as presented in Figure 1) in two studies, setting out by establishing the main effect and interaction, and then delving into the underlying effect of intuitive thinking style.

Study 1

In Study 1, we tested the negative relationship between ethical leadership and corruption (H1), as well as the role of Machiavellianism as a moderator of this negative relationship (H2), in a cross-sectional field study with a broad sample of employees ($N = 321$).

Method Study 1

Participants and Procedure

The inclusion criteria to participate in this study were having at least a part-time job, and having a direct supervisor. Participants were recruited via email or other social platforms, as well as through personal networks of the research assistants involved in the data collection. We used the snowballing procedure, where participants were asked to ask their friends or colleagues who met the selection criteria to also complete the survey (e.g., van Gils et al., 2015). We recruited 404 participants from various organizations in Indonesia and Europe (e.g., Germany, United Kingdom, and others). Eighty-three of these participants were excluded from the data analysis because of incomplete responses. Finally, 321 datasets (79.46% of the original sample) were included in the analyses.

In our final sample ($N = 321$), 62.3% of the participants were female, 44.6% were male, and 3.1% chose not to specify their gender. The average age was 30.6 ($SD = 9.6$), ranging from 20 to 63 years. Participants worked in a variety of branches. For example, 18.1% worked in the construction sector, 14% worked in health care and social assistance, and 11.8% worked for educational services.

Participants completed the online survey in their native language: 42.4% in Bahasa Indonesia, 42.4% in German, and 15.2% in English. Therefore, we translated and back-

translated all scales from English to Indonesian and German using the method advocated by Brislin (1970). At the start of the survey, participants were presented with a brief explanation of the study and informed consent. Next, we asked participants to complete the relevant scales¹. At the end of the survey, all participants answered several demographic questions and read a full debriefing of the study. They participated voluntarily and did not receive any reward.

Measures

Ethical Leadership

The 10-item ethical leadership scale (ELS) (Brown et al., 2005) was used to measure ethical leadership. Example items are “My supervisor disciplines employees who violate ethical standards” and “My supervisor makes fair and balanced decisions”. Participants responded to all items on a Likert-type scale ranging from 1 (extremely unlikely) to 7 (extremely likely) (Cronbach’s $\alpha = .93$).

Machiavellianism

We used the Machiavellianism sub-scale of the Dirty Dozen scale (Jonason & Webster, 2010) to measure Machiavellianism. This scale consists of four items (e.g., “I tend to manipulate others to get my way”). The response scales ranged from 1 (*strongly disagree*) to 7 (*strongly agree*) (Cronbach’s $\alpha = .88$).

Corruption

We adapted the bribery-related behavior scale (Gorsira, Denkers, et al., 2018) to measure corruption by including different forms of corrupt behavior (Manara et al., 2019). This scale included six items measuring bribe-taking and bribe-giving behavior. Sample items are “At my work, I have accepted money from someone from outside the organization in exchange for preferential treatment” and “At my work, I have given money to someone who had power in an organization in exchange for preferential treatment.” Besides, we included two items measuring embezzlement behavior (e.g., “At my work, I have taken money from the organization for my benefit”). Participants rated these items using a Likert-type scale ranging from 1 (*never*) to 7 (*often*). Cronbach’s α for this scale was .97.

Control Variables and Demographics

Participants completed demographic questions about their age, gender, type of job contract, tenure, and country/culture.

¹ As this research was part of a larger data collection effort, some additional measures were completed in the order listed: ethical climate questionnaire, power distance scale, organizational identification scale, interpersonal and organizational deviance, and epistemic motivation.

Results Study 1

Table 1 presents the inter-correlations for all variables, means, standard deviations, and Cronbach's alphas. As shown in the correlation Table 1, gender is the only demographic variable that has a positive correlation with corruption. This result is in line with previous research that has shown that males are more likely to engage in corruption than females (Swamy et al., 2001). Besides, it has been indicated that developing countries such as Indonesia are more corrupt than developed countries such as most of European countries (Transparency International, 2021). Thus, we controlled for gender and culture in our analyses. We conducted a two-step regression analyses to test our hypotheses (Hypothesis 1 and 2). First, we ran our analyses, including gender and culture as control variables. Then, we reran the analyses without these control variables (for further details on the careful use of control variables see Becker et al., 2016; Spector & Brannick, 2011). Excluding participants' culture and gender did not change the results. Therefore, we only report the results without the control variables. Testing Hypothesis 1 (i.e., that ethical leadership is negatively related to corruption), Table 2 shows that ethical leadership has a significant negative relationship with corruption, $\beta = -0.19$, $t(319) = 3.63$, $p < .01$. The value of R^2 is 0.04, with $F(1, 319) = 13.20$, $p < .01$, which means that ethical leadership can significantly account for 4% of the corruption.

Table 3.1 Means, Standard Deviations, Correlations and Cronbach's Alphas for the Variables in Study 1

	M	SD	1	2	3	4	5
1. Corruption	1.35	0.93	(.97)				
2. Ethical leadership	5.26	1.31	-.19**	(.93)			
3. Machiavellianism	2.70	1.39	.28**	-.15**	(.88)		
4. Gender	n/a		.14*	.06	.04		
5. Age	30.6	9.6	.01	-.05	-.09	.02	
6. Culture	n/a		.06	-.38**	.22**	-.18**	.01

Notes. $N = 321$. * $p < .05$ ** $p < .01$. Cronbach's alphas are reported in parentheses on the main diagonal. Gender were coded 0 = not specified, 1 = female, and 2 = male. Culture were coded 0 = Indonesia and 1 = Europe.

Testing Hypothesis 2, stating that Machiavellianism moderates the negative relationship between ethical leadership and corruption, we found the interaction effect of ethical leadership and followers' Machiavellianism on corruption to be significant, $\beta = -0.18$, $t(317) = 3.43$, $p < .01$ (see Table 2). The interaction of ethical leadership and Machiavellianism contributes 13% in explaining corruption, $R^2 = .13$, $F(3, 317) = 11.76$, $p < .01$. As shown in Figure 2, the negative relationship between ethical leadership and corruption is stronger for followers high on Machiavellianism. Furthermore, the simple slope analyses revealed that the negative relationship between ethical leadership and corruption was only significant for high-Mach followers, $\beta = -0.17$, $t(317) = 3.24$, $p < .01$, and was not significant for low-Mach followers, $\beta = 0.01$, $t(317) = 0.02$, $p = 0.97$.

Table 3.2 *Results for Analyses Regressing Ethical Leadership and Follower Machiavellianism on Corruption in Study 1*

Independent variables	Model 1			Model 2			Model 3		
	β	SE	<i>t</i>	β	SE	<i>t</i>	β	SE	<i>t</i>
Ethical leadership (X)	-.19**	.05	3.63	-.15**	.05	2.96	-.17**	.05	3.24
Machiavellianism (W)				.26**	.05	4.93	.24**	.05	4.68
X \times W							-.18**	.04	-3.43
<i>F</i>		13.20**			19.24**			17.18**	
<i>R</i> ²		.04**			.10**			.13**	

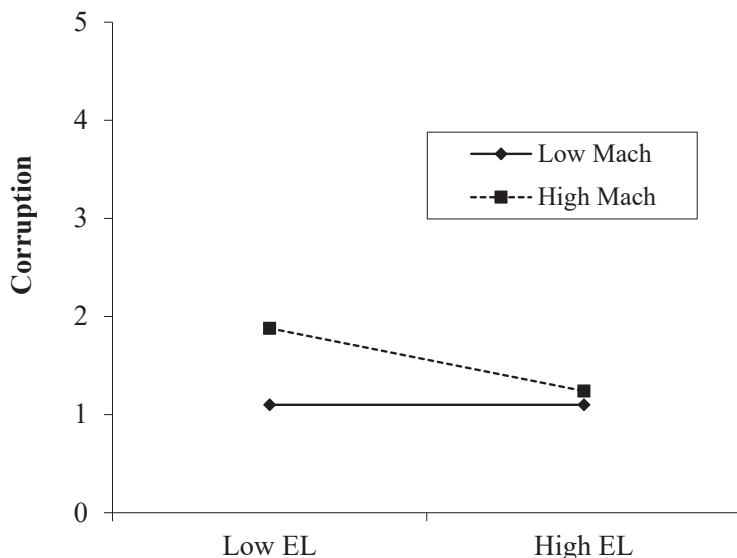
Notes. *N* = 321. * $p < .05$ ** $p < .01$.

Discussion Study 1

The results of Study 1 indicate that ethical leadership is negatively related to corruption. Furthermore, our findings show that Machiavellianism moderates the negative relationship between ethical leadership and corruption. This finding is consistent with our line of argumentation for Hypotheses 1 and 2. Ethical leadership has a stronger effect on corruption for high-Mach followers than low-Mach followers (see Figure 2).

Although Study 1 provides initial insight into the relationships and interplay between ethical leadership, Machiavellianism, and corruption, it relies on cross-sectional data. Thus, it does not allow for conclusions about the causality of the relationships in our model and does not provide an opportunity to test the directionality of our effect. Moreover, this study does not provide insights into the possible mechanisms that drive our effect. To address these limitations, we conducted experimental research in Study 2. Moreover, following the call by Belschak et al. (2018) to investigate the causal relationship between ethical leadership, Machiavellianism, and unethical behavior, we build on a line of experiments that manipulate ethical leadership (Gerpott et al., 2019; Moore et al., 2019; van Gils et al., 2015). By setting up a randomized experiment, we can infer causality and relieve endogeneity concerns (Antonakis et al., 2014).

Figure 3.2 *The Interaction Effect of Ethical Leadership and Machiavellianism on Corruption*



Study 2

In Study 2, we used an experimental design to provide causal evidence that ethical leadership is able to reduce corruption. In this experiment, including 146 students, we used a corruption game that other researchers have successfully used to study corruption (Köbis et al., 2017; Köbis et al., 2015). We extended the paradigm by including a manipulation for ethical leadership. In Study 2, we aimed to replicate the findings of Study 1 with regard to Hypothesis 1 and 2. As the main goal of Study 2, we tested intuitive thinking style as a mediator of the main negative effect of ethical leadership on corruption (H3), as well as the interaction effect (ethical leadership x Machiavellianism) on corruption (H4).

Method Study 2

Participants

We conducted a power analysis to determine the minimum sample size needed for Study 2. Following the recommendations of Perugini et al. (2018), we considered different scenarios by varying the effect size, ascertaining what would be the needed sample size given a power level of .80. We derived our effect sizes from two meta-analytic findings. The meta-analysis by Kish-Gephart et al. (2010) on different antecedents of unethical choice indicated an overall effect size of $\rho = .25$ for Machiavellianism in lab experiments (conceptually related to unethical leadership). The meta-analysis on the effect of leadership interventions (Avolio et al., 2009) yielded

an effect size of $d = .63$ (equaling $r = .30$) for lab experiments. For all analyses, we used the tool G*power (Faul et al., 2007). The adequate sample to detect a significant effect of our intervention ranges between 64 and 94, with a mean sample size of 79.

One hundred and fifty-eight students participated in our study. Participants were recruited through the student portal of the research participation system of the local University as well as the online platform Prolific.co. Twelve of these participants were excluded from the analyses: eight due to incomplete responses and four due to a failure to answer the attention check questions correctly. Our final sample included in the analyses were 146 students (92.40% of the original sample): 105 females (71.91%), 40 males, and one person who did not specify their gender. The average age was 22.31 ($SD = 5.67$). Students participating in the study were undergraduate students in psychology (53.42%), arts and social science (16.44%), science and engineering (12.33%), health and medicine (10.96%), economics, and management (4.79%), and others (2.05%).

Procedure

Participants first read the study information and indicated their consent. Before they read the instructions for the corruption game, they answered a questionnaire assessing Machiavellianism. The instructions were followed by questions testing the students' understanding of the procedure. Participants were then randomly assigned to watch a video with either an ethical leader or non-ethical leader who motivated students for the game (see Appendix A and B for details). After watching the video, participants played the auction game. We used the auction game designed by Köbis et al. (2015) that has been shown to be success in measuring corruption (Köbis et al., 2017; Köbis et al., 2015). The auction game involves three players. Two players compete to win a prize (i.e., 120 credits) and the third acts as an administrator who allocates the prize to the highest bidder. A budget (50 credits) is given to each competing player in each round. The two competing players can allocate the budget range from 0 credits to 50 credits. An unallocated budget is kept by the competing players for themselves. When both competing players offer the same bid, the administrator allocates the prize equally between the two competing players. The bidding consists of four rounds. The final amount of earned credits is accumulated across all four rounds. There is a corrupt option for one of the competing players in this game (i.e., the participant). This player has the option to offer a bribe to the allocator to ensure that he/she gets the prize, independent of her/his actual bid.

Following Köbis et al. (2017), this basic structure of the game was translated into a real-life scenario. The two competing players were employees of two construction companies (Roley and Construx), while the allocator was the Minister of Public Affairs. These two employees would compete to get construction projects. In addition, the numbers were multiplied by 1,000 credits. To make the simulation as realistic as possible, we told participants that the incentives for their participation are based on how much credit they received in the game (the more credits, the more incentives after the experiment). However, all participants were actually rewarded with the same amount of incentive. To keep the experiment simple, all participants were assigned to the role of the employee (Roley) who had the option to engage in corruption.

Interactions with the other two players (Construx and the Minister of Public Affairs) were pre-programmed. Corruption was measured with the question of whether the participant wanted to offer the Minister a bribe: No Costs (*prize is given to the highest bidder*) and Yes, Costs 40000 (*prize is given to you in 100% of the bidding rounds*). The first alteration we made to the paradigm was extending the bribery options, from the original two to five: 0 game euros (*prize is given to the highest bidder for all the bidding rounds*), 10000 game euros (*prize is given to you for the first bidding round*), 20000 game euros (*prize is given to you for the first two bidding rounds*), 30000 game euros (*prize is given to you in the first three rounds*), and 40000 game euros (*prize is given to you in all the bidding rounds*). We extended the former design of two options to five options to convert the dependent variable into an interval variable (instead of a binary variable). It enabled us to use regression analysis in the data analysis process.

A second alteration to the original paradigm from Köbis et al. (2015) was that we included opportunities for information search in order to allow for variation in intuitive versus more deliberate decision-making processes. Before deciding on the amount of the bribe, we provided participants with the opportunity to access additional information to make a more informed decision. We provided participants with an information page containing four links with different types of information: the strategies of the game, the rules of the game, the results of previous participants, and the outcomes. We tried to construct all four types of information as neutrally as possible to avoid affecting the dependent variable (i.e., the corrupt decision) in terms of content. After deciding on the bribing option in the game, participants bid for four rounds. Participants then completed the situation-specific intuitive thinking style scale and the demographic questionnaire. At the end of the study, we debriefed participants and thanked them for their participation. Participants from the local University were rewarded with €5 vouchers for an online store, while student participants recruited through Prolific were rewarded with £5. This study was approved by the ethics review committee at the first author's institute.

Measures

Ethical Leadership Manipulation

We manipulated ethical leadership by creating two videos: one showcasing an ethical leader and one showcasing a non-ethical leader. The scripts for those speeches were based on behaviors described in the ethical leadership literature, such as the scale by Brown and colleagues (2005) (see Gerpott et al., 2019; van Gils et al., 2015 for similar approaches). The ethical leader encouraged ethical behavior during the auction game. To achieve a sufficient contrast, the non-ethical leader encouraged performance-oriented behavior motivating maximum performance during the auction game rather than ethics (following the logic of moral attention by Tenbrunsel & Messick, 1999). Despite the differing motivational contents, both scripts were standardized with regard to body language, intonation, sentence stems, and wording and, thus, had the same length. The full scripts are presented in Appendix A for the ethical leader and Appendix B for the non-ethical leader.

Machiavellianism

Participants reported their Machiavellianism using the same sub-scale of the Dirty Dozen scale (Jonason & Webster, 2010) applied in Study 1. Items were rated on a scale ranging from 1 (*strongly disagree*) to 7 (*strongly disagree*) (Cronbach's $\alpha = .81$).

Intuitive Thinking Style

We used three items from the situation-specific thinking style (Novak & Hoffman, 2008) to assess the intuitive thinking style regarding the bribery decision that participants made. Specifically, we asked participants: "On the decision you made regarding the direct transfer of money to the Minister of Public Affairs, how did you approach this decision?" Then, participants had to rate the following three items: "I relied on my sense of intuition," "I used my gut feelings," and "I relied on my first impressions." Participants responded to these items on a Likert-type scale ranging from 1 (*definitely false*) to 5 (*definitely true*) (Cronbach's $\alpha = .75$).

Attention Check Questions

After reading the instructions for the auction game, participants answered four questions to confirm that they understood the procedure. Most of the participants responded with the correct answers; only four participants were excluded from the data analysis due to two or more wrong answers. Correct answers were displayed when participants would give a wrong answer.

Manipulation Check of Ethical Leadership

Following van Gils and colleagues (2015), we used a single item as a manipulation check: "In the video you watched, to what extent you think of the leader as an ethical leader?" This item was rated on a scale from 1 (*not at all*) to 7 (*extremely*).

Demographic Questions

We also asked participants to respond to several demographic questions, including gender and age.

