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**A Social-Cognitive Approach to Understanding**

**Gender Differences in Negotiator Ethics: The Role of Moral Identity**

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**Abstract**

To date, gender differences in ethics have received little theoretical attention. We utilize a social-cognitive framework to explain *why* these differences emerge and *when* women engage in less unethical negotiating behavior than do men. We propose that, relative to men, women's stronger moral identities suppress unethical negotiating behavior. Study 1 establishes a gender difference in moral identity strength through a meta-analysis of over 19,000 people. Study 2 observes gender differences in two aspects of negotiator ethics – moral disengagement and opportunism. Study 3 establishes moral identity strength as an antecedent to negotiator ethics. Finally, Studies 4 and 5 explore financial incentives as a situational moderator. Because financial incentives temporarily decrease the salience of moral identity, they could mitigate gender differences in negotiator ethics, leading women to act more like men. Across both studies, financial incentives impacted women's (but not men's) unethical negotiating behavior. Our findings help to explain why and when gender differences in ethics emerge.

*Keywords:* Gender; Negotiation; Ethics; Moral Disengagement; Moral Identity

Since Gilligan (1982) proposed that women and men reason differently about morality, scholars have found persistent evidence of gender differences in ethics both generally (for meta-analyses, see Borkowski & Ugras, 1998; Franke, Crowne, & Spake, 1997; Whitley, Nelson, & Jones, 1999) and in negotiations specifically (Haselhuhn & Wong, 2012; Kray & Haselhuhn, 2012; Robinson, Lewicki, & Donahue, 2000; Westbrook, Arendall, & Padelford, 2011).

Differences in men's and women's ethicality in negotiations have received relatively little theoretical attention to date, despite the importance of understanding negotiation processes and outcomes, as well as gender differences within negotiations. Negotiations are an important organizational context to understand. Beyond being a fundamental mechanism by which resources are divided, women face numerous hurdles in negotiations (Amanatullah & Morris, 2010; Bowles, Babcock, & McGinn, 2005; Kray, Kennedy, & Van Zant, 2014; Kray & Thompson, 2004; Kray, Thompson, & Galinsky, 2001; Tinsley, Cheldelin, Schneider, & Amanatullah, 2009). Additionally, negotiations are a masculine context (Bowles & Kray, 2013), in which men are expected to perform better than women (Kray et al., 2001), and poor performance relative to women can threaten men's sense of masculinity (Kray & Haselhuhn, 2012; Netchaeva, Kouchaki, & Sheppard, 2015). To the extent that unethical tactics are perceived to provide an advantage over competitors, men may therefore be especially likely to use them when negotiating, whereas women may be less inclined to rely on unethical tactics. Practically, because unethical tactics can help negotiators to claim value (O'Connor & Carnevale, 1997; Schweitzer, DeChurch, & Gibson, 2005), gender differences in negotiator ethics may provide a novel explanation for why women have worse negotiation outcomes than men under some conditions (Mazei et al., 2015; Stuhlmacher & Walters, 1999). Alternatively, to the extent that women negotiators have ethical strengths, women may have a negotiating

advantage over men under certain conditions, such as when relational capital and subjective value are important (Kennedy & Kray, 2015).

The current research builds on contemporary social-cognitive accounts for ethical behavior to understand why and when gender differences in negotiator ethics emerge. We go beyond existing research on gender differences in ethics in two ways. In considering *why* women negotiate more ethically than men do, we propose that women internalize moral traits in their self-definitions more strongly than men do—that is, women have stronger moral identities. We expect moral identity to have a number of downstream consequences in negotiations, including moral disengagement and unethical behavior. To our knowledge, we are the first to provide an empirical test of why gender differences emerge in ethics generally or in unethical negotiating behavior specifically. In asking *when* gender differences in negotiator ethics are likely to emerge, we expect that certain situational factors (e.g., financial incentives) will suppress chronic gender differences in ethical behavior, leading women to act similarly to men.

### **Gender Differences in Ethical Attitudes and Behavior**

Philosophers (e.g., Kant) and early psychologists (e.g., Freud, Kohlberg) originally proposed that men were morally superior to women (for a summary, see Walker, 2006). Since these controversial propositions, research has examined gender differences in ethical attitudes and behavior, both generally and in negotiations specifically.