Results Study 2

Table 3 presents the inter-correlations for all variables, means, standard deviations, and Cronbach's alphas of Study 2. A t -test with the manipulation check item for ethical leadership as a dependent variable showed that participants in the ethical leadership condition considered the leader more ethical ($M = 5.92$, $SD = 1.15$) than participants in the non-ethical leadership condition ($M = 3.08$, $SD = 1.25$). $t(144) = 14.28$, $p < .001$. This result suggests that our manipulation of ethical leadership was successful.

Table 3.3 Means, Standard Deviations, Correlation and Cronbach's Alphas for the Variables in Study 2

	M	SD	1	2	3	4	5
1. Corruption	3.20	1.65					
2. Ethical leadership conditions	.49	.50	-.49**				
3. Machiavellianism	3.33	1.23	.08	.07	(.81)		
4. Intuitive Thinking Style	3.38	.93	-.31**	.22**	.01	(.75)	
5. Gender	n/a		.10	.02	.29**	-.11	
6. Age	21.32	4.46	-.11	.11	.07	.13	.09

Notes. $N = 146$. * $p < .05$ ** $p < .01$. Leadership was coded 0 = non-ethical leadership, 1 = ethical leadership. Gender were coded 0 = not specified, 1 = female, and 2 = male.

To test our hypotheses, we used the PROCESS macro for SPSS (a regression-based approach; Hayes, 2013). Because we have directional hypotheses, we used 90% bootstrap confidence intervals in our analyses. Firstly, we controlled for gender as in Study 1. Secondly, we reran the analyses without controlling the gender variable. Excluding gender did not significantly change the results. Thus, we only report the results without the control variable here (see Becker et al., 2016; Spector & Brannick, 2011). First, we tested Hypothesis 1 and 2 using the PROCESS macro for SPSS (Model 1). As shown in Table 4, we found that there is a significant negative direct effect of ethical leadership on corruption, $\beta = -2.77$, $SE = .68$, $t(144) = 4.06$, $p < .01$, 90% CI [-3.90, -1.64]). These results provide support for Hypothesis 1.

Table 3.4 *Results of Moderation Analysis Using PROCESS (Model 1) in Study 2*

Independent variables	Corruption (Y)				
	<i>b</i>	SE	<i>t</i>	LCLI	UCLI
Ethical leadership (X)	-2.77**	.68	4.06	-3.90	-1.64
Machiavellianism (W)	-.02	.14	.14	-.25	.21
X × W	.33 [†]	.19	1.72	.01	.65
<i>F</i>			18.07**		
<i>R</i> ²			.27**		
Moderator (Machiavellianism)	Conditional direct effect of X on Y				
	<i>b</i>	SE	<i>t</i>	LCLI	UCLI
Low	-2.07**	.33	6.20	-2.62	-1.52
Mean	-1.66**	.23	7.05	-2.06	-1.27
High	-1.25**	.33	3.71	-1.81	-.69

Notes. *N* = 321. [†] *p* < .10, * *p* < .05, ** *p* < .01. LLCI = Lower limit confident interval; UCLI = Upper limit confidence interval. Ethical leadership were coded 0 = non-ethical leadership and 1 = ethical leadership. We report the bias-corrected and accelerated 90% confidence intervals (CIs) calculated using 5,000 bootstrap samples.

Further, regarding Hypothesis 2, we found a marginal significant interaction effect between ethical leadership and Machiavellianism on corruption, $\beta = .33$, $SE = .19$, $t(144) = 1.72$, $p = .08$, 90% *CI* [.01, .65] (see Table 4). However, the interaction effect is not consistent with Hypothesis 2 and the findings in Study 1. As can be seen in Table 4, simple slope analysis shows that the negative effect of ethical leadership on corruption is stronger for low-Mach followers, $\beta = -2.07$, $SE = .33$, $t(144) = 6.20$, $p < .01$, 90% *CI* [-2.62, -1.52] and weaker for high Mach-followers, $\beta = -1.25$, $SE = .33$, $t(144) = 3.71$, $p < .01$, 90% *CI* [-1.81, -.70]. Two insights can be derived from this interaction effect. One is that corruption is higher in the low ethical leadership condition than in the high ethical leadership condition, both for low and high-Machs. The other is that high-Machs were more corrupt than low-Machs under the high ethical leadership condition. Thus, these results do not support Hypothesis 2. We refrain from presenting the plot in a figure here, as the interaction is only marginally significant.

Second, we ran a mediation analysis (PROCESS macro Model 4) to test Hypothesis 3. As can be seen in Table 5, the bootstrapped confidence interval for the indirect effect showed that the negative effect of ethical leadership on corruption is mediated by intuitive thinking style, $\beta = -.15$, $SE = .08$, 90% $CI [-.30, -.04]$. This result is also significant with 95% confident intervals, $\beta = -.16$, $SE = .08$, 95% $CI [-.34, -.02]$. Therefore, we confirmed Hypothesis 3.

Table 3.5 *Results of Mediation Analysis Using PROCESS (Model 4) in Study 2*

Independent variables	Intuitive thinking style (M)					Corruption (Y)				
	<i>b</i>	SE	<i>t</i>	LCLI	UCLI	<i>B</i>	SE	<i>t</i>	LCLI	UCLI
Ethical leadership (X)	.42**	.15	2.79	.17	.67	-1.48**	.23	6.19	-1.87	-1.08
Intuitive thinking style (M)						-.37**	.12	2.90	-.58	-.16
<i>F</i>			7.78**					28.95**		
<i>R</i> ²			.05**					.28**		
Direct and indirect effect			<i>b</i>	SE	<i>t</i>	LCLI	UCLI			
Direct effect of X on Y			-1.48**	.23	6.19	-1.87	-1.08			
Indirect effect of X on Y via M			-.15	.08		-.30	-.04			

Note. $N = 146$. * $p < .05$ ** $p < .01$. LLCI = Lower limit confident interval; UCLI = Upper limit confidence interval. Ethical leadership were coded 0 = non-ethical leadership and 1 = ethical leadership. We report the bias-corrected and accelerated 90% confidence intervals (CIs) calculated using 5,000 bootstrap samples.

Next, we conducted additional analyses to address endogeneity concerns in our model. Although the randomized procedure in the experiment resolved part of the endogeneity concerns in Study 2, both the mediator *intuitive thinking* and the dependent variable *corruption* are measured variables. Following recommendations by Antonakis and colleagues (2014), we conducted a 2SLS regression to investigate the effect of intuitive thinking on corruption, with the experimentally manipulated ethical leadership variable as an instrument (Antonakis et al., 2014; Sajons, 2020). The experimental manipulation is exogenous by definition and thus offers a good instrument for this test. The results of the OLS and 2SLS regressions are contained in Table 6. A Hausman test, conducted with help of the EndoS macro for SPSS (Daryanto, 2020), showed a significant difference, $F(2, 143) = 28.96$, $p < .001$, indicating the need for instrumentation of the model. As we used one instrument, the over identifying restrictions test was irrelevant. The significance of the 2SLS regression of the estimate for intuitive thinking on corruption provides us with confidence in the causal direction we present in our model.

Table 3.6 *Results of 2SLS Regression testing the effect of intuitive thinking on corruption*

OLS regression	Corruption (Y)		
	<i>b</i>	SE	<i>t</i>
Intuitive thinking (X)	-.55	.14	3.94**
Adj. R ² = .08			
2SLS – ELS manipulation as an instrument	Corruption		
	<i>b</i>	SE	<i>t</i>
Estimated Intuitive thinking (\hat{X})	-3.89	1.37	2.82**
Adj. R ² = -3.49			
$F(1, 144) = 8.00, p = 0.005$			
Hausman test $F(2, 143) = 28.96, p < .001$			

Note. $N = 146$. * $p < .05$ ** $p < .01$.

Finally, we conducted a moderated mediation analysis (PROCESS macro Model 8) to test Hypothesis 4. The regression coefficients are shown in Table 6. As can be seen, the interaction effect of ethical leadership and Machiavellianism is not significant on either intuitive thinking style, $\beta = -.08$ $SE = .12$, $t(144) = .68$, $p = .49$, 90% $CI [-.28, .12]$ or corruption, $\beta = .30$ $SE = .18$, $t(144) = 1.60$, $p = .11$, 90% $CI [-.01, .61]$. Furthermore, the index of the moderated mediation model was not significant (Index = .03, $SE = .05$, 90% $CI [-.04, .12]$, suggesting that the negative indirect effect does not differ at different levels of the moderator (Hayes, 2015). Therefore, Hypothesis 4 is not confirmed.

Table 3.7 *Results of Moderated Mediation Analysis Using PROCESS (Model 8) in Study 2*

Independent variables	Intuitive thinking style (M)					Corruption (Y)				
	<i>b</i>	SE	<i>t</i>	LCLI	UCLI	<i>b</i>	SE	<i>t</i>	LCLI	UCLI
Ethical leadership (X)	.70	.44	1.60	-.02	1.43	-2.52**	.67	3.74	-3.63	-1.40
Machiavellianism (W)	.03	.09	.40	-.11	.18	-.01	.13	.04	-.23	.22
X × W	-.08	.12	.68	-.28	.12	.30	.18	1.60	-.01	.61
Intuitive thinking style (M)						-.35**	.12	2.82	-.56	-.14
<i>F</i>			2.73*					16.21**		
<i>R</i> ²			.05*					.31**		
Moderator	Conditional indirect effect of X on Y via M									
(Machiavellianism)				<i>b</i>	SE	LCLI	UCLI			
Low				-.18	.11	-.39	-.03			
Mean				-.15	.07	-.29	-.04			
High				-.11	.08	-.26	.01			
Moderated moderation index (.03)					.05	-.04	.12			

Notes. *N* = 321. * *p* < .05, ** *p* < .01. LLCI = Lower limit confident interval; UCLI = Upper limit confidence interval. Ethical leadership were coded 0 = non-ethical leadership and 1 = ethical leadership. We report the bias-corrected and accelerated 90% confidence intervals (CIs) calculated using 5,000 bootstrap samples.

Discussion Study 2

In line with the findings in Study 1, the results of Study 2 supported our hypothesis that ethical leadership reduces followers' corruption. Furthermore, our findings show that the negative effect of ethical leadership on corruption is mediated by intuitive thinking style. By manipulating ethical leadership, we provide causal evidence for the negative impact of ethical leadership on corruption, as well as the effect of ethical leadership on intuitive thinking style as the underlying process for said negative relationship.

Analyzing the role of Machiavellianism on the negative effect of ethical leadership on corruption, we found an unexpected result: the interaction effect of ethical leadership and Machiavellianism on corruption was significant, but the pattern was opposite to the results of Study 1, and thus contradicts Hypothesis 2. The results of Study 2 showed that the negative effect of ethical leadership on corruption is weaker for high-Mach followers and stronger for low-Mach followers. Furthermore, the mediated moderation analysis shows that the indirect negative effect of ethical leadership on corruption via intuitive thinking style is not moderated by followers' Machiavellianism.

General Discussion

The results from our field study (Study 1) and experimental study (Study 2) confirm that ethical leadership can reduce followers' corruption. This study extends previous findings (Bedi et al., 2016; Peng & Kim, 2020) that ethical leadership is beneficial in reducing unethical behaviors in an organization. Furthermore, one of the significant findings in Study 2 is that intuitive thinking style mediates the negative effect of ethical leadership on corruption. This finding aligns with our argument for Hypothesis 3 that followers with an ethical leader engage in less deliberate thinking and intuitively avoid unethical behavior such as corruption.

Consistent with previous literature suggesting that followers' personality influences how they respond to ethical leadership (Taylor & Pattie, 2014; van Gils et al., 2015), we found that followers' Machiavellianism moderates the negative direct effect (Study 1 and 2) of ethical leadership on followers' corruption. However, we found inconsistent findings in both studies. In Study 1, we confirmed Hypothesis 2 such that the negative impact of ethical leadership on corruption was significant for high-Mach followers and non-significant for low-Mach followers. This finding is in line with the previous research (Belschak, Den Hartog, et al., 2018; Ruiz-Palomino & Linuesa-Langreo, 2018) that also used a cross-sectional design, which comes with clear limitations. Surprisingly, in the stronger of our two studies using a randomized experimental design and allowing us to claim causality, we found a different pattern. Under high ethical leadership, high-Machs showed more corruption than low-Machs. This finding indicates that high-Machs are less adaptive than low-Machs to ethical leadership. This finding contrasts with our argument for Hypothesis 2, which builds on earlier research (Belschak, Den Hartog, et al., 2018; Ruiz-Palomino & Linuesa-Langreo, 2018) demonstrating that high-Machs adapt their behavior in response to ethical leadership. Because of their amoral characteristics (Dahling et al., 2009), followers with a high score on Machiavellianism might be less sensitive to ethical cues from ethical leaders. Furthermore, high-Machs' strong goal orientation and willingness to use all possible means to reach their goals (Jones & Paulhus, 2014; Wilson et al., 1996) may lead them to ignore the ethical messages provided by ethical leaders. Therefore, high-Machs may be less adaptive in response to ethical leadership.

Theoretical Implications

Corruption researchers who focus on a micro-level perspective have studied several individual and situational factors that contribute to corruption (Gorsira, Denkers, et al., 2018; Köbis et al., 2015; Zhao et al., 2016). We extend the previous corruption studies with a micro-level perspective by investigating the combined effect of personal and situational factors, namely ethical leadership (Den Hartog, 2015) and Machiavellianism (Spain et al., 2014) on corruption. Moreover, we explore intuitive thinking style (Epstein et al., 1996) as an underlying mechanism. We expand Zhao et al.'s (2016) findings that high-Machs are more likely to engage in corruption. Our novel findings suggest that ethical leadership can reduce followers' corruption by changing their thinking style and leading them to intuitively engage less in corruption.

Our study contributes to research on ethical leadership by exploring followers' Machiavellianism as a moderator and intuitive thinking style as a mediator variable in the negative effect of ethical leadership on corruption. Specifically, we expand previous findings (Belschak, Den Hartog, et al., 2018; Ruiz-Palomino & Linuesa-Langreo, 2018) on the interaction effect of ethical leadership and Machiavellianism on followers' behavior by examining a different outcome, namely corruption, and establishing the causality of the relationship. The results of Study 2, with a randomized experimental set-up that allows us to draw causal conclusions, showed different results from previous studies, which mostly used a cross-sectional design. We supported our causal reasoning further by conducting a 2SLS regression to assess the effect of our mediator (intuitive thinking style) on corruption (Antonakis et al., 2014; Sajons, 2020). While previous studies have found that high-Machs adapt to ethical leadership by engaging less in undesirable behaviors, Study 2 indicated that high-Machs are less adaptive to ethical leadership by showing more corruption than low-Machs. Our results in Study 2 contrast with the argument that we developed for Hypothesis 2 and may also question previous work (Belschak, Den Hartog, et al., 2018; Ruiz-Palomino & Linuesa-Langreo, 2018) that high-Machs adapt their unethical tendencies under ethical leadership. Therefore, we call for more studies with an experimental design to examine the interaction effect of ethical leadership and Machiavellianism on follower behaviors.

Furthermore, we responded to calls to extend the variety of underlying mechanisms in relationships between ethical leadership and followers' behaviors (Den Hartog, 2015). In this study, we moved beyond previously identified mechanisms of ethical leadership and followers' behaviors (Den Hartog, 2015). We proposed and confirmed that intuitive thinking style mediates the negative effect of ethical leadership on corruption. This study provides new insights into how ethical leadership may influence followers' behavior via their cognitive mechanisms (Den Hartog, 2015; Moore et al., 2019), and specifically intuitive thinking style. We mentioned social learning and exchange—the traditional mechanisms that underlie ethical leadership in the literature (e.g., Brown et al., 2005)—to explain the effect of ethical leadership on intuitive thinking style in an unethical decision context. Future research should measure these mechanisms explicitly to shed further light on the underlying process through which ethical leadership influences intuitive thinking. The present study also furthers the literature on information processing in unethical tasks (Köbis et al., 2019). Our results show that intuitive information processing in unethical decisions could depend on a situational force that was not previously considered: ethical leadership. Our results illustrate that under ethical leaders, who set clear ethical norms, people rely on their leader and, thus, engage more in intuitive thinking and show fewer unethical behaviors such as corruption. Conversely, under low ethical leadership, where ethical norms do not exist, followers engage more in corruption while being forced to think themselves beforehand deliberately.

Practical Implications

Our results in both the field and experimental study show that ethical leadership significantly reduces corruption. Thus, we suggest that organizations and governments can promote ethical leadership to prevent corruption in organizations. Followers under ethical leadership learn from ethical leaders what behavior is ethically rewarded and punished (Brown et al., 2005), have explicit ethical norms (Peng & Kim, 2020), and trust in their ethical leaders (Bedi et al., 2016). Moreover, our findings show that ethical leaders can create a context in which people intuitively refrain from choosing unethical behavior in corruption-related dilemmas and thereby hopefully change the engagement in corrupt behavior, especially for employees whose intuition would promote such behavior, such as employees with high-Mach.

Previous work (Belschak, Den Hartog, et al., 2018; Ruiz-Palomino & Linuesa-Langreo, 2018) suggested that by applying ethical leadership, leaders could bring high-Machs to reduce their tendencies to engage in unethical behavior. However, our experimental results of Study 2, indicate that ethical leadership was marginally more efficient in reducing unethical tendencies in low-Machs than in high-Machs. Therefore, besides suggesting promoting ethical leadership to reduce corruption, we also propose a more nuanced selection process. Accordingly, organizations could minimize hiring employees who may be more prone to engage in corruption, such as high-Mach employees, as ethical leadership may not always serve as a buffer.

Strengths, Limitations, and Future Research

One strength of our study is that we have not only measured corrupt intentions (Zhao et al., 2016, 2019), but corruption as actual behavior. In Study 1, we measured past bribery-related behavior in a working population, and in Study 2, we measured bribery in an experimental setting. Measuring actual behavior improves ecological validity and responds to the calls for measures that assess actual behavior rather than using hypothetical questions and scenarios (Powpaka, 2002; Zhao et al., 2016, 2019). Furthermore, by using two different complementary methods, a survey and an experiment in combination, our research ensures generalizability and allows us to draw causal conclusions.

Despite its strengths, this study also features several limitations. First, each of the methods that we used in this study has its disadvantages. The main weaknesses of the survey method (Study 1) are its cross-sectional nature and potential retrospective bias. Thus, we are not able to draw any causal conclusions or eliminate potential biases that may occur due to participants reporting about their past bribing behavior. Using an experimental method in Study 2 comes with the drawback of lower external validity and limited generalizability to real-life settings. Future research should use alternative methods—such as experience sampling methods—that can measure corruption in a real-life context and reduce retrospective bias through a smaller time delay.

Second, we measured Machiavellianism across two studies with the Machiavellianism sub-scale of the Dirty Dozen scale (Jonason & Webster, 2010), building on a line of research that successfully established the convergent validity of

the scale (e.g., Chiorri et al., 2019; Jonason & Luévano, 2013; Jonason & Webster, 2010). This scale is a rather short scale to measure Machiavellianism. Compared to other measures such as the Mach sub-scale of Short Dark Triad (Jones & Paulhus, 2014), its convergent and discriminant validity is lower (Maples et al., 2014). However, the Machiavellianism sub-scale of the Dirty Dozen scale still has reasonable validity (Chiorri et al., 2019; Jonason & Luévano, 2013; Jonason & Webster, 2010). Nevertheless, future research could use alternative measures such as Mach-IV (Christie & Geis, 1970) and the Mach sub-scale of Short Dark Triad (Jones & Paulhus, 2014) to better measure Machiavellianism.

Third, in Study 1, we collected data from Europe and Indonesia. There could be cultural effects with the items in Study 1, as well as measurement invariance. However, there were no effects of culture on our results and the findings were replicated in Study 2, which had a more homogenous sample. Nonetheless, future research could take cultural interpretations into account when studying corruption.

Fourth, although our study supported the person-situation interactionist model of unethical behavior (Treviño, 1986), we only examined specific personal and situational factors (i.e., ethical leadership and Machiavellianism, alongside intuitive thinking style as an underlying psychological mechanism). The present study could be extended to other personal and situational factors. For example, future research might consider social aspects such as descriptive norms. Research has shown that descriptive norms highly correlate with corruption: the more individuals think others are corrupt, the more they engage in corruption. (Köbis et al., 2015; Zhao et al., 2019). Future research could explore the effectiveness of ethical leadership in reducing corruption when descriptive norms of corruption are high. Exploring the interaction effect of ethical leadership and descriptive norms on corruption will generate insights into corruption prevention when the prevalence of corruption is high.

We also suggest future research extend our work on thinking style by measuring both rational and intuitive thinking. According to Epstein et al. (1996), these two thinking styles are independent of each other. Employees who use intuitive thinking when deciding to engage in ethical behavior do not necessarily think less rationally. Indeed, individuals could have high intuitive and rational thinking preferences at the same time (Pacini & Epstein, 1999). Measuring these two thinking styles could lead to a better understanding of the cognitive mechanism behind how ethical leaders influence their followers' behavior.

Future research could also elaborate on whether followers under ethical leadership will intuitively engage less in other specific unethical behaviors beyond corruption. It has been suggested that different illegal or unethical behaviors have different decision-making processes and characteristics (Jones, 1991). Our study only focused on one specific unethical behavior (corruption) that is characterized by the misuse of organizational power for personal benefits and does not harm organizational members. Future research could broaden our mediation model toward unethical behavior that is targeted toward organizational members, such as interpersonal deviance (Berry et al., 2007) and workplace aggression (Fox & Spector, 1999).

Conclusions

The current literature shows that ethical leadership has a significant negative effect on several unethical behaviors in organizations (Mayer et al., 2010; Moore et al., 2019; van Gils et al., 2015). To extend the previous findings, the present study examined the beneficial effect of ethical leadership on reducing corruption, the role of followers' Machiavellianism as a moderator, and followers' intuitive thinking style as a mediator. Our findings show that ethical leadership reduces corruption by leading followers to intuitively refrain from engaging in corruption. Furthermore, our research highlights that ethical leadership interacts with followers' Machiavellianism in reducing corruption. Our findings in the two studies regarding the specific role of Machiavellianism were mixed; however, warranting further research. Corruption causes serious harm not only for organizations but also for society. We suggest ethical leadership as a way to prevent corruption in organizations.

Appendix A

The Video Script for Ethical Leadership Manipulation

"Hi, my name is Daan van de Boer. I work at Maastricht University and I will be your leader in this experiment. If you take a look at my webpage, you can see that I really care about living in an ethical way. It's important to me that you know that I really care about my students. In the projects I do with my students, I always make sure that they are okay and go home in time. In the next auction game, I want you to make decisions that are fair and balanced. I usually do not tolerate any unethical behaviors of my students. I am interested in how you will make the decisions in this next auction game. So, get ready now and remember do your best in an ethical way. That is more important than the outcome."

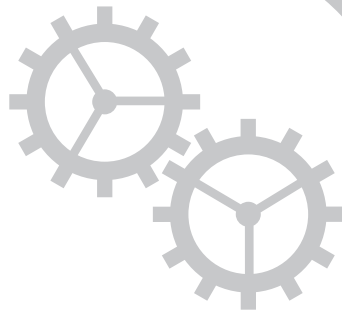
Appendix B

The Video Script for Low Ethical Leadership Manipulation

"Hi, my name is Daan van de Boer. I work at Maastricht University and I will be your leader in this experiment. If you take a look at my website, you can see that I really care about getting ahead. It's important to me that you know that I really care about performance. In the projects I do with my students, I always make sure that they work hard and get things done, even if it takes all night. In the next auction game, I want you to make decisions that maximize your profit. I usually encourage students to try to reach their goals, whatever it may take. I'm interested to see how you make your decisions in the next auction game. So, get ready now and remember do your best and get as much credit as you can."

CHAPTER 4

Why and When Bottom-Line Mentality Facilitates Corrupt Behavior at Work: A Diary Study



This chapter is based on: Manara, M. U., Nübold, A., van Gils, S., & Zijlstra, F. R. H. Why and when bottom-line mentality facilitates corrupt behavior at work: A diary study (Manuscript in preparation).

Abstract

Initial empirical corruption research at the micro level has revealed several individual and situational antecedents of corruption. However, previous corruption studies have not investigated how employees' work priorities and their *bottom-line mentality* (BLM) – the extent to which they consider the big picture – might impact their corrupt behavior. Furthermore, corruption research has not investigated how these relationships play out on a more short-term basis. In a weekly diary study spanning five weeks, we examined the positive relationship between BLM and bribing behavior (as a specific form of corruption) in a particular corruption situation. In addition, we examined employees' thinking style (as an underlying psychological mechanism that can explain this relationship) and the moderating role of Machiavellianism. The results revealed that BLM and bribing behavior were not significantly related. The relationship was also not mediated by thinking styles nor moderated by Machiavellianism. However, additional analyses revealed that Machiavellianism has a significant positive correlation with corruption. We end by discussing the theoretical and practical implications of this study.

Keywords: corruption, bottom-line mentality, Machiavellianism, thinking style

Introduction

In the beginning of 2021, two food supplier companies were accused of bribing the Indonesian minister of social affairs while arranging food aid for people affected by the coronavirus pandemic between May and December of 2020 (Hakim, 2020). The minister allegedly received 70 cents per food aid parcel, amounting to more than two million dollars in exchange for the food supplying contracts (Aji, 2021). This example is just one of many corruption cases recently reported in the media. Such corruption—defined as the “misuse of an organizational position or authority for personal or organizational (or subunit) gain, where misuse in turn refers to departures from accepted societal norms” (Anand et al., 2004, p. 40)—can have detrimental effects on employees, organizations, and society. In the above corruption case, for instance, the main victims were people in need of food supplies due to the coronavirus pandemic. The organizations offering the bribe, as well as the minister of social affairs, may gain short-term benefits, but at the expense of public trust (Mauro, 1995) and reputational costs, or even fines and prison sentences in the long run after being caught. What motivates decision-makers in organizations to offer bribes to collaborators with authority?

In the search for antecedents of corrupt behavior, previous research has been dominated by a macro-level perspective (Gorsira, Denkers, et al., 2018) focused on country-level factors such as economic growth (Mauro, 1995), culture (Gelbrich et al., 2016), and the role of political institutions (Lederman et al., 2005). While these macro predictors may serve as explanations at a national level, the corruption of the crucial decision-making process often occurs at the individual level. Hence, it is interesting that empirical research has devoted less attention to individual factors that drive corruption at work (Hauser et al., 2020; Köbis et al., 2015). Initial research at the micro-level has revealed a number of individual and situational antecedents of corruption, including personality characteristics (Zhao et al., 2016), attitudes and goals (Rabl & Kühlmann, 2008), ethical leadership (Manara et al., 2020), and descriptive norms (Köbis et al., 2015)..

However, previous corruption studies at the micro-level have not investigated how employees' work priorities and understanding of the big picture might facilitate their corrupt behavior. Employees might engage in bribery, for example, because they focus too much on the final outcome of their actions while ignoring competing organizational goals. This way of thinking is called *bottom-line mentality* (BLM), which is defined as “one-dimensional thinking that revolves around securing bottom-line outcomes to the neglect of competing priorities” (Greenbaum et al., 2012, p. 344). In today's highly competitive business environment, employees commonly focus on bottom-line outcomes that are most often associated with financial performance or profits (Greenbaum et al., 2012; Wolfe, 1988). While focusing on the bottom-line can be beneficial for organizations looking to meet their the bottom-line objectives such as profits and other financial performances, BLM can be detrimental to organizational flourishing, especially when other values and processes are ignored (Barsky, 2008; Greenbaum, Bonner, et al., 2020). In the current study, we argue that investigating

BLM as a potential predictor of corruption is both promising and important, as previous research has indicated that BLM is positively related to a range of unethical behaviors (e.g., Greenbaum et al., 2012; Zhang et al., 2020).

Both BLM and corruption studies at the micro-level are limited in their focus on the between-person level only, i.e., in a cross-sectional fashion or over relatively long time frames. This is problematic, given that unethical behaviors at work have been shown to fluctuate within shorter time frames, such as days and weeks (Cohen & Panter, 2015; Hülshager et al., 2021; Yang & Diefendorff, 2009). Thus, a more appropriate empirical test of this relationship requires an intra-individual perspective that takes into account that corrupt behaviors (and the cognitive processes that predict them, such as BLM), may vary weekly and situationally. In the present study, we therefore conceptualize corruption as bribing behavior that may differ in a specific situation within a week and focus on weekly intervals as measurement period, given that unethical behaviors may vary on a week-to-week basis as employees navigate the complexity of their work environment (Cohen & Panter, 2015; Hülshager et al., 2021; Yang & Diefendorff, 2009). Assessing the short-term relations between BLM and bribery aligns with the theoretical assumptions of corruption as a process that could be changed by dynamic organizational processes (Ashforth & Anand, 2003; Den Nieuwenboer & Kaptein, 2008).

Furthermore, it is also important to understand why and when BLM facilitates corruption, i.e., to explore the underlying mechanisms and boundary conditions. Although the BLM literature has explored a variety of outcomes, it still lacks research examining the underlying mechanisms that translate BLM into unethical workplace behavior. This is remarkable, given that BLM is a cognitive process that relates to information processing—in particular, to the depth of information processing that decision-makers engage in (Epstein et al., 1996). Thus, our study addresses the calls to further explore the information processing behind immoral behaviors such as corruption (Tenbrunsel & Smith-Crowe, 2008). In the present study, we draw on dual-process models of thinking (Epstein et al., 1996; Pacini & Epstein, 1999) to suggest that an intuitive-experiential thinking style (characterized by effortless and fast processing) and analytic-rational thinking style (characterized by effortful and slow processing) could explain the relationship between BLM and bribing behaviors in a particular corruption situation.

Finally, following Greenbaum et al.'s (2012) suggestion that employees may approach the bottom line differently, we suggest that employees' personality traits may moderate the within-person relationship between BLM and bribing behavior. Specifically, we will focus on Machiavellianism as a personal characteristic, as it has gained much attention in the literature on unethical behavior (Kish-Gephart et al., 2010). Machiavellianism is characterized by a willingness to manipulate others, focus on personal goals, and have an unconventional moral view (Spain et al., 2014). Previous research has indicated that trait Machiavellianism could moderate the relationships between several work behaviors and their antecedents (e.g., Manara et al., 2020; Zagenczyk et al., 2013). For instance, a recent study showed that Machiavellianism could buffer the negative effect of ethical leadership on corruption (Manara et al.,

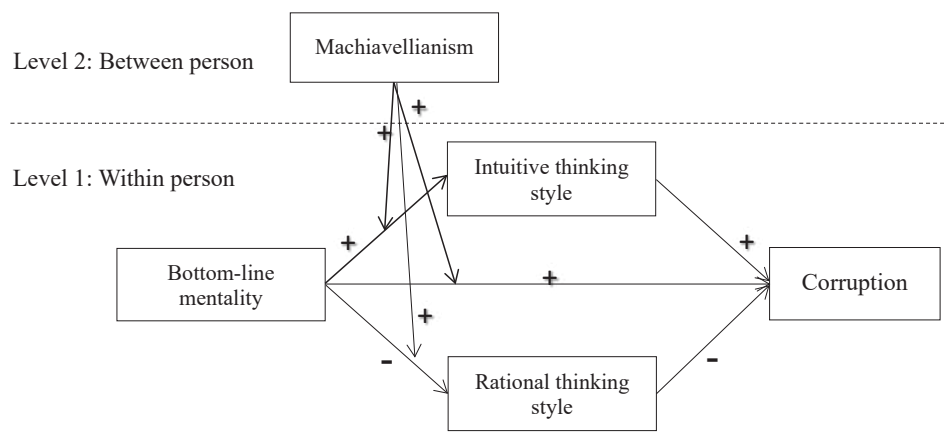
2020). Under ethical leadership, individuals with high levels of Machiavellianism are less adaptive by showing to be more prone to engage in corruption than those who have low levels of Machiavellianism (Manara et al., 2020).

To summarize, this study extends previous research in the following ways. First, we expand corruption research at the micro-level by examining a relatively new construct as a predictor of corruption: namely, bottom-line mentality. A better understanding of how BLM contributes to corruption is important for helping organizations understand that the beneficial outcomes of BLM can be undercut by its detrimental effects (Barsky, 2008; Greenbaum, Bonner, et al., 2020). Given that the corruption literature has not yet recognized the detrimental effects of BLM, coupled with the limited overall knowledge about the cognitive processes underlying corruption, this study offers some important new insights for both corruption research and corruption prevention.

Second, by applying a weekly diary design, we respond to the call for more diverse approaches in empirical corruption research (Rabl & Kühlmann, 2008). Most corruption studies at the micro-level have been carried out using experiments or scenario studies (e.g., Abbink, 2006; Armantier & Boly, 2012; Köbis et al., 2015; Zhao et al., 2016). As experiments and scenario studies lack generalizability to real-life settings (Rabl & Kühlmann, 2008), other scholars have carried out field studies using qualitative interviews and quantitative cross-sectional survey studies (e.g., Gorsira, Denkers, et al., 2018; Manara et al., 2020). However, these studies might be limited in terms of retrospection bias (i.e., participants might not recall their experiences correctly). By applying a weekly diary design in the field, we maximize our study's external validity and reduce the potential recall biases.

Finally, by examining thinking styles (rational and intuitive) as an underlying mechanism, as well as Machiavellianism as a moderator between BLM and corruption, we extend the literature on why and when BLM predicts unethical behavior in organizations. Although past research has evidenced that BLM has detrimental effects on organizations, BLM research itself is still in its infancy (Greenbaum, Babalola, et al., 2020; Quade et al., 2020). Our study follows the calls to examine other potentially damaging outcomes of BLM (e.g., Greenbaum et al., 2012; Quade et al., 2020) and explores the underlying psychological process that may explain such effects. We specifically suggest that people may engage in corrupt behavior because they are too narrowly focused on bottom-line outcomes (i.e., profit) while ignoring ethical values. Our conceptual model is presented in Figure 1.