**Outside the negotiation context.** Many studies have explored the extent to which women and men view unethical behaviors as such. Generally, men are more accepting of unethical behavior than women. Meta-analyses have found that women report more ethical attitudes (Borkowski & Ugras, 1998), hold business practices to higher ethical standards (Franke et al. 1997), and report less favorable attitudes toward cheating (Whitley et al., 1999) than do

men. When men do view a behavior as unethical, they still report greater willingness to engage in the behavior than do women (Doty, Tomkiewicz, & Bass, 2005). When women are asked to sacrifice ethical values (e.g., honesty or loyalty) for money or social status at work, they lose interest in the job, whereas men do not (Kennedy & Kray, 2013). Gender differences in ethical attitudes emerge not only in student samples, but also in samples of working adults (Valentine & Rittenburg, 2007).

Other studies have examined ethical behavior. For instance, Dreber and Johannesson (2008) explored deceptive behavior via an economic game (the “Deception Game”) and found that only 38% of women lied to secure a monetary benefit, relative to 55% of men. In a meta-analysis, Kish-Gephart, Harrison, and Trevino (2010) found gender differences to emerge not only for ethical intentions, but also for ethical behavior.

**Within the negotiation context.** Gender differences in ethical attitudes and behavior have also been documented in negotiations. Kray and Haselhuhn (2012) found that men exhibited more lenient and egocentric attitudes about negotiating ethics than did women. Similarly, Robinson et al. (2000) found that women were less accepting of a wide array of unethical negotiating strategies than were men. Examining negotiators’ behavior, Haselhuhn and Wong (2012) coded deception from email transcripts of a negotiation: Whereas only 11% of women were deceptive, 25% of men used deception to secure a deal that harmed their counterpart’s interests. Although less research has focused on gender differences in the realm of negotiation, these findings suggest that women negotiators exhibit relatively high ethical standards and engage in less unethical negotiating behavior than do men.

Why might these gender differences in negotiator ethics emerge? Is there an underlying psychological factor that can account for gender differences in unethical negotiating behavior?

To date, these questions have received little theoretical attention. For instance, Franke et al. (1997, p. 920) noted that “the ethics literature has taken on a debate-like quality where the focus appears to center on *whether* gender differences exist, rather than exploring *why* such differences might occur.” Because the literature has focused on documenting the existence of gender differences in negotiator ethics rather than providing an explanation for these differences, we focus on exploring the critical question of why gender differences in negotiator ethics exist.

### **Explaining Why Gender Differences Emerge in Negotiator Ethics**

**Historical approaches.** One explanation for these gender differences focuses on differences in women’s and men’s ethical reasoning. Building on cognitive developmental models of morality that assume people progress into increasingly sophisticated modes of processing and resolving moral dilemmas (Kohlberg, 1971; Piaget, 1932), Gilligan (1982) proposed that men and women utilize qualitatively different moral approaches. By this account, women exhibit an ethic of care, whereas men exhibit an ethic of justice where women resolve ethical dilemmas by considering others’ needs whereas men resolve them by considering individuals’ rights. Gilligan’s proposition inspired much research spanning several decades (e.g., Ford & Lowery, 1986; Pratt, Golding, Hunter, & Sampson, 1982; Skoe, Cumberland, Eisenberg, Hansen, & Perry, 2002; Tangney & Dearing, 2002). Jaffee and Hyde’s (2000) meta-analysis found that women do rely more on care-based reasoning and less on justice-based reasoning than men, but concluded that the gender differences were too small to justify treating women and men as different types. Moreover, because more recent research has found evidence that moral intuitions, not moral reasoning, drive ethical behavior for most people (Haidt, 2001) gender differences in moral reasoning are unlikely to explain why men and women differ in unethical negotiating behavior. Finally, previous attempts to explain gender differences in ethical behavior

in terms of distinct reasoning processes cannot explain when and why moderators exist. These limitations suggest that a more nuanced approach is needed to explain gender differences in ethical behavior.

**A social-cognitive approach.** With this goal in mind, we adopted a social-cognitive perspective (Bandura, 1991), which emphasizes self-regulatory processes in explaining gender (Bussey & Bandura, 1997) and ethical behavior (Aquino & Reed, 2002). According to this perspective, degree of cognitive sophistication in moral reasoning is less important in predicting behavior than a consideration of whether being a moral person is an essential aspect of the self-concept because how individuals define themselves motivates behavior that is consistent with the self-definition (Blasi, 1980, 1993, 2004). As noted by Bandura (2001, pp. 8-9), “A complete theory of moral agency must link moral knowledge and reasoning to moral conduct [because] moral reasoning is translated into actions through self-regulatory mechanisms.” Another advantage of this approach is that it allows for situational variation in ethical behavior, depending on the momentary salience of an individual’s moral identity. Thus, although identity is a relatively stable construct in the sense that some traits are more chronically and readily accessible than others in an individual’s self-concept (Boegershausen, Aquino, & Reed, 2015), situational cues can temporarily activate or de-activate moral identities within people’s working self-concepts (Aquino & Reed, 2002), allowing scope for understanding how context can affect men and women’s ethicality. Thus, by considering moral identity, the current research focuses not on individual differences in the type of moral content that appeals to women and men, but on how gender differences in moral identity interact with the social context of competitive negotiations to predict ethical cognitions and behavior.