Figure 4.1 *The Proposed Model*



We tested our model using a weekly diary design to capture short-term fluctuations in corruption, thinking style, and BLM. By exploring corruption from a dynamic within-person approach, this research will contribute to corruption research that typically uses static between person perspectives and responds to the call for more diverse approaches in empirical corruption research (Manara et al., 2020; Rabl & Kühlmann, 2008). Applying a diary design also allows us to capture the phenomenon of corruption and the factors that lead to it (i.e., bottom-line mentality and thinking style) in a natural context and reduce retrospective bias considerably (Bolger et al., 2003). As corruption is a low base-rate phenomenon and does not occur on a daily basis, we measured all within-person variables in corruption situations that occurred on a weekly basis. We asked participants who experienced corruption situations in the previous week to answer weekly questionnaires regarding their bribing behavior, BLM, and thinking styles.

Corruption and the Role of Bottom Line Mentality

Corruption is a specific unethical behavior that misuses an organizational power or position for personal or organizational gain (Anand et al., 2004). As a complex phenomenon, corruption could take many forms, such as bribery, embezzlement, and favoritism (Lasthuizen et al., 2011; Manara et al., 2019). Corruption scholars have suggested that researchers should focus on a specific form of corruption rather than a broad range of corrupt behaviors because each form of corruption could have different characteristics (Collins et al., 2009). For instance, while bribery is a form of corruption that involves offering or giving someone (who has a power/ position on an organization) money or other valuables in exchange for preferential treatment (Gorsira, Denkers, et al., 2018), embezzlement is characterized by taking or converting organizational money or other valuables for personal benefit (Vargas-Hernández, 2011). In the present study, we focus on bribery as one form of corruption that often occurs in organizations (Lasthuizen et al., 2011; Manara et al., 2019). Bribery usually involves at least two parties and occurs primarily between the public

sector (bribe taker) and private sector (bribe giver) (Gorsira, Denkers, et al., 2018; Rabl & Kühlmann, 2008). Both parties negotiate an exchange of advantages (Rabl & Kühlmann, 2008). For example, a manager of a construction company participating in a bid for a bridge building gives a certain amount of money to a person in charge of the bidding to help the company win the bid. Because of the private transaction between the two parties, the bid is not based on objective qualifications; thus, the project could be executed with poor quality and lead to bad public service. Furthermore, this transaction harms other stakeholders, such as competitors and citizens (Gupta et al., 2002). Therefore, scholars studying corruption argue that bribery is both an immoral and illegal behavior that harms the interests of other stakeholders (Gorsira, Denkers, et al., 2018; Rabl & Kühlmann, 2008).

Most corruption studies at the micro-level use between-person approaches. Thus, they consider corruption and its antecedents to be general tendencies that are stable over time within a person (e.g., Köbis et al., 2015; Manara et al., 2020; Rabl & Kühlmann, 2008; Zhao et al., 2016, 2019). However, the corruption literature suggests that corruption can be influenced by dynamic organizational processes (Ashforth & Anand, 2003; Den Nieuwenboer & Kaptein, 2008). In this study, we argue that bribing behaviors could differ from one situation to another depending on employees' personal and situational factors that employees have in a particular situation.

Prior studies have identified individual, organizational, and contextual factors that influence employees' bribing behavior, such as personality (Zhao et al., 2016), social norms (Köbis et al., 2015), and ethical leadership (Manara et al., 2020). However, previous studies have not yet investigated the role of employee BLM in predicting bribing behavior. In today's competitive marketplace, employees often use the bottom-line perspective to achieve performance goals (Greenbaum et al., 2012; Wolfe, 1988). Wolfe (1988) defined BLM as whatever "is worth paying attention to while everything else is discarded" (p.145), which generally means financial outcomes.

Although research on BLM is mostly conducted with cross-sectional designs and most authors think BLM is a stable trait (Castille et al., 2018; Greenbaum, Babalola, et al., 2020; Mesdaghinia et al., 2019), we argue that BLM could also be a dynamic process. How employees approach a task—whether they focus solely on the bottom-line target or consider other competing priorities—may differ across situations. Employees may focus on bottom-line targets in one task, but adopt a wider perspective in another task or situation. For example, scholars have suggested that situational factors such as task difficulty have positive correlations with cheating behaviors (Coleman & Mahaffey, 2000; Schraw et al., 2007). Individuals may be more prone to use BLM—and by extension, unethical behaviors—to accomplish tasks that are difficult compared to those that are easy.

Overall, BLM has been shown to be associated with behaviors that detrimentally affect organizational functioning such as the social undermining of colleagues (Greenbaum et al., 2012), unethical pro-organizational behavior (Zhang et al., 2020), unethical pro-leader behavior (Mesdaghinia et al., 2019), and reduced organizational citizenship behavior (Eissa et al., 2019). In situations where employees' BLM is high, they tend to focus on bottom-line outcomes such as profits

and financial rewards, neglecting other considerations such as moral values, quality of work, and public interests (Bonner et al., 2017; Greenbaum et al., 2012). They see the bottom-line as a game that should be won and thus ignore other stakeholders in the process of winning (Wolfe, 1988). Therefore, Greenbaum et al. (2012) suggested that when employees score high on BLM, they may be willing to engage in any behaviors that could secure their bottom-line targets, with little attention to the other effects that may arise. For example, a recent study showed that when employees are working for supervisors with high BLM, they are more likely to engage in unethical pro-organizational behavior (Zhang et al., 2020). To attain the bottom-line goals signaled by their supervisors, they tend to engage in unethical behaviors and neglect ethical issues and other stakeholders' interests (Zhang et al., 2020).

Bribery is well known as a behavior that violates accepted ethical norms and sacrifices the interests of other stakeholders (Gorsira, Denkers, et al., 2018; Rabl & Kühlmann, 2008). In situations where employees score high on BLM, they may neglect those unethical aspects of bribery to attain bottom-line goals. In other words, they may engage in bribery without thinking of the associated ethical issues and risks that comes with bribing behavior as they are narrowly focused on bottom-line targets and fail to see the side effects of that behavior (Greenbaum et al., 2012). Furthermore, previous empirical research has evidenced that BLM is associated with unethical behaviors (Castille et al., 2018; Greenbaum et al., 2012). Thus, we propose:

Hypothesis 1: BLM is positively associated with bribing behavior in a particular corruption situation.

The Mediating Role of Thinking Style

Dual-process theories of cognition have suggested that there are two types of thinking style: (1) *rational* thinking that is effortful, slow, conscious, analytical, and needs working memory, and (2) *intuitive* thinking that is relatively fast, automatic, preconscious and does not need working memory (Epstein et al., 1996). The two thinking styles do not constitute a continuum (i.e., ranging from intuitive to rational thinking), but rather represent independent constructs (Betsch & Iannello, 2010; Epstein et al., 1996). Thus, individuals may have intuitive and rational thinking styles simultaneously (Betsch & Iannello, 2010; Epstein et al., 1996). Some studies have suggested that the two thinking styles are used in parallel, where one style may dominate because its characteristics are more suited to a specific context and task (Epstein, 1994). Other research suggests that the two styles operate consecutively, where someone may change thinking styles during decision-making processes (Kahneman & Frederick, 2002; Phillips et al., 2016). The probability of using one type of thinking style may be influenced by many factors, such as the type of decision, one's age, and employees' motivation to switch between both thinking styles (Evans & Stanovich, 2013; Phillips et al., 2016). In this study, we measure thinking styles in the specific situation, especially when people experience corruption situations in their work. Therefore, we follow the idea that one style may be more prominent than another style in a given situation. This idea aligns with the literature of situation-specific thinking styles, which proposes that thinking style is the momentary thinking

orientation that individuals use in a specific situation (Novak & Hoffman, 2008). The use of one style may be depend on individual's underlying motive accomplish a specific task (Novak & Hoffman, 2008).

In situations where employees score high on BLM, they approach a task with a one-dimensional mind-set that revolves around the bottom-line goal while ignoring other competing priorities (Greenbaum et al., 2012). With this one-dimensional thinking that fits BLM, employees may not be interested in deep information processing, which is characteristic of rational thinking and may tend to use the intuitive thinking style. Focusing only on the bottom-line and ignoring other aspects may lead employees to be less rational. Instead, they may be more impulsive and fast in thinking to reach the outcomes, thereby ignoring other details and use intuitive thinking style rather than rational thinking style. In line with our argument, a recent study found that BLM at the group level reduced group creativity because a group with high BLM narrowly focused on bottom-line goals and ignored other aspects in their decision processes (Greenbaum, Bonner, et al., 2020). Therefore, we propose that BLM is positively associated with intuitive thinking style and negatively associated with rational thinking style.

Hypothesis 2a: BLM is positively related to intuitive thinking style in a particular corruption situation.

Hypothesis 2b: BLM is negatively related to rational thinking style in a particular corruption situation.

Several authors have suggested that intuitive thinking brings about cognitive biases, while rational thinking facilitates correct decisions (e.g., Epstein, 1994). According to this argument, intuitive thinking may be associated with cognitive biases stemming from affect and intuition (Phillips et al., 2016). Thus, engaging in intuitive thinking may lead employees to decisions such as behaving unethically, like in bribery. Supporting this view, several studies have evidenced that intuitive thinking is associated with unethical behaviors. For example, when people have few resources to think rationally and deliberately, they tend to engage in workplace deviance (Christian & Ellis, 2011). Another study indicated that making decisions intuitively (i.e., impulsively) is related to academic cheating (Anderman et al., 2009). Thus, when employees use intuitive thinking style, they may be more prone to engage in bribing behavior. Conversely, when employees use rational thinking style, they may be less prone to engage in bribing behavior.

We have argued that in situations when employees score high on BLM, employees may tend to engage in intuitive thinking and disengage in rational thinking styles. Because in situations where employees score high on BLM, they typically solely focus on their BLM targets and ignore other information (Greenbaum, Bonner, et al., 2020). In situation where employees engage in intuitive thinking and disengage in rational thinking, employees may tend to make bad decisions (Phillips et al., 2016) such as engaging in bribing behavior. Therefore, we hypothesize:

Hypothesis 3a: Intuitive thinking mediates the relationship between BLM and bribing behavior in a particular corruption situation.

Hypothesis 3b: Rational thinking mediates the relationship between BLM and bribing behavior in a particular corruption situation.

The Moderating Role of Machiavellianism

Although the literature has evidenced a variety of negative effects of BLM, some studies suggest that there might also be a bright side (Barsky, 2008; Greenbaum, Bonner, et al., 2020). In terms of performance, focusing on the bottom-line may help organizations pursue outcomes above all else (Babalola et al., 2021). For example, a recent study showed that employees' perceptions of top management's high BLM enhance customer service performance and reduce customer incivility (Babalola et al., 2020). Employees with that perception develop cognitions that help them to support the bottom line. Focusing on bottom-line outcomes such as profits encourages employees to improve their work-related efforts (e.g., Vohs et al., 2006; Yang et al., 2013) in order to achieve their performance goals (Shah & Kruglanski, 2002). Therefore, employees with perceptions of top management's high BLM are likely to refrain from customer incivility and offer good customer service (Babalola et al., 2020) as these service behaviors are important to the employees' job performance and the organization's profitability, such as enhancing sales and customers' repeated purchases (Jaramillo & Grisaffe, 2009).

Considering that BLM can lead employees to engage in both beneficial and dysfunctional behaviors, some authors, therefore, have suggested that BLM research should explore boundary conditions of BLM's positive or negative impacts (Babalola et al., 2020; Greenbaum, Babalola, et al., 2020). Accordingly, Greenbaum et al. (2012) noted that the effect of employee BLM on unethical behavior might differ based on employees' traits.

This study proposes that the relationship between employee BLM and corruption may vary depending on employees' level of trait Machiavellianism. The term Machiavellianism originates from the Italian politician, Nicolo Machiavelli, who suggested the importance of manipulative influence tactics, pragmatism, and emotional distance in managing complex organizations (Castille et al., 2018). Christie and Geis (1970) identified several characteristics of Machiavellianism, such as a willingness to behave amorally, utilize manipulative tactics, and endorse a cynical and untrustworthy view (Dahling et al., 2009). Furthermore, according to Jones and Paulhus (2014), the key elements of Machiavellianism are manipulateness, callous affect, and strategic calculating orientation. Employees with high scores on Machiavellianism (high-Machs) are manipulators who will use all possible ways to achieve their personal goals (Jones & Paulhus, 2014). It has been suggested that Machiavellianism interacts with personal and situational factors in predicting unethical behaviors (Belschak, Muhammad, et al., 2018; Manara et al., 2020; Zagenczyk et al., 2013). For example, previous studies have evidenced that Machiavellianism buffers the beneficial effect of ethical leadership in reducing corruption (Manara et al., 2020), and exacerbates the positive relationship between psychological contract breach and organizational disidentification (Zagenczyk et al., 2013).

Given the negative characteristics of Machiavellianism described above, we expect that the positive relationship between BLM and bribing behavior in a particular corruption situation could be stronger for high-Machs than low-Machs. In situations where BLM is high, high-Machs will be more likely to engage in bribing behavior than low-Machs. High-Machs might pay less attention to the ethical aspects and risks of bribing behavior so long as they can achieve their bottom-line targets. Their manipulative character and unconventional moral view may make them more likely to believe corruption is their only option. Conversely, low-Machs may attend to other aspects while pursuing the bottom-line even, when BLM is high in a particular situation. They might consider a broader range of issues, such as ethical aspects and other stakeholder interests, and thus be might be less likely to engage in corruption than high-Machs. Therefore, we propose:

Hypothesis 4: Trait Machiavellianism moderates the positive relationship between BLM and bribing behavior in a particular corruption situation, such that the positive relationship is stronger when trait Machiavellianism is high.

In addition, we propose that the indirect relationship between employees' BLM and bribing behavior via thinking style in a particular corruption situation will be stronger for high-Machs than for low-Machs. Jonason et al. (2010) argued that individuals high on dark personality traits (including Machiavellianism) tend to use a 'fast life strategy' characterized by short-term thinking and a disregard of social norms. High-Machs seem to be less deliberate and more intuitive in their information processing (Jonason et al., 2010). As a result, in situations where BLM is high, high-Machs may tend to achieve bottom-line outcomes by thinking about corruption intuitively rather than rationally. That is, they may ignore alternative view and refuse to engage in further information processing, like using a rational thinking style and rather using an intuitive thinking style (Epstein et al., 1996). By contrast, low-Machs may approach the same situation in a rational way, considering aspects such as ethical issues and the risks of engaging in corruption. Based on these arguments, we propose:

Hypothesis 5a: Trait Machiavellianism moderates the indirect relationship between BLM and bribing behavior via intuitive thinking in a particular corruption situation, such that the indirect relationship is stronger when trait Machiavellianism is high.

Hypothesis 5b: Trait Machiavellianism moderates the indirect relationship between BLM and bribing behavior via rational thinking in a particular corruption situation, such that the indirect relationship is stronger when trait Machiavellianism is high.

Method

Participants and Procedure

We recruited Indonesian employees working in professions for which we expected a higher likelihood of corrupt situations to occur on a regular basis (i.e., weeks). For example, these included employees who often contact public officials and thus have the opportunity to offer, promise, or give bribes to authorities to attain their goals or tasks. Our recruitment team approached potential participants via personal networks and social media. Thus, we employed a snowballing procedure where participants were asked to send the study invitation to colleagues who met our inclusion criteria (e.g., Hülshager et al., 2021). We rewarded participants with 20,000 rupiahs (US\$1.4) in credit for their mobile phones per survey they completed. This study was approved by the Ethics Review Committee Psychology and Neuroscience of Maastricht University (ERCPN-230_133_11_2020).

A total of 117 employees showed interest in participating. They received an email containing the study information and a link to the informed consent and the baseline questionnaire. One hundred and nine of these participants consented to participate in the study (93.1% response rate). Fourteen participants dropped out before starting the study or after completing the demographic questions, resulting in a sample of 95 participants. We sent weekly questionnaires to these 95 participants for five weeks. Because we only analyzed participants who experienced situations that had the potential to stimulate bribing behavior, we excluded 63 participants who did not experience such situations within the five week diary study. Following the literature (Ployhart et al., 2002; Singer & Willett, 2003), we included all participants who provided at least one entry of a corrupt experience. Accordingly, the final sample consisted of 32 participants and 70 reports of situations with corruption potential. Specifically, 32 participants reported numerous entries such as one entry (31.3%), two entries (37.5%), three entries (15.6%), four entries (12.5%), and five entries (3.1%).

Of the final sample ($N = 32$), females were 46.9% and males were 53.1%. The mean age was 34.4 ($SD = 13.4$). In terms of educational attainment, participants mostly held bachelor degrees (56.3%), followed by master degrees (25%) and high school diplomas (18.7%). Participants were employed in various sectors such as real estate and construction (12.5%); manufacturing (15.6%); health, education, and social (15.7%); information and telecommunication (3.1%); hotel, accommodation, and recreation (18.8%); finance and insurance (3.1%); farming (3.1%), and other services (28.1%).

In the first email, participants were informed about the study and subsequently filled out a consent form. Participants then completed the baseline questionnaire assessing their demographics and a trait measure of Machiavellianism. The weekly questionnaire, assessing incidences of corruption in the past week, started on the following Friday. We sent the weekly questionnaire to participants every Friday at 13.00 for five weeks. Participants could complete the questionnaire until Sunday at 18.00. In the weekly survey, we first asked whether participants experienced a situation

with corruption potential in the last week. If the answer was yes, then we asked participants about their corrupt behavior, BLM, and thinking style in that situation. After completing the last weekly survey, participants received a closing email with a full study debriefing. We emphasized the anonymity and confidentiality of the study in the information letter and in the introduction of the surveys and weekly surveys.