*Moral identity.* To start then, we draw from prior research that has linked identity to ethicality. Moral identity is defined as conceiving of the self in terms of moral traits that indicate responsiveness to others' needs and interests (e.g., caring, compassionate, fair, and kind) (Aquino & Reed, 2002). We expect that women and men define themselves differently—specifically, that women internalize moral traits in their identities more strongly than do men. Throughout the paper, we use the term “moral identity strength” to indicate the degree to which people internalize moral traits in their identities. We expected gender differences in moral identity strength to underlie gender differences in unethical negotiating behavior. Notably, we focus on the extent to which men and women internalize moral traits in their identities (i.e., strength of moral identity internalization) rather than on their desire to appear moral in public settings (i.e., strength of moral identity symbolization). We focus on internalization for two reasons. First, we seek to explain gender differences in ethical behavior across private and public contexts. Gender differences in symbolization would only explain why women and men act differently in public, not private, contexts. Second, internalization consistently predicts moral cognition and behavior, whereas results for symbolization are mixed (see Boegershausen et al., 2015 for a review). For instance, only moral identity internalization (not symbolization) predicted actual donations (Aquino & Reed, 2002). Because gender differences in ethical behavior (not only ethical intentions) do emerge (Kish-Gephart et al., 2010), the internalization construct is more theoretically relevant than is the symbolization construct.

Gender differences in strength of moral identity could emerge from the differing self-construals that men and women hold, with relationships being more central to women's identities than to men's identities (Cross & Madson, 1997). Women define themselves as fundamentally interdependent and connected to others, whereas men define themselves as independent from

others (Cross, Bacon, & Morris, 2000; Cross & Madson, 1997). As a result, women tend to describe themselves in more relational terms, experience more relationship-linked emotions, and are more attuned to the relationships and emotions of others (Cross & Madson, 1997). Because being moral helps individuals to build and maintain relationships (Haidt, 2007; Schwartz, 2007), women are likely to adopt goals and values that promote the welfare of others. Over time, these goals and values may translate into identifying strongly as a moral person. Overall then, we expect women to have a stronger moral identity than men do.

***Hypothesis 1.*** Women more strongly internalize moral traits in their identities than do men.

***Moral disengagement.*** In addition to examining moral identity, we also considered moral disengagement because prior research has found that moral identity and moral disengagement “jointly drive” ethical judgments (Aquino, Reed, Thau, & Freeman, 2007). Moral disengagement involves an inter-related set of cognitive rationalizations (e.g., blaming the victim or minimizing the consequences of unethical conduct) that allow people to violate their ethical standards without feeling guilty or critical of themselves (Bandura, Barbaranelli, Caprara, & Pastorelli, 1996). Prior research has documented less moral disengagement among girls and women, relative to boys (Bandura et al., 1996) and men (Chugh, Kern, Zhu, & Lee, 2014; Detert, Trevino, & Sweitzer, 2008). This gender difference is robust to context, emerging with respect to behavior at work (Moore, Detert, Trevino, Baker, & Mayer, 2012), in sports (Boardley & Kavussanu, 2007), at school (Bandura et al., 1996), in the military (McAlister, Bandura, & Owen, 2006), and civically (Caprara, Fida, Vecchione, Tramontano, & Barbaranelli, 2009).

Moral disengagement enables unethical behavior by cognitively shielding the self from moral consequences. The current research considers whether gender differences in moral

disengagement operate in tandem with expected moral identity differences to predict ethical behavior. Early research linked moral disengagement to less prosocial behavior and greater aggression among children (Bandura et al. 1996), with more recent research linking it to unethical decision-making (Detert et al., 2008; Moore et al., 2012), vindictiveness (Aquino et al., 2007), social undermining (Duffy, Scott, Shaw, Tepper, & Aquino, 2012), and unethical work behavior as perceived by others (Moore et al., 2012). Overall then and consistent with prior research, we expected that, by helping negotiators to ignore their ethical standards, gender differences in moral disengagement would result in gender differences in unethical negotiating behavior.