Measures

Participants answered the online surveys in Indonesian. We used the translation-back translation method by Brislin (1970) to translate all English scales to Indonesian.

Baseline Questionnaire

The baseline questionnaires comprised the demographic questions and the trait Machiavellianism scale. Participants responded to the baseline questionnaires after they read the study information and consented to participate.

Demographic Questions

We measured several demographic aspects such as gender, age, education level, and tenure. Participants answered these questions first in the baseline questionnaire before they responded to the Machiavellianism scale.

Machiavellianism

We used the Indonesian translation (Nuzulia & Why, 2020) of the Machiavellianism sub-scale of the Short Dark Triad Scale (Jones & Paulhus, 2014) to assess the trait Machiavellianism. This measure consisted of nine items (e.g., “I like to use clever manipulation to get my way.”). Participants responded to the questions on a 5-point Likert-type scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*).

Weekly Questionnaires

The weekly questionnaire included questions about the occurrence of a corruption situation, corrupt behavior (i.e., bribing), BLM, and thinking style. All scales were rated on a 5-point Likert-type scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*), except for the corruption situation and corrupt behavior. Participants answered the corrupt situation question with either 1 (*no*) or 2 (Hayes) and rated how close they were to engaging in corrupt behavior on a 5-point Likert-type scale ranging from 1 (*not close at all, that was not an option for me*) to 5 (*extremely close, I actually did engage in such behavior*). Firstly, participants were asked whether they experienced any situation that offered an opportunity for them to engage in corruption in the weekly survey. Only participants who answered “yes” were presented with the subsequent questionnaires. Participants answering “no” were directed to the end of the weekly survey.

Corruption Situation

We adapted the bribery-related behavior scale for private sectors (Gorsira, Denkers, et al., 2018) by combining three items of bribe-giving behavior. Particularly, we asked employees: “In the past week, did you experience situations at your work in which you felt that it would have been possible, beneficial, or even necessary to offer, provide, or promise money, goods or services to collaborator (e.g., a public official or another authority) in exchange for preferential treatment in order to accomplish one or more of your tasks?” Participants answered this item with either 1 (*no*) or 2 (Hayes).

Corrupt Behavior

We measured corrupt behavior by asking participants how close they were to engaging in the corrupt behavior described in the corruption situation. Specifically, the question read: “How close were you to offer, provide, or promise money, goods, or services to collaborator (e.g., a public official or another authority) in exchange for preferential treatment in order to accomplish one or more of your tasks?” Participants responded to this item on a 5-point Likert-type scale ranging from 1 (*not close at all, that was not an option for me*) to 5 (*extremely close, I actually did engage in such behavior*).

Bottom-line Mentality

The four items of the BLM scale (Greenbaum et al., 2012) were used to measure employees’ BLM in the corruption situation. An example item is, “In that situation, I was solely concerned with meeting the bottom line.”

Thinking Styles

We used six items from the situation-specific thinking style scale (Novak & Hoffman, 2008) to measure the thinking style of participants in the corruption situation. Three items measured rational thinking style (e.g., “In that situation, I reasoned things out carefully.”) and three items measured intuitive thinking style (e.g., “In that situation, I relied on my sense of intuition.”).

Analytical Strategy

Since our data derived from two levels (the person level and the week level), we analyzed our data with a multilevel analysis (MLA) (Bryk & Raudenbush, 1992). The predictor and control variables at the person level (e.g., Machiavellianism) were centered at the grand mean, while the predictor variables at the week level were centered at the person mean. Centering the week variables at the person mean was needed to remove all between-persons variance in these variables and within-person effects could be estimated (Enders & Tofghi, 2007). We used the IBM SPSS program for data analysis (Peugh & Enders, 2005).

To test Hypothesis 1 (the positive relationship between BLM and bribing

behavior in a particular corruption situation), Hypotheses 2a (the positive relationship between BLM and intuitive thinking style in a particular corruption situation) and 2b (the negative relationship between BLM and rational thinking style in a particular corruption situation), we ran a MLA mixed model using SPSS. Hypotheses 3a and 3b (proposing an indirect relationship between BLM and bribing behavior via thinking styles) were tested using the MLmed macro for SPSS (Rockwood, 2017). We ran separate analyses for each type of thinking style (i.e., intuitive and rational). To test Hypothesis 4 (proposing a cross-level interaction effect), we analyzed the moderation effect of trait Machiavellianism (Level 2) on the Level 1 relationship between BLM and bribing behavior. Finally, we run multilevel mediated moderation analyses using the MLmed macro for SPSS (Rockwood, 2017) to test Hypothesis 5a and 5b about the moderation effect of trait Machiavellianism (Level 2) on the Level 1 indirect relationship between BLM and bribing behavior via thinking styles (rational and intuitive). Separate multilevel moderated mediation analyses were conducted for both thinking styles.

Results

Table 1 shows the means, standard deviations, Cronbach's alphas, interclass correlations coefficients, and correlations between the variables. Prior to analyzing our hypotheses, we examined within-person variance in the weekly data. As shown in Table 1, the interclass correlations (ICCs) indicated that our weekly variables substantially varied within persons: corrupt behavior (60%), intuitive thinking style (29%), and rational thinking style (70%). Thus, we tested Hypothesis 1 (within-person): As can be seen in Table 2, the within-person relation between BLM and bribing behavior was not significant (estimate = .27, $p > 0.05$). However, the relation of the person-average of BLM and bribing behavior was marginally significant (estimate = .59, $p = 0.08$).

Table 4.1 Means, Standard Deviations, Cronbach's alpha, and Correlations between Study Variables

	<i>M</i>	<i>SD</i>	α	ICC	1	2	3	4	5	6	7	8
1. Trait Machiavellianism	3.30	0.54	.68		-							
2. Bribing behavior	2.86	1.01	.40		.37**	-	.10	-.04	.22			
3. BLM	3.11	0.60	.73		.14†	.38**	-	-.03	-.18			
4. RTS	3.91	0.42	.53	.30	.01	.17*	.31**	-	.19			
5. ITS	3.10	0.67	.75	.71	.22**	.28**	.64**	.31**	-			
6. Gender	1.53	0.50			.01	.04	.09	-.03	.20*	-		
7. Age	34.38	13.27			-.18*	-.29**	-.12	-.02	-.01	.24**	-	
8. Education	3.91	0.95			.04	.02	.07	.05	.02	.11	.08	-
9. Tenure	6.11	6.39			-.26**	-.33**	-.47**	-.17*	-.22**	.37**	.53**	-.19*

Note. Cronbach's alpha for week-level variables are mean internal consistencies averaged over all measurement weeks. Correlations below the diagonal are person-level correlations ($N=32$). Correlations above the diagonal are week-level correlations ($N=70$). † $p < .10$ * $p < .05$, ** $p < .01$. Gender were coded 1 = female, and 2 = male.

Table 4.2 *Main Effect of BLM on Bribing Behavior*

Independent variables	Model 1			Model 2		
	Estimate	SE	T	p	Estimate	SE
Intercept	2.94	.17	16.51	.00	1.35	.90
BLM (level 1/person mean)	.27	.45	.60	.55	-.24	.53
BLM (level 2/average mean)					.51	.28

To test Hypotheses 2a and 2b, we used the MLmed macro for SPSS (Rockwood, 2017). As shown in Table 3 and 4, BLM was related to neither intuitive thinking (estimate = $-.22, p > .05$) nor with rational thinking (estimate = $-.22, p > .05$). Thus, Hypotheses 2a and 2b were not confirmed. Regarding Hypotheses 3a and 3b, the results in Table 3 and 4 show that there were no indirect relations at the within-person level between BLM and bribing behavior, neither via intuitive thinking style (effect = $-.12, SE = .12, p > .05, 95\% CI [-.48, .43]$, nor via rational thinking style (effect = $-.003, SE = .07, p > .05, 95\% CI [-.15, .17]$). Accordingly, Hypotheses 3a and 3b were not supported.

Table 4.3 *Mediation Analysis (1–1–1), Indirect Effect of BLM (level 1) on Bribing Behavior via Intuitive Thinking Style (level 1)*

Independent variables	Intuitive thinking style (M)				Bribing behavior (Y)							
	Estimate	SE	t	p	LL	UL	Estimate	SE	t	p	LL	UL
Within effect												
BLM (X)	-.22	.20	-1.09	.28	-.62	.18	.39	.44	.88	.38	-.51	1.29
ITS (M)							.55	.36	1.52	.13	-.18	1.28
Between effect												
BLM (X)	.76	.14	5.16	.00	.46	1.07	.46	.39	1.16	.25	-.34	1.27
ITS (M)							.06	.35	.17	.86	-.66	.79
Indirect effect												
Effect							SE	Z	p	MCLL	MCUL	
Within indirect effect of X on Y via M							.15	-.78	.43	-.48	.11	
Between indirect effect of X on Y via M							.27	.17	.86	-.48	.61	

Table 4.4 *Mediation Analysis (1-1-1), Indirect Effect of BLM (level 1) on Bribing Behavior via Rational Thinking Style (level 1)*

Independent variables	Rational thinking style (M)					Bribing behavior (Y)							
	Estimate	SE	t	P	LL	UL	Estimate	SE	T	p	LL	UL	
Within effect													
BLM (X)	-.03	.17	-1.97	.38	-.62	.31	.27	.45	.59	.55	-.64	1.18	
RTS (M)							-.10	.42	-.25	.80	-.95	.74	
Between effect													
BLM (X)	.22	.11	1.92	.06	-.01	.46	.49	.30	1.63	.11	-.12	1.12	
RTS (M)							.04	.45	.10	.91	-.88	.98	
Indirect effect													
Effect							SE	Z	p	MCLL	MCUL		
Within indirect effect of X on Y via M							-.003	.07	-.04	.96	-.15	.17	
Between indirect effect of X on Y via M							.01	.11	.09	.92	-.22	.26	

Next, we tested Hypothesis 4. As can be seen in Table 5, the cross-level interaction effect between trait Machiavellianism (Level 2) and BLM (Level 1) on bribing behavior was not significant (estimate = $-.52, p > .05$). Thus, this result does not confirm Hypothesis 4. However, an inspection of the results showed that trait Machiavellianism had a significant main effect on bribing behavior (estimate = $.74, p < .05$).

Table 4.5 *Cross Interaction Effect of trait Machiavellianism and BLM on Bribing Behavior*

Independent variables	Model 1				Model 2				Model 3			
	Estimate	SE	t	P	Estimate	SE	t	p	Estimate	SE	t	p
Intercept	2.94	.16	17.93	.00	2.94	.16	18.51	.00	1.50	.80	1.87	.07
BLM (Level 1) (X)	.18	.47	.39	.70	.14	.49	.29	.77	-.39	.56	-.67	.50
Machiavellianism (Level 2) (W)	.78	.31	2.51	.01	.77	.31	2.48	.02	.74	.30	2.45	.02
X × W					-.43	.83	-.52	.63	-.52	.87	-.62	.56
BLM (level 2)									.46	.25	1.83	.08

Finally, we ran a multilevel moderated mediation analysis using the MLmed macro for SPSS to test Hypotheses 5a and 5b. However, the results did not confirm the moderated indirect effects: Trait Machiavellianism (Level 2) did not moderate the within-person indirect relationship between BLM and bribing behavior via intuitive thinking style (moderated mediation index, estimate = -.013, 95% CI [-.47, .51]), nor via rational thinking style (moderated mediation index, estimate = -.004, 95% CI [-.31, .27]).

Discussion

The purpose of this study was to understand the relationship between employees' BLM and corruption on a within-person level. We also explored the underlying mechanism (i.e., thinking styles: intuitive and rational) and an important personal boundary condition (i.e., trait Machiavellianism) of the relationship. We used a diary study design to better capture the dynamic nature of corruption by asking participants to report corruption incidents every week. Previous research studying BLM has indicated that BLM contributes to some negative behaviors in organizations, such as unethical pro-organizational behavior (Zhang et al., 2020) and the undermining of colleagues (Greenbaum et al., 2012). However, our finding showed that BLM was not significantly related to bribing behavior at the within-person level. This finding did not support our arguments for Hypothesis 1, which stated that BLM is positively associated with weekly bribing behavior in a particular corruption situation. The relationship was not mediated by either the intuitive or rational thinking style. Furthermore, the trait Machiavellianism relationship did not play a role in the relationship. A possible explanation for these non-significant results may be the size of the sample: of 95 final participants, only 32 experienced corruption situations within five weeks of the diary study and 68.8% of those reported only one or two corruption situations. The small sample and small amount of diary entries may have limited the within-person variability of our variables and, by extension, the power to detect any effects.

Nonetheless, some additional analyses indicated that trait Machiavellianism was positively related to bribing behavior in a particular corruption situation. This finding aligns with previous studies that have demonstrated that Machiavellianism positively impacts unethical behaviors (Kish-Gephart et al., 2010), particularly corruption (Manara et al., 2020; Zhao et al., 2016). While previous studies used a cross-sectional design (Manara et al., 2020; Zhao et al., 2016), ours adds that trait Machiavellianism is also positively related to bribing behavior in a specific corruption situation. Furthermore, we observed that BLM had a positive relation with the intuitive thinking style on the between-person level. This finding is consistent with our arguments that employees with BLM are more intuitive in their thinking because they are too focused on their bottom-line goals and neglect competing priorities (Greenbaum et al., 2012).

Theoretical Implications

This study contributes to corruption research at the micro-level by using a diary design to explore BLM as a situational predictor of corruption. Ultimately, the results did not support our proposal that BLM is positively related to bribing behavior in a particular corruption situation. However, our study design may provide new insights for the corruption literature. Our approach addresses methodological issues in the existing literature and provides a new approach for studying corruption. Although previous studies have used experimental and cross-sectional designs to make significant contributions to the corruption literature (Köbis et al., 2015; Manara et al., 2020; Rabl & Kühlmann, 2008; Zhao et al., 2016), a diary design is useful for assessing corruption processes in a natural context and thereby understanding

how corruption occurs in real-life settings (Bolger et al., 2003). To the best of our knowledge, this paper is the first corruption study to employ such a design. Future studies may consider leveraging the approach to achieve deeper insights.

Our study also contributes to the BLM literature and responds to calls to examine other potentially adverse outcomes of BLM, such as corruption. The BLM literature has demonstrated that employees who adopt a BLM perspective tend to ignore ethical aspects, have a narrower view, and focus on a single bottom-line objective (Babalola et al., 2020; Babalola et al., 2021; Greenbaum et al., 2012). Thus, they are more prone to engaging in unethical behaviors (Castille et al., 2018; Farasat & Azam, 2020; Zhang et al., 2020). However, our within-person analyses showed that BLM and bribing behavior were not significantly related. Apart from our study lacking statistical power, this finding might be because corruption is considered a more severe unethical behavior than other malevolent behaviors at work, such as social undermining (Greenbaum et al., 2012), unethical pro-leader behavior (Mesdaghinia et al., 2019), and workplace cheating (Farasat et al., 2020). Future research on BLM should examine more diverse outcomes and evaluate whether BLM exerts different effects on different unethical behaviors. Alternatively, future studies could perform a meta-analysis to provide a comprehensive overview of BLM and its impacts.

We did not find support for thinking styles (intuitive and rational) as an underlying mechanism for the relationship between BLM and bribing behavior in a specific corruption situation. The results on the within-person level did not support our argument that intuitive (vs. rational) thinking style is positively (vs. negatively) related to bribing behavior. However, we found that BLM was positively related to the intuitive thinking style at the between-person level of analysis. This result confirmed previous findings that people with high levels of BLM think in a specific way (Novak & Hoffman, 2008) that is oriented around shallower and faster information processing. The literature on decision-making has shown that individuals' tendencies to use a specific type of thinking could depend on several factors, including the type of decision, time pressure, and age (Evans & Stanovich, 2013; Phillips et al., 2016). Our study extends this literature by corroborating that employees with high BLM—defined as one-dimensional thinking that revolves around bottom-line goals (Wolfe, 1988)—engage in intuitive thinking (Novak & Hoffman, 2008).

Finally, the present study expands the literature on Machiavellianism. Previous studies have indicated that Machiavellianism interacts with several factors in predicting unethical behaviors, such as knowledge hiding and emotional manipulation (Belschak, Den Hartog, et al., 2018), counterproductive work behaviors (Belschak, Muhammad, et al., 2018), and corruption (Manara et al., 2020). Using a diary study design, we examined the moderating role of Machiavellianism for the relation between BLM and bribing behavior in a particular corruption situation. Although we did not confirm the moderating effect of Machiavellianism, our cross-level analysis showed that trait Machiavellianism was positively associated with bribing behavior. This finding corroborates previous results that mainly stemmed from cross-sectional studies (Belschak, Den Hartog, et al., 2018; Belschak, Muhammad, et al., 2018; Manara et al., 2020; Rehman & Shahnawaz, 2018).

Strength, Limitations, and Future Research

Using a diary design, we responded to calls (e.g., Manara et al., 2020; Rabl & Kühlmann, 2008) to use alternative approaches to study corruption and its predictors in a real-life context. With this method, we not only reduced the potential retrospective biases that mostly occurred in the previous studies measuring past corrupt behavior (e.g., Gorsira, Denkers, et al., 2018), but also strengthened the external validity of corruption studies that used lab-experiments and scenarios (Armantier & Boly, 2012).

As with any other study, this present one has several limitations. First, this study suffers from a limited sample size. Although we recruited more participants than reported (i.e., 91-115; (Breevaart et al., 2016; Rodríguez-Muñoz et al., 2017), our final sample only encompassed 32 participants who reported at least one corruption situation. With this limited sample, the study may have lacked the power necessary to support most of our hypotheses. The fact that corruption is unethical, illegal, and rarely occurs (Rabl & Kühlmann, 2008) may explain the low diary responses in our study. Therefore, future studies could consider a longer time frame for each assessment in a longitudinal study and more participants in order to capture more corruption situations and more data in a real-life context. Another possible explanation may be related to issues of social desirability. Although we have designed our study to minimize social desirability by emphasizing the anonymity and confidentiality of our study in the introduction of the survey and the weekly surveys, participants might have still avoided reporting corruption situations because they felt uncomfortable and unsafe.

Second, most variables in our study were measured with self-report scales, which bare the risk of common method bias (Podsakoff et al., 2003). As it is hard to assess intrinsic constructs and negative behaviors such as situational thinking style, BLM, and corruption through other ratings, we cannot alleviate this limitation without confronting other methodological problems. We did minimize this potential bias, however, by using person-centered predictors in our analyses, thereby reducing the potential influence of response tendencies arising from individual differences. Future research might consider collecting data from other sources such as significant others to avoid the problems with common method variance.

The present study failed to find evidence that thinking style is an underlying mechanism of the positive relation between BLM and bribing behavior in a particular corruption situation. Future studies could test alternative mechanisms of how BLM leads to adverse outcomes. Moral disengagement—a set of cognitive mechanisms that individuals use to engage in amoral behaviors without feeling distressed (Bandura, 1999)—might be a mechanism that could explain the negative outcomes of BLM. After all, previous studies have shown that moral disengagement contributes to several unethical behaviors (Detert et al., 2008; Moore, 2008; Zhao et al., 2019).

The present study also failed to support our hypothesis that Machiavellianism could moderate the positive relation between BLM and bribing behavior in a particular corruption situation. Future research could test other potential boundary conditions such as moral intensity, which reflects “the extent of issue-related moral

imperative in a situation” (Jones, 1991, p. 372). The perceived moral intensity of a particular unethical behavior may moderate the positive relation of BLM and unethical behaviors, such that the positive association may be weaker when employees have high perceived moral intensity.

Practical Implications

Applying a diary study design, the present study confirmed the findings of previous studies showing that Machiavellianism is positively associated with corruption (Manara et al., 2020; Zhao et al., 2016). Consequently, we can confidently suggest that organizations could mitigate corruption through personnel selection, that is, by screening out candidates with high levels of Machiavellianism. This seems more fruitful than trying to guide high-Mach employees to reduce their corrupt tendencies, as previous research has shown that such individuals are less adaptive and do not reduce their corrupt tendencies under ethical leadership (Manara et al., 2020). This is because personality traits such as Machiavellianism show a substantial amount of stability and are not easy to change (Zettler et al., 2021). Therefore, organizations could avoid hiring employees with a high score on Machiavellianism to lower the risk of organizational corruption.

Conclusion

The BLM literature demonstrates that BLM is associated with several unethical behaviors (Castille et al., 2018; Farasat & Azam, 2020; Zhang et al., 2020). We expand on previous research by conducting a novel diary study that examines the relationship between BLM and bribing behavior —specifically considering an underlying mechanism (thinking style) and boundary condition (Machiavellianism). Unexpectedly, our results showed that the relationship between employees’ BLM and bribing behavior in a particular corruption situation was not significant. This relation was neither mediated by thinking style nor moderated by Machiavellianism. Future research could apply our model and methods to other corruption behaviors or seek bigger samples that provide greater insights.

CHAPTER 5

General Discussion



Corruption is a pressing problem in many countries. Thus, it is important to explore the cognitive mechanisms that underlie corruption in order to understand why individuals engage in such acts, which can then inform anti-corruption campaigns. By considering how people think before engage in corruption and the factors that contribute to it, decision-makers may effectively deliver anti-corruption messages to employees. Extending research on corruption at the micro-level (Gorsira, Denkers, et al., 2018; Köbis et al., 2015; Rabl & Kühlmann, 2008; Zhao et al., 2016), this dissertation focused on the intra-personal cognitive processes (i.e., decision-making and thinking styles) that drive corruption. Furthermore, this dissertation examined several determinants that may contribute to corruption, as well as boundary conditions and underlying mechanisms.

This final chapter briefly summarizes the main findings of the three empirical studies: Chapters 2, 3, and 4. Furthermore, it will discuss the dissertation's theoretical implications, strengths, and limitations, alongside suggestions for future research. Finally, this chapter provides practical implications for corruption prevention programs.

Main Findings

Chapter 2 addresses the first research question, using a qualitative approach (i.e., informed grounded theory; Thornberg, 2012) to explore the decision-making process that underlies corruption. Drawing on the general decision-making model (Engel et al., 1986), Chapter 2 explores the different stages of decision-making—problem recognition, information search, evaluation, and behavior—among participants who were convicted of corruption. In this way, the study provides new insights into every stage of the decision-making process. While the corruption literature has suggested that personal and organizational goals drive corruption (Anand et al., 2004; Rabl & Kühlmann, 2008), our findings indicate that individuals also engage in corruption because of socially oriented goals, such as for public benefit and helping others. Therefore, individuals can be motivated by goals that are not commonly referenced in the corruption literature (Anand et al., 2004; Rabl & Kühlmann, 2008). In the information search stage, we interestingly found that participants searched for information about corruption among their colleagues with similar positions at other organizations, instead of colleagues within their own organization. We speculate that this is because individuals feel safer searching for information about sensitive issues among people who are outside of their own organization. Regarding the evaluation stage, Chapter 2 illustrated that some participants engaged in corruption because others (e.g., supervisors) involved them into the corruption processes. Corroborating these findings, the results in the behavior stage indicated that some participants assisted the corruption process—and thus engaged in a type of corruption type that has not typically been discussed in the literature. This finding aligns with research suggesting that corruption is often performed by multiple actors who may play different roles in the process (Köbis et al., 2016). By analyzing the interrelation between all stages of the decision-making process, Chapter 2 suggests that individuals vary in whether they approach this process with rational or intuitive thinking. Specifically, participants'

awareness of how their behaviors related to corruption affected the decisions they made in the respective situations.

Chapter 3 contributed to Research Questions 2, 3, and 4 by examining ethical leadership and employees' Machiavellianism as factors that may contribute to intuitive thinking and, by extension, corruption. In particular, this chapter proposed that the ability of ethical leadership to reduce corruption is moderated by employees' Machiavellianism and mediated by intuitive thinking style. Across two different studies (a field study and an experiment), we found evidence that ethical leadership negatively influences corruption. Although we examined a specific unethical behavior (i.e., corruption), the results corroborate previous research suggesting that ethical leadership is beneficial for reducing unethical behaviors in organizations (Belschak, Den Hartog, et al., 2018; Moore et al., 2019; Ruiz-Palomino & Linuesa-Langreo, 2018; van Gils et al., 2015). That said, Chapter 3 produced a novel finding: The negative effect of ethical leadership on employee corruption was mediated by intuitive thinking style. This result highlights a new underlying mechanism behind the influence of ethical leaders (Den Hartog, 2015). In addition, the studies in Chapter 3 indicated that Machiavellianism moderates the negative effect of ethical leadership on corruption. Notably, the interaction patterns were inconsistent across the two studies. Implications of these results will be discussed in the sections below. Overall, Chapter 3 provides evidence that the determinants of corruption could influence corrupt behavior through intra-individual cognitive process (i.e., intuitive thinking style).

Chapter 4 contributed to Research Questions 2, 3, and 4 by examining employees' *bottom-line mentality* (BLM) as a determinant that may facilitate corrupt behavior. To this end, we utilized a weekly diary study spanning five weeks. Similar to Chapter 3, we considered the moderating role of Machiavellianism and the mediating role of thinking styles (rational and intuitive thinking style) in the relationship between BLM and corrupt behavior. The results of a multilevel analysis did not support our hypothesis that BLM is positively related to corruption. A cross-level analysis also did not uncover an interaction effect of BLM and Machiavellianism on corruption. In addition, neither the intuitive nor rational thinking styles mediated the effect of BLM and Machiavellianism on corruption. However, we did find that trait Machiavellianism had a main effect on corruption. These findings could be due to certain limitations (e.g., a lack of sufficient power) that the chapter extensively discusses. Despite the weak evidence for most of the hypotheses, this chapter contributes a novel methodological approach for studying corruption.

Overall, this dissertation's empirical chapters seek to bolster our understanding of the decision-making process that underlies corruption and the determinants that influence this process. Based on the rational decision-making model and on the qualitative interview data, Chapter 2 indicates that some participants engaged in rational thinking by deliberately engaging in different stages of the decision-making process. However, some other participants did not engage in all stages of the decision-making process and decided intuitively. While the model in Chapter 2 has multiple stages and participants face different complex situations in the real-life corruption

cases, we simplified the decision-making process underlying corruption in Chapters 3 and 4 by drawing on the thinking styles literature (Epstein et al., 1996). The experiment study in Chapter 3 measured both rational and intuitive thinking styles in the specific corruption situation, bribery situation (i.e., auction game). In addition, the information search process also was examined by measuring how much participants accessed information and how much time they allocated to access information in that game. However, we did not find the effect of rational thinking and the information search process and only found the effect of the intuitive thinking style on corruption². The diary study in Chapter 4 measured rational and intuitive thinking styles in the specific bribery situation participants experienced at work within a week. Due to the limited sample, the diary study in Chapter 4 did not find the effects of both intuitive and rational thinking styles on corruption.

By utilizing different theoretical perspectives and methods across varying contexts, this dissertation offers some conclusions about the decision-making process underlying corruption. The qualitative study (Chapter 2) clarifies that the form and context of corrupt behavior shaped the decision-making process underlying corruption. Meanwhile, the quantitative studies examining corruption in a specific corruption situation (i.e., an experimental bribery situation) suggest that under a specific intervention (i.e., ethical leadership), individuals think more intuitively and, as a result, engage less in bribery.

Theoretical Implications

The main findings summarized above have some theoretical implications for the corruption literature.

First, this dissertation established that certain cognitive mechanisms (i.e., decision-making-process and thinking styles) are important for understanding corruption. Chapter 2 discussed how the decision-making process underlying corruption occurs. Specifically, individuals expressed several different goals, searched for information, and considered several aspects before engaging in corruption. These findings suggest that some people engage in a rational and elaborate decision-making process before acting corruptly, while other people decide intuitively. A factor that contributes to individuals' thinking style in this process is their awareness that their actions are related to corruption. Participants who possessed this awareness acted more deliberately (e.g., considering whether they would be caught and searching for more information) while those who lacked this awareness decided less deliberately (e.g., they followed the instructions of others and relied on their decisions). These findings align with the concept of intended and unintended unethical behaviors (Tenbrunsel & Smith-Crowe, 2008), whereby individuals who are engaged in intended (vs. unintended) unethical behaviors are more (vs. less) aware of the moral issues in the decision-making process. By integrating this dissertation's insights with the literature on (un)ethical decision-making (Tenbrunsel & Smith-Crowe, 2008)

2 Rational thinking style and information search process were not reported in Chapter 3.

and the dual-process theory of information processing (Epstein et al., 1996), future quantitative studies could experimentally test whether individuals who intentionally engage in corruption (i.e., they are aware of the behaviors being corrupt) decide more deliberately than those who engage unintentionally. Such research could utilize hypothetical daily life scenarios about corruption (e.g., Zhao et al., 2016). Following Tenbrunsel and Smith-Crowe (2008), scholars could differentiate between either moral aspects (high moral awareness) or business aspects (low moral awareness) in the hypothetical daily life scenarios about corruption. By comparing situational thinking styles in the two different scenarios, future research could ascertain whether individuals engaging in intended corruption think more deliberately or intuitively.

In Chapters 3 and 4, we examined the decision-making process more deeply by focusing on thinking style: namely, whether individuals act more rationally or intuitively when they decide to engage in corruption. While previous research has uncovered several determinants of corruption (Gorsira, Denkers, et al., 2018; Köbis et al., 2015; Rabl & Kühlmann, 2008; Zhao et al., 2016), Chapter 3 posited that intuitive thinking could translate the effects of a determinant factor (i.e., ethical leadership) into corruption. Specifically, it appears that ethical leadership decreases followers' corruption by influencing their thinking style, making them engage in more intuitive thinking, and thus less corruption. Although a few studies have examined some underlying mechanisms of the corruption process, such as moral disengagement (Moore et al., 2019) and the belief in good luck (Zhao et al., 2016), the findings in this dissertation shed light on the novel, unexplored mechanism of thinking style.

In addition, this dissertation expands the literature on information processing for unethical behaviors. The current literature on intuitive thinking and unethical behavior has generated mixed results so far, suggesting that the effect can depend on a number of boundary conditions (Köbis et al., 2019). Our results affirm that intuitive thinking in corrupt decisions can be influenced by at least one situational factor that has been previously neglected: namely, ethical leadership. Relatedly, this finding extends research on how ethical leaders influence their followers (Brown & Treviño, 2006; Den Hartog, 2015). Prior research has considered various mechanisms, such as ethical climate (Neubert et al., 2009), role modeling (Mayer et al., 2012), and trust (Ng & Feldman, 2015). However, few studies have explored the cognitive mechanisms that may mediate the effect of ethical leadership on followers' behaviors (Den Hartog, 2015). Filling this gap, Chapter 3 examined intuitive thinking style as one such cognitive mechanism and found that it can mediate the negative effect of ethical leadership on followers' corruption. Therefore, these results provide new insights into a cognitive mechanism behind the effect of ethical leadership on followers' behaviors (Den Hartog, 2015; Moore et al., 2019).

Second, this dissertation complements existing models that explain corruption—such as the corrupt action model by Rabl and Kühlmann (2008)—by exploring other aspects of the decision-making process that have not been acknowledged, such as the information search and evaluation processes. The corrupt action model (Rabl & Kühlmann, 2008) follows the Theory of Planned Behavior (TPA, Ajzen, 1991) and examines the effect of attitude toward corruption, subjective

norm and perceived behavioral control on corrupt intention and behavior. By contrast, the study in Chapter 2 followed a general decision-making model (Engel et al., 1986) and explored every stage of the decision-making process underlying corruption—namely, problem recognition, information search, evaluation, and behavior. Thus, Chapter 2 provides an alternative model for explaining the decision-making process that underlies corruption. For example, although the corrupt action model and the corruption literature have highlighted the personal and organizational goals behind corrupt action (Anand et al., 2004; Rabl & Kühlmann, 2008), our model suggests that individuals also engage in corruption because of social goals, such as improving public facilities and helping the general public. In addition, Chapter 2 indicates that the specific form of corruption shapes aspects of every stage in the decision-making process. Thus, it is important for future research to study corruption by focusing on its specific forms. As noted by other authors (Collins et al., 2009), corruption takes many forms, each with its own characteristics; thus, research on corruption becomes more useful when it avoids broad gestures and instead narrows its focus to specific expressions (Vargas-Hernández, 2011).

Third, by focusing on ethical leadership and BLM, this dissertation extends previous research on the individual and situational factors that contribute to corruption (Gorsira, Denkers, et al., 2018; Köbis et al., 2015; Rabl & Kühlmann, 2008; Zhao et al., 2016). Chapter 3 introduced ethical leadership as a factor that could decrease corruption, especially related to bribery. Across two different studies (survey study and experiment), Chapter 3 revealed that ethical leadership can effectively reduce bribery in organizations. These results align with the literature suggesting that ethical leadership is a situational factor that can reduce unethical behaviors in organizations (Den Hartog, 2015). Future research should investigate the effectiveness of ethical leadership in reducing other forms of corruption, such as favoritism and embezzlement. A wider net of evidence could bolster the conclusion that ethical leadership helps to prevent unethical behaviors in organizations (Den Hartog, 2015).

While Chapter 3 emphasized a determinant that may decrease corruption, Chapter 4 introduced a factor that could facilitate corruption—namely, employees' BLM. However, the weekly diary study in Chapter 4 did not support our arguments that BLM is positively related to corruption. By contrast, the BLM literature suggests that BLM is positively correlated with unethical behavior in organizations (Greenbaum et al., 2012). A possible explanation for this might be that corruption is seen as more unethical than other immoral behaviors, such as workplace cheating behavior (Farasat et al., 2020) and social undermining (Greenbaum et al., 2012). Thus, it is possible that the type of unethical behavior moderates the strength of the relationship between BLM and unethical behavior in organizations. To better evaluate this moderating role, future studies could, for example, use a meta-analysis to test whether BLM has different effects on different unethical behaviors. Importantly, the small sample size in the diary study may also explain its unexpected outcomes. After all, only 32 of 95 participants reported any corrupt situations within the study's five-week period. This is expected since corruption is a rarely occurring behavior (i.e., with a particularly low base rate). Notably, research on other ethical behaviors (e.g., workplace incivility and counterproductive workplace behavior) has managed to capture a sufficient amount

of incidents while leveraging the diary study design (Hülshager et al., 2021; Yang & Diefendorff, 2009). It is not surprising as workplace incivility and counterproductive workplace behavior cover more low-intensity, high-frequency unethical behaviors that entail less harm to targets (Andersson & Pearson, 1999; Spector et al., 2006). Thus, future research using diary designs should include more participants and a longer duration in order to capture more incidents of corruption.