***Hypothesis 2.*** Moral disengagement mediates the direct effect of gender on unethical negotiating behavior.

***Moral identity, moral disengagement, and unethical behavior.*** Because moral identity serves as a self-regulatory mechanism to promote moral action (Aquino & Reed, 2002), those who place higher self-importance on their moral identities morally disengage less than do those for whom being moral is a less strongly internalized aspect of the self-concept (Aquino, et al., 2007; Detert, et al., 2008; McFerran, Aquino, & Duffy, 2010). For instance, exploring reactions to war, Aquino et al. (2007) found that moral disengagement translated into unethical behavior and reduced moral emotion only for those who placed low self-importance on their moral identities. In a similar vein, we expect gender differences in moral identity to drive gender differences in moral disengagement, which concomitantly explain gender differences in unethical negotiating behavior. Overall then, by identifying more strongly with moral traits, women morally disengage less than men do, thus suppressing unethical behavior.

**Hypothesis 3.** Moral identity and moral disengagement sequentially mediate the effect of gender on unethical negotiating behavior.

### **Explaining When Gender Differences in Negotiator Ethics Emerge**

Previous investigations of the role of moral identity on ethical behavior support a person by situation perspective. Whereas stronger moral identities predict less unethical behavior than weaker moral identities, the presence of situational cues can mitigate this effect, with those having stronger moral identities reacting *more* to situational cues because the recency and presumed continual reinforcement of the situational cue “overrides” the moral identity (e.g., Aquino et al., 2009). Building on this prior work, we examined a situational moderator by testing whether financial incentives, which increase the desire for money (Hur & Nordgren, 2016), would mitigate the gender difference in negotiator ethics.

People hold multiple identities and the salience of a given identity depends on both individual differences and situational cues (Aquino et al., 2009; Carver & Scheier, 1998; Higgins & Brendl, 1995; Markus & Kunda, 1986; Skitka, 2003). Because moral goals and values conflict with goals related to self-interest and self-advancement (Grouzet et al., 2005; Schwartz, 1992), situational cues that highlight self-interest can supplant moral identity and increase unethical behavior. Thus, merely contemplating money (Vohs, Mead, & Goode, 2006) or making salient material objects common to business (e.g., a briefcase) (Kay, Wheeler, Bargh, & Ross, 2004) can lead people to be more self-interested and less helpful towards others. Within negotiations, relationship-promoting and self-promoting outcomes are often inversely correlated (Curhan, Neale, Ross, & Rosencranz-Engelmann, 2008). Further supporting these ideas, Aquino, Freeman, Reed, Lim, and Felps (2009) showed that providing a performance-based financial incentive increased the use of deception in a negotiation for those with strong (but not weak)

moral identities by temporarily decreasing the salience of moral identity relative to other identities.

We similarly focused on the situational cue of financial incentives. Following Aquino et al.'s (2009) logic, we predicted that financial incentives may suppress gender differences in moral identity and unethical negotiating behavior by making goals related to self-interest salient to women. Thus, even though we expect women to generally have stronger moral identities than men (and to therefore behave less unethically), we expected financial incentives to have a larger effect on women than on men because the recency and salience of the incentives will override women's (but not men's) moral identities. Overall then, to the extent that women have stronger moral identities than men, we would expect women's unethical negotiating behavior to be affected by financial incentives, whereas men's would not because men already maintain a relatively weak moral identity and thus introducing financial incentives would not significantly alter their behavior.

***Hypothesis 4.*** Financial incentives moderate the direct effect of gender on unethical negotiating behavior by increasing women's (but not men's) unethical negotiating behavior.

### **Overview of Studies**

We carried out five studies to examine why and when women behave more ethically than men in negotiations. Study 1 involved a meta-analysis of over 19,000 respondents to first examine gender differences in moral identity strength (Hypothesis 1), our fundamental theoretical mechanism for gender differences in negotiator ethics. After finding that women internalize moral traits in their identities more strongly than do men, Study 2 shifted to examining gender differences in moral disengagement and unethical negotiating behavior

(Hypothesis 2). Through mediation, Study 3 tested the full theoretical model whereby gender differences in unethical negotiating behavior are sequentially explained by moral identity and moral disengagement (Hypothesis 3). Finally, whereas Studies 1-3 focus on explaining why gender differences in negotiator ethics exist, Studies 4 and 5 tested for a situational moderator – financial incentives – that would mitigate these differences. We hypothesized that women’s (but not men’s) unethical negotiating behavior would increase in response to financial incentives, leading the gender difference in unethical negotiating behavior to disappear when female negotiators are sufficiently incentivized to deceive (Hypothesis 4).