In addition, both Chapters 3 and 4 presented employees' trait Machiavellianism as a personal boundary condition for the effect of ethical leadership and BLM on corruption. Chapter 3 found that followers' Machiavellianism moderates the effectiveness of ethical leadership in reducing corruption. Although the patterns were not consistent across the two studies in Chapter 3, the more robust of the two (i.e., the experiment) gave us confidence that ethical leadership is less effective when followers' Machiavellianism is high. This finding provides new insight into how ethical leadership and Machiavellianism interact to affect work behaviors. Previous studies (Belschak, Den Hartog, et al., 2018; Ruiz-Palomino & Linuesa-Langreo, 2018) have suggested that ethical leadership interacts with followers' Machiavellianism to influence followers' unethical behaviors, such that the negative link between ethical leadership and followers' unethical behaviors is stronger when followers' Machiavellianism is high. Meanwhile, the study in Chapter 3 indicated the opposite result: that the ability of ethical leadership to reduce corruption is *weaker* when followers' Machiavellianism is high. On this basis, future scholars should conduct a meta-analysis in order to comprehensively understand the interaction between ethical leadership and Machiavellianism on followers' behaviors. Meanwhile, Chapter 4 found no evidence that Machiavellianism interacts with BLM in affecting corruption. However, an additional analysis revealed that Machiavellianism has a main effect on weekly corruption. This finding corroborates previous research (Zhao et al., 2016) showing that Machiavellianism is positively related to corruption. Overall, Chapters 3 and 4 support the literature in suggesting that Machiavellianism is a personal factor that leads to negative organizational behaviors (Jonason et al., 2012; Kish-Gephart et al., 2010).

Finally, this dissertation addresses some methodological issues in the field by applying a wider variety of methods than is typically used in the corruption literature. Chapter 2 recruited real perpetrators of corruption as participants in order to deliver insights into the decision-making process underlying corruption. It is difficult to achieve this kind of ecological validity due to the illegal and immoral aspects of corruption (Zaloznaya, 2014). Nonetheless, this approach showed that some participants experienced corruption situations that fundamentally differ from those in lab studies. For example, while most corruption studies treat individuals as active decision-makers in every corruption situation (e.g., Gorsira, Denkers, et al., 2018; Köbis et al., 2015; Rabl & Kühlmann, 2008; Zhao et al., 2016), Chapter 2 revealed that some participants engage in corruption due to others (e.g., supervisors) asking them to do so. They may not even realize that the acts are part of a corrupt process. In addition, using an interview allowed participants to reflect on the decisions that led to the corruption situation, which contrasts with quantitative studies where participants usually have limited time to answer scale-based questions. In sum, Chapter 2 provides

evidence that qualitative designs are appropriate for explorative studies about the decision-making process underlying corruption.

Meanwhile, Chapter 3 quantitatively examined a specific aspect (i.e., ethical leadership) that influences the decision-making process in a specific corruption situation (i.e., bribery). Using two different quantitative methods (i.e., a cross-sectional survey study and an experiment), Chapter 3 investigated the effect of ethical leadership on the decision-making process (i.e., intuitive thinking style) and corruption. The experimental study offered strong internal validity and allowed us to draw causal conclusions. Using an experimental design, we manipulated ethical leadership conditions and observed their causal effect on thinking style and corrupt decision-making in a bribery simulation game, which also had the collateral effect of minimizing social desirability biases (Köbis et al., 2015). In tandem, the field survey study maximized generalizability by recruiting than 300 employees from across Europe and Indonesia. In short, using the two complementary methods strengthened the conclusions of our study.

Lastly, Chapter 4 adopted a within-person approach through a diary study design. Most quantitative studies have investigated corruption and its determinants as stable traits rather than context-dependent states (Gorsira, Denkers, et al., 2018; Köbis et al., 2015; Rabl & Kühlmann, 2008; Zhao et al., 2016). By contrast, the diary design allowed us to examine corruption and its determinants as fluctuating constructs in a real-life setting. In fact, the study in Chapter 4 is, to the best of our knowledge, the first corruption study to use a diary design; thus, it can inform future research on corruption in daily life settings. Overall, all the methods used in this dissertation have advantages and disadvantages. It is important that future research expand on this approach and leverage complementary designs in order to advance our understanding of corruption.

Strengths, Limitations, and Future Research

The first strength of this dissertation is that all empirical studies investigated corruption as an actual behavior. Many previous studies have only investigated corruption intentions (e.g., Zhao et al., 2016), which may differ from actual behaviors (Sniehotta et al., 2005). By investigating acts of corruption, the studies presented herein achieved ecological validity while answering calls to examine corruption beyond hypothetical scenarios and intentions (Powpaka, 2002; Zhao et al., 2019). In this vein, we sought interview data from prisoners convicted of corruption in order to validate corrupt behaviors using real criminal cases. Studying corruption from individuals who were already judged by the courts and admit (in the interview processes) that they committed to corruption is ultimate validation of the corrupt behavior itself. Second, this dissertation followed the suggestions of several authors (e.g., Rabl & Kühlmann, 2008; Zhao et al., 2019) and applied different methods in order to improve the methodological rigor of corruption research.

Despite these strengths, this dissertation also features several limitations. First, the studies focused on specific intra-individual, personal, and situational factors.

Therefore, this work could be extended by exploring other factors, such as the moral intensity of the situation (Jones, 1991). Indeed, previous research has shown that the moral intensity of an issue is negatively related to unethical choices (Kish-Gephart et al., 2010). For instance, there seems to be a correlation between the total potential harm of an unethical behavior and individual's intention to perform it (Kish-Gephart et al., 2010). By extension, the moral intensity of corruption may also negatively influence corrupt behavior. Expanding the scant literature on such micro-level factors could advance our knowledge about corruption and its determinants. Second, part of the findings in this dissertation are based on self-report scales. As corruption is a sensitive issue and a socially undesirable act, participants' responses may have suffered from social desirability biases. To minimize these potential biases, the studies in this dissertation assured participants that their responses would be confidential, anonymous, and only used for research. However, future research could adopt a multi-source design: using, for example, peer or supervisor reports in order to mitigate social desirability bias. In the context of this dissertation, for instance, peer-ratings would have offered a useful counterpoint to participants' ratings of trait Machiavellianism (Malesza & Kaczmarek, 2020). Lastly, the low frequency of corrupt behavior makes the topic difficult to study in the field. In our diary study, most participants did not experience corrupt situations. Thus, the study had a limited sample and lacked sufficient power to find support for the hypotheses. To address this, future scholars could design around low responses by recruiting more participants and applying a longer time frame when using diary designs.

Practical Implications

The dissertation's findings contain several practical recommendations for academics and practitioners seeking to design anti-corruption programs. Of course, there have been multiple prevention strategies used to reduce corruption around the world, such as public education, information campaigns, monetary rewards and penalties (UNODC, 2004). However, most anti-corruption strategies have focused on bribery, which has led corruption studies to mainly use bribery scenarios to test anti-corruption policies in the lab (see Abbink & Serra, 2012). The study in Chapter 2 encompasses forms of corruption that commonly occur in the literature, such as bribery and embezzlement, but also forms that have been largely neglected, such as assisting the corruption process or applying policy and administrative procedures incorrectly. Importantly, the chapter clarifies that the specific form of corruption had different effects on each decision-making stage. Thus, while lab studies are valuable, Chapter 2 advances that the scientific community should also pay more attention to field research that can uncover other possible explanations for corruption.

Second, decision-makers are advised to tailor their intervention to the specific form of corruption, acknowledging the specific aspects of decision-making involved in the process (van Doorn et al., 2018). For instance, in Chapter 2, the participants who engaged in bribery and embezzlement mostly considered the behaviors to be safe and common practice. Thus, intervention programs should strive to create an ethical climate in organizations where people internalize that all unethical behaviors,

such as bribery, will be punished to prevent unethical behaviors become socially accepted norms (van Gils et al., 2017). Notably, participants who engaged in false policies and procedures did not consider their behaviors to be corrupt. Accordingly, interventions need to offer information about corruption laws in order to improve individuals' understanding of what is and is not corrupt, and thereby decrease the ambiguity of rules (Ayal et al., 2015). Of course, decision-makers could integrate multiple approaches that can address the various types of corruption that can co-occur in an organization.

Third, the two complementary studies reported in Chapter 3 evidence that ethical leadership can effectively reduce corruption, and particularly bribery. Specifically, we found that ethical leadership reduced followers' bribing behaviors by directing them to engage in intuitive thinking and refraining intuitively from engaging in corrupt acts. Thus, our studies supplement common prevention strategies—which seek to raise public awareness about corruption and integrity (Abbink & Serra, 2012) by targeting a broad range of audiences (UNODC, 2004)—by highlighting the importance of leaders in promoting ethical conduct. Consequently, it is strongly recommended that organizations and policymakers promote ethical leadership in order to minimize corruption, particularly through ethical leadership trainings (Eide et al., 2016) would be beneficial for leaders in organizations with potentially high corruption tendencies. Such programs could help leaders cultivate their skills in managing employees who violate ethical standards and settings examples of how to do things in the right way in terms of ethics (Brown et al., 2005).

Lastly, Chapter 3 suggests that Machiavellianism could buffer the effectiveness of ethical leadership in reducing corruption. Indeed, the negative effect of ethical leadership on corruption was lower when followers' Machiavellianism was high. In this same vein, Chapter 4 corroborated previous findings (Zhao et al., 2016) that Machiavellianism has a positive relationship with corruption. Therefore, organizations and decision-makers may be able to prevent some corruption by refraining from hiring individuals who score high on trait Machiavellianism.

Conclusion

This dissertation provides evidence that individuals engage in cognitive processes before acting corruptly. Such cognitive processes are shaped by people's thinking style in addition to the different stages of decision-making. Some people think deliberately at different stages of the process, while others just decide intuitively. Situational factors (such as ethical leadership) could influence how people think and decide in corrupt situations. By understanding the cognitive processes that drive corruption, as well as the determinants and boundary conditions of said processes, this dissertation extends the corruption literature while providing insights for organizations and governments looking to design programs to reduce corruption.

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SUMMARY



Corruption is an essential topic for research considering its detrimental impact on organizations and society. Especially in countries where the prevalence of corruption is high, corruption is an important agenda of organizations and governments. Prior research on corruption is dominated by a macro-level perspective that explains corruption based on country-level factors. Although corruption is important, research on corruption at the micro-level is still lacking. Extending prior studies at the micro-level, this dissertation focuses on intra-individual cognitive processes and some factors that contribute to those processes. Particularly, this dissertation qualitatively explores the decision-making processes underlying corruption among participants who were convicted of corruption. Furthermore, the other studies in dissertation quantitatively examine several determinants (i.e., ethical leadership and bottom-line mentality, BLM) that may influence corruption, as well as its underlying mechanisms (i.e., thinking styles) and a relevant boundary condition (i.e., Machiavellianism). The research models were tested using several methodological designs.

Chapter 2 presents a qualitative study using an informed grounded theory approach with real perpetrators of corruption as participants. Building on a general decision-making model, this chapter explores four stages of the decision-making process underlying corruption: problem recognition, information search, evaluation, and behavior. Regarding the problem recognition stage, the study's findings revealed three goals that motivated participants to engage in corruption: personal, organizational, and social goals. Regarding the information search stage, our findings indicated that most of the participants searched for information about corruption (corruption-focused content), such as whether corrupt behaviors would lead to any negative consequences. Other participants also searched for options other than corruption to achieve their goals. They attained that information from various sources: intrapersonal sources (e.g., based on their own experiences and knowledge), interpersonal sources (e.g., colleagues for other organizations), and impersonal sources (e.g., legal authorities and media).

Regarding the evaluation stage, Chapter 2 highlights that participants engaged in corrupt behavior for two reasons: pull and push factors. Pull factors include positive evaluations of the corrupt behavior, such as seeing the corrupt behaviors as safe or would not be noticed, or relatively common. In contrast, push factors included participants becoming involved in the corruption due to others (e.g., supervisors), relying on the decisions of others, or coming to see the corrupt behavior as the only solution for attaining their goals. Finally, regarding choices or behaviors, participants engaged in several forms of corruption, ranging from the well-known (e.g., bribery and embezzlement) to the rarely acknowledges (e.g., assisting corruption processes and applying policy/administrative procedures incorrectly). By analyzing interrelations between these stages, this study suggests that each form of corruption could affect different aspects of the decision-making process. For example, most participants who engaged in bribery and embezzlement expressed pull factors in the evaluation stage, such as considering whether the corrupt behavior was safe and common practice. On the other hand, participants who had assisted in the corruption process (and especially those who were not aware that their actions related to corruption) mostly claimed push factors in this stage, such as following the instructions or heeding the decisions of others. Ultimately, our findings in this chapter provide evidence that the decision-making underlying corruption proceeds through different stages.

Chapter 3 presents the findings of two studies (a field survey and a lab experiment) that examined the negative relationship between ethical leadership and corruption, its underlying cognitive mechanism, and its boundary conditions. Particularly, this chapter proposes the following hypotheses: ethical leadership negatively influences followers' corrupt behavior, and this effect is mediated by followers' intuitive thinking style and moderated by followers' trait Machiavellianism. The two studies support our hypothesis suggesting that ethical leadership can reduce employees' corrupt behavior. Interestingly, the experimental study revealed that the negative effect of ethical leadership on employees' corrupt behavior is mediated by intuitive thinking style. In addition, both studies indicated that ethical leadership interacts with employees' Machiavellianism to influence their corrupt behavior. However, the interaction patterns were not consistent across the two studies. Whereas the survey study shows that ethical leadership has the strongest relationship with corruption when employees' Machiavellianism is high, the experimental study shows the opposite results: ethical leadership has the strongest effect on corruption when employees' Machiavellianism is low. Overall, the findings in this chapter confirmed most of the hypotheses and demonstrated that under a specific situation, such as ethical leadership, employees think more intuitively in the corruption decision-making process and consequently engage in less corruption.

Chapter 4 presents a diary study conducted over five consecutive weeks examining the following hypotheses: BLM is positively associated with bribing behavior in corruption situations, and further, that this association is mediated by thinking styles (i.e., intuitive and rational) and moderated by trait Machiavellianism. The results did not reveal a significant relationship between BLM and corruption at a within-level analysis. Likewise, we did not find support for thinking style as a significant mediator nor Machiavellianism as a moderator. In short, the study failed to find evidence for most of the hypotheses. Notably, most of the participants did not experience corruption situations within the five-week period; thus, this study featured a limited sample and small diary entries (N=32; 70 week-level data entries). Therefore, these results warn future research studying corruption using a diary design to recruit more participants and consider a longer duration of diary study to capture more corruption situations. Although this chapter did not confirm most of the study hypotheses, it provides new insights into methodological issues in the literature by studying corruption with a novel design.

Finally, Chapter 5 provides a general discussion of the dissertation's findings and their theoretical, methodological, and practical implications for understanding corruption. The studies presented in this dissertation, using different methods, reveal that people perform cognitive processes before engaging in corruption. Such cognitive processes are reflected by people engaging in different stages of decision-making and thinking styles in corruption situations. Situational factors (such as ethical leadership and awareness of whether the actions are related to corruption or not) could determine how people think and decide in such situations. These findings may provide insights for organizations and governments that design anti-corruption programs. Of course, the studies reported in this dissertation have strengths and limitations. Thus, Chapter 5 also discusses these issues comprehensively and provides recommendations for future research.

RINGKASAN



Korupsi merupakan tema yang penting untuk diteliti karena dampak buruk yang ditimbulkannya terhadap organisasi maupun masyarakat luas. Pemerintah dan organisasi menjadikan pemerantasan korupsi sebagai agenda yang penting khususnya pada negara-negara yang mempunyai tingkat korupsi yang tinggi. Penelitian terdahulu terkait korupsi didominasi oleh perspektif makro yang menjelaskan korupsi berdasarkan faktor-faktor yang berada pada level negara seperti tingkat perekonomian, sistem politik, dan budaya. Walaupun korupsi merupakan isu yang penting, penelitian korupsi pada level mikro masih jarang dilakukan. Dalam rangka memperluas penelitian terkait korupsi pada level mikro, disertasi ini fokus pada proses kognitif individu yang melakukan tindakan korupsi dan beberapa faktor yang dapat berpengaruh pada proses tersebut. Khususnya, disertasi ini mengeksplorasi secara kualitatif proses pengambilan keputusan korupsi pada terpidana tindak pidana korupsi. Selain itu, disertasi ini juga menguji secara kuantitatif beberapa faktor yang berpengaruh (yaitu kepemimpinan etis dan *bottom-line mentality*), mekanisme hubungan (yaitu gaya berpikir), serta kondisi yang dapat memperlemah atau memperkuat hubungan antara faktor penyebab dan perilaku korupsi yaitu kepribadian Machiavellianisme (Machiavellianisme). Model-model penelitian pada disertasi ini diuji dengan menggunakan beberapa metode penelitian yang berbeda. Berikut ini adalah ringkasan dari setiap bab yang disajikan pada disertasi ini.

Bab 2 menyajikan sebuah penelitian kualitatif dengan pendekatan *informed grounded theory* dengan pelaku korupsi sebagai partisipan. Berdasarkan pada model pengambilan keputusan umum, bab ini mengeksplorasi tahapan-tahapan pengambilan keputusan yang mendasari perilaku korupsi, yaitu: pengenalan masalah atau tujuan, pencarian informasi, evaluasi, dan perilaku. Pada tahap pengenalan masalah, temuan penelitian menunjukkan tiga tujuan yang melatarbelakangi partisipan melakukan korupsi: tujuan pribadi, organisasi, dan sosial. Terkait tahapan pencarian informasi, hasil penelitian menunjukkan bahwa kebanyakan partisipan mencari informasi terkait korupsi (*corruption-focused content*) seperti apakah tindakan korupsi akan menimbulkan masalah atau tidak. Selain itu, partisipan juga mencari alternatif solusi selain korupsi untuk mencapai tujuannya. Mereka mendapatkan informasi-informasi tersebut dari berbagai sumber antara lain: sumber intrapersonal (seperti berdasarkan pengalaman dan pengetahuan pribadi), sumber interpersonal (seperti rekan di organisasi lain), dan sumber impersonal (seperti media, peraturan perundang-undangan, dan otoritas terkait).

Mengenai tahapan evaluasi, Bab 2 menunjukkan bahwa partisipan melakukan tindakan korupsi untuk mencapai tujuan mereka karena dua pertimbangan utama yaitu: *pull factors* (faktor yang menarik) dan *push factors* (faktor yang mendorong). Faktor yang menarik merupakan hasil evaluasi yang positif terhadap korupsi seperti pertimbangan bahwa tindakan korupsi yang dilakukan aman atau tidak akan ketahuan, dan menganggap korupsi merupakan sesuatu yang wajar dan lumrah terjadi. Sedangkan faktor yang mendorong adalah faktor-faktor terkait di mana orang lain (seperti atasan) melibatkan partisipan pada tindakan korupsi, mereka menyandarkan keputusannya pada orang lain, dan mereka menganggap bahwa korupsi merupakan satu-satunya solusi yang bisa dilakukan terkait permasalahan yang sedang mereka hadapi. Terakhir, terkait dengan perilaku, partisipan melakukan

beberapa macam atau bentuk tindakan korupsi, mulai dari bentuk korupsi yang sudah banyak dikenal seperti suap dan penggelapan dana hingga bentuk korupsi yang masih belum banyak dibahas di literatur antara lain membantu proses korupsi dan kesalahan administrasi dan kebijakan. Dengan menganalisa keterkaitan antara tahapan, penelitian ini menunjukkan setiap bentuk korupsi dapat mempunyai aspek-aspek yang berbeda dalam proses pengambilan korupsi. Sebagai contoh, kebanyakan partisipan yang melakukan korupsi suap dan penggelapan mempunyai faktor yang menarik pada tahapan evaluasi, seperti menganggap bahwa korupsi yang dilakukan aman dan lumrah dilakukan. Di sisi lain, partisipan yang ikut serta atau membantu tindakan korupsi (khususnya mereka yang tidak menyadari bahwa tindakan mereka terkait dengan korupsi) pada umumnya memiliki faktor yang mendorong, seperti mengikuti perintah orang lain dan menyandarkan keputusannya pada orang lain. Kesimpulannya, temuan pada bab ini memberikan bukti bahwa pengambilan keputusan korupsi dilakukan melalui beberapa tahapan yang berbeda.

Bab 3 menyajikan hasil dari dua penelitian (survei lapangan dan eksperimen) yang menguji hubungan negatif antara kepemimpinan etis dan korupsi, mekanisme hubungannya dan kondisi yang membatasi hubungan tersebut. Khususnya, bab ini mengajukan hipoteses berikut: kepemimpinan etis secara negatif mempengaruhi perilaku korup bawahan, dan pengaruh tersebut dimediasi oleh gaya berpikir intuitif bawahan dan dimoderasi oleh Machiavellianisme bawahan. Kedua penelitian ini mendukung hipotesis penelitian yang menyatakan bahwa kepemimpinan etis dapat mengurangi perilaku korup bawahan. Menariknya, penelitian eksperimen menemukan bahwa kemampuan kepemimpinan etis mengurangi korupsi bawahan dimediasi oleh gaya berpikir intuitif. Selanjutnya, kedua studi menunjukkan bahwa kepemimpinan etis berinteraksi dengan Machiavellianisme bawahan dalam mempengaruhi korupsi bawahan. Namun, bentuk interaksi pada kedua penelitian tersebut tidak konsisten. Sementara penelitian survei menunjukkan bahwa kepemimpinan etis mempunyai hubungan negatif yang kuat dengan korupsi bawahan ketika Machiavellianisme bawahan tinggi, penelitian eksperimen menunjukkan hasil yang berlawanan: kepemimpinan etis mempunyai pengaruh negatif yang kuat ketika kepribadian Machiavellianisme bawahan rendah. Secara umum, temuan-temuan pada bab ini mengkonfirmasi hampir semua hipoteses penelitian dan menunjukkan bahwa pada situasi tertentu, seperti di bawah kepemimpinan etis, pekerja berpikir lebih intuitif pada proses pengambilan keputusan korupsi dan kemudian mempunyai kecenderungan berperilaku korup lebih rendah.

Bab 4 menyajikan sebuah penelitian diari (*diary study*) yang dilakukan selama lima minggu berturut-turut yang menguji hipoteses berikut: *bottom-line mentality* (BLM, kerangka pikir yang terlalu fokus pada hasil akhir dan mengabaikan aspek-aspek lainnya seperti proses dan etika) berkorelasi secara positif dengan perilaku suap pada situasi korupsi, dan selanjutnya, hubungan ini dimediasi oleh gaya berpikir (yaitu intuitif dan rasional) dan dimoderasi oleh Machiavellianisme. Hasil penelitian tidak menemukan hubungan yang signifikan antara BLM dan perilaku suap pada analisis *within-level*. Penelitian ini juga tidak menemukan bukti bahwa gaya berpikir sebagai mediator dan tidak juga menemukan Machiavellianisme sebagai moderator. Singkatnya, semua hipoteses pada penelitian ini tidak terbukti. Hasil ini mungkin

disebabkan karena rata-rata partisipan tidak mengalami situasi korupsi dalam rentang lima minggu berturut-turut. Oleh karena itu, penelitian ini mempunyai sampel dan data diari yang terbatas ((N=32; 70 *week-level data entries*). Hasil dapat dijadikan pertimbangan bagi penelitian korupsi selanjutnya yang akan menggunakan metode diari untuk merekrut lebih banyak partisipan dan menggunakan durasi waktu penelitian diari yang lebih lama untuk mendapatkan kasus dan situasi korupsi yang lebih banyak. Meskipun tidak dapat mengkonfirmasi semua hipoteses penelitian, bab ini menyajikan wawasan baru terkait dengan aspek metodologi pada kajian korupsi dengan meneliti korupsi dengan metode baru.

Terakhir, Bab 5, menyajikan sebuah pembahasan umum dari semua temuan pada disertasi ini serta implikasi teoritis, metodologis, dan praktisnya. Penelitian-penelitian pada disertasi ini, dengan menggunakan metode-metode yang berbeda, menemukan bahwa individu melakukan proses kognitif sebelum melakukan tindakan korupsi. Proses kognitif tersebut tercermin dari individu yang melakukan berbagai tahapan pengambilan keputusan dan gaya berpikir pada situasi korupsi. Faktor-faktor situasional (seperti kepemimpinan etis dan kesadaran apakah tindakan yang dilakukan terkait dengan korupsi atau tidak) dapat mempengaruhi bagaimana individu berpikir dan mengambil keputusan pada situasi tersebut. Temuan-temuan ini mungkin dapat menjadi pertimbangan bagi organisasi dan pemerintah dalam membuat program pemberantasan korupsi. Tentu, penelitian-penelitian pada disertasi ini mempunyai kelebihan dan kekurangan. Oleh karena itu, bab ini juga membahas isu-isu ini secara menyeluruh dan menyediakan rekomendasi bagi penelitian-penelitian selanjutnya.

IMPACT PARAGRAPH



The main objective of this dissertation is to understand the cognitive mechanisms and psychological processes underlying corruption. In particular, this dissertation explored the decision-making process underlying corrupt behavior and the determinant factors that contribute to the process. In this part, I will discuss the social and scientific impact of the findings of this dissertation.

As the main funder of this dissertation, the Indonesian government may benefit from the findings in this dissertation. The Indonesian government has invested a large amount of money in reducing corruption in Indonesia. For instance, the country has invested 1.3 trillion rupiahs (about US\$6.3 million) through the *Komisi Pemberantasan Korupsi* (KPK, corruption eradication commission) in 2021 (Saputra, 2020). Although the KPK has implemented multiple programs to reduce corruption in Indonesia, the additional insights produced by this dissertation could aid future initiatives.

Our findings show that the form of corruption determines multiple aspects of the decision-making process. For example, in the evaluation stage of this process, participants who applied false policy/administrative procedures believed that their behaviors were not corrupt. Meanwhile, participants who engaged in bribery mostly considered that the behaviors were common practices and they would not be caught. Therefore, rather than develop a general intervention for all types of corruption, KPK should tailor specific interventions to the particular form of corruption (van Doorn et al., 2018). For instance, as participants who engaged in bribery mostly considered their behaviors to be common practice which would not be caught, intervention programs for bribery need to focus on improving the ethical climate in organizations so that people understand that every unethical behavior, including bribery, will be punished. This could help to prevent the possibility of bribery becoming a socially accepted norm (van Gils et al., 2017). In contrast, as participants who applied false policy/administrative procedures largely believed that their behaviors were not corrupt, intervention programs should distribute information about corruption laws to decrease the ambiguity of rules and increase the salience of ethical criteria (Ayal et al., 2015).

Notably, this dissertation indicates that some people engaged in corruption unintentionally or because they felt pushed to do so. For example, they did not know that the acts were corrupt or that their leaders had involved them in the corruption process; thus, they relied on others when corrupt decisions were made. Therefore, employees should be made more aware of and critical toward decisions that may potentially be related to corruption. Psychological interventions to improve awareness, such as mindfulness-based techniques (Eby et al., 2019), may help employees to make more informed and less corrupt decisions. Mindfulness interventions have been suggested as a way to increase awareness and self-regulation (Brown et al., 2007; Leyland et al., 2019). In such interventions, individuals do mindfulness practices—such as the body scan and mindful breathing exercises—to bring attention to external and internal stimuli, focus on present-moment experiences, and develop their open-mindedness (e.g., Nübold & Hülshager, 2021). These skills may help employees be more aware of the decision-making processes that they engage in and consequently prevent them from unintentionally or unwillingly engaging in unethical behaviors (Hong, 2020) such as corruption.

The findings in this dissertation illustrate that ethical leadership could effectively reduce corruption. Thus, one practical implication is to design and implement training courses to promote ethical leadership and improve managers or leaders' awareness of organizational corruption. The literature features few reports on ethical leadership training. One exception is a feasibility study that conducted ethical leadership training across a six-week period with student participants (Eide et al., 2016). The training involved two main parts: a leadership practice part where the participants worked on a minor ethics project to stimulate ethical mindfulness, and a web-based reflection part where participants answered reflection questions and received feedback from a coach (Eide et al., 2016). While the authors found that the training was generally effective, they highlighted a need to expand the concept with new ethical leadership skills and habits (Eide et al., 2016). Ethical leadership training could be developed based on the ethical leadership literature (Brown et al., 2005). For instance, the training could focus on two dimensions of ethical leadership: *moral person*, which refers to the ethical leader's qualities as a person, such as honesty, integrity, fairness, concern for others, and behaving ethically; and *moral manager*, which refers to how ethical leaders use their position to promote ethical conduct to their followers, whether through rewards, punishments, and/or role modeling (Brown et al., 2005; Treviño et al., 2000). Applied properly, ethical leadership could eventually improve the organization's entire ethical climate and reduce corruption.

Based on the leadership literature (Bass et al., 1987), we expect that ethical leadership would cascade through different levels of management and influence group behaviors in organizations. For instance, the ethicality of top management influences employees at lower levels, such as supervisors, who then directly influence their own employees' (un)ethical behaviors (Mayer et al., 2009). This is particularly relevant for the Indonesian government, which struggles to fight corruption at different levels of public organizations. Through the ministry of internal affairs, the government may encourage leaders at different levels of public organizations, such as ministers (Indonesian: *mentri*), governors (*gubernur*), mayors (*wali kota*), heads of sub-districts (*camat*), and heads of villages (*kepala desa*) to develop ethical leadership skills through training courses. Ethical leadership training might also be relevant for political parties in Indonesia, as most public organization leaders represent political parties.

Regarding Machiavellianism as a personal factor, the findings corroborate that it is positively related to corruption and can hinder the effectiveness of ethical leadership in reducing corruption. Thus, HR managers or recruitment committees could avoid recruiting individuals who score high on Machiavellianism. However, more research is needed to design an assessment that can detect individuals with high Machiavellianism in the selection process. Although scales of Machiavellianism are generally valid, it might not be easy to measure Machiavellianism during the selection because high-scoring individuals tend to manipulate their answers in socially accepted ways (Belschak et al., 2018). Indeed, one study showed that Machiavellianism is positively associated with the use of deceptive impression management tactics during job interviews (Roulin & Bourdage, 2017). Thus, selection processes should rely on multi-source methods or measures with less socially desirable answering, such as peer-ratings (Malesza & Kaczmarek, 2020). In addition, researchers could pursue

an innovative measure using digital work simulations (Dubbelt et al., 2015). In such simulations, individuals are confronted with several work-related ethical dilemmas and the items are constructed as dialogues between participants and simulated characters in the simulations (see Dubbelt et al., 2015). Measuring Machiavellianism with simulations produces less social desirability bias than measuring via self-reports (Dubbelt et al., 2015).

With regard to its scientific contribution, this dissertation emphasizes the cognitive processes involved in corrupt decisions in order to advance our understanding of the mechanisms that underlie such unethical behaviors. Research on unethical behaviors has typically focused on moral cognitive effects (e.g., moral disengagement, Moore et al., 2019) as an underlying mechanism, which prioritizes the influence of individual and situational factors on (un)ethical behaviors. Responding to the call to differentiate between automatic and deliberate information processing in the moral domain (Tenbrunsel & Smith-Crowe, 2008), this dissertation advances our understanding of *how* the determinants of corruption translate into corrupt decisions.

In addition, this dissertation's multi-method approach may provide a useful roadmap for studying corruption. Corruption research typically uses lab experiments and scenario studies, which suffer from several disadvantages such as ecological validity (Armantier & Boly, 2012). By applying multiple methods, this dissertation improves the methodological rigor and robustness of the findings in the corruption literature. Thus, by providing information related to methodological issues, such as procedures and analytic strategies for different study designs, future studies may gain valuable insights from this dissertation to study corruption. For example, one of the designs used in this dissertation, the weekly diary study, received very positive feedback when presented at the 5th Interdisciplinary Corruption Research Forum in Bergen, Norway, in 2021. As a corruption researcher at that forum affirmed, a weekly diary design is a novelty in corruption research. If expanded upon, the method could reveal new insights that complement those from classic lab experiments.

I attended several conferences in order to disseminate the knowledge in this dissertation, such as the 19th conference of the European Association of Work and Organizational Psychology (EAWOP) in Turin, Italy in 2019 and the 3rd Interdisciplinary Corruption Research Forum in Gothenburg, Sweden in 2018. In addition, one of the empirical chapters in this dissertation was published in a scientific journal, *Frontiers in Psychology*, in 2020. Furthermore, I shared the findings of this dissertation in a webinar for laypeople, organized by the Faculty of Psychology of the University of Merdeka Malang in Indonesia in 2021, which was attended by general audiences and civil servants in Indonesia. In the near future, the findings of this dissertation will also be disseminated at the annual national seminar organized by KPK. Finally, as a lecturer at the University of Merdeka Malang in Indonesia, I will share the insights of this dissertation with my students through teaching activities. For instance, the findings are particularly relevant to the topic of organizational misbehavior, which I have covered for several semesters in an Industrial and Organizational Psychology course.

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Curriculum Vitae

Muhammad Untung Manara was born on 5 December 1984 in Muara Enim, Indonesia. He obtained his Bachelor's in Psychology at the State Islamic University of Malang, Indonesia, in 2008. He then continued studying psychology in the Master Program with a specialization in Industrial and Organizational Psychology at Universitas Gadjah Mada, Indonesia, and graduated in 2011. After his Master, he started to work as a lecturer at the Faculty of Psychology, University of Merdeka Malang, Indonesia. In 2016, he obtained a scholarship to study doctoral degree from the Indonesia Endowment Fund for Education (LPDP), Ministry of Finance of the Republic of Indonesia. With that scholarship, he moved to the Netherlands to work on his PhD project at the Department of Work and Social Psychology at Maastricht University. His PhD project explores the decision-making process of corruption and examines individual and organizational factors that contribute to this process.