### **Study 1**

Because we expected individual differences in how strongly moral traits are internalized to underlie ethical cognition and behavior, Study 1 began by investigating gender differences in moral identity strength using a meta-analytic approach. Drawing from 14 years of research across multiple contexts and samples, our analysis provides a robust test (cf. Cumming, 2014) of whether women more strongly internalize moral traits than do men (Hypothesis 1).

### **Method**

For this study and others, data, syntax, and study materials are available from the authors upon request, and all measured variables are disclosed.<sup>1</sup>

To identify relevant studies, we searched for “moral identity” in the Social Sciences Citation Index (i.e., Web of Science), which is currently the most comprehensive database for the social sciences. It retrieves articles from a wide array of journals, including all the top empirical journals in organizational behavior and psychology. Notably, we did not use gender in the search term as this could have led to selective sampling of papers that found significant gender differences. We also reached out to researchers via email and professional list serves for

unpublished manuscripts to mitigate the “file drawer problem”, i.e., the possibility that non-significant studies are less likely to be published. Nevertheless, the “file drawer problem” is unlikely to be a significant concern in this particular context because none of the identified papers focused on gender as a key predictor. Instead, the relationship between moral identity internalization and gender was typically disclosed in correlation matrices. Therefore, we had no reason to believe that the sample of published effects would include only papers that found a significant relationship between gender and moral identity internalization.

The initial database search returned 387 results. Studies were included in the analysis if they used Aquino and Reed’s (2002) scale of moral identity internalization (please see Study 3’s methods for further information about scale items) and disclosed the statistics necessary to calculate the effect size for gender. Of the 102 studies that used the moral identity internalization scale, 27 reported the necessary statistics, resulting in data from 15,511 individuals from published papers (see Figure 1 for a summary of the studies included in the meta-analysis). Through emails and professional list serves, we obtained data from an additional six studies with 4,286 respondents. Our total sample therefore included 19,797 individuals.

We used Lipsey and Wilson’s (2001) and Hunter and Schmidt’s (2004) methods to conduct the meta-analysis. Specifically, for each study, we recorded a zero-order correlation between gender and strength of moral identity internalization. Across studies, we ensured that female gender was coded with a larger number than male gender (e.g., female = 2 and male = 1, or female = 1 and male = 0); if not, we reversed the sign of the correlation to be consistent. We then adjusted the correlations for reliability in the strength of moral identity internalization scale. Using the sample size, we calculated standard errors and inverse variance weights (Lipsey &

Wilson, 2001). Finally, we used SPSS and syntax from Wilson (2015) to conduct mean effect size analyses.

## Results and Discussion

Effect sizes ranged from  $r = -.09$  to  $.46$  ( $SD_{weighted} = .08$ ). We first examined the data for outliers, and a histogram revealed none. We then conducted a fixed effect analysis of the mean effect size, which assumes the existence of one true population correlation and is an approach widely used in management research (Kish-Gephart et al., 2010). Overall, consistent with our theorizing and Hypothesis 1, women exhibited stronger moral identities than men ( $r = .21$ ,  $z = 29.84$ ,  $p < .001$ ). A fixed effect analysis generated a 95% confidence interval for the effect size that ranged from  $r = .19$  to  $.22$ . Overall, this effect size was moderate (a correlation of  $.21$  corresponds to a  $d$  of approximately 0.43). Results using a random effects model were similar ( $r = .20$ ,  $CI = .17-.24$ ,  $z = 11.47$ ,  $p < .001$ ). There was evidence of significant heterogeneity in the effect sizes,  $Q(32) = 127.62$ ,  $p < .001$ , indicating the potential presence of moderators. We revisit the issue of moderating factors in Studies 4 and 5.

Study 1 documented a significant gender difference in moral identity strength. Consistent with Hypothesis 1, across 33 studies and over 19,000 individuals, women more strongly internalized moral traits in their self-definitions than did men. In common language terms (McGraw & Wong, 1992), there is roughly a 66% probability that a randomly chosen woman will have a stronger moral identity than a randomly chosen man. As a medium effect size, gender differences in moral identity are likely “visible to the naked eye” (Cohen, 1977, p. 26). However, it is worth noting that the distributions of moral identity for women and men show approximately 73% overlap.



## Study 2

Having established gender differences in moral identity strength, Study 2 shifted the focus to demonstrate that, consistent with prior research (e.g., Bandura et al., 1996; Detert et al., 2008; Moore et al., 2012), women morally disengage less than men in negotiations and therefore engage in unethical negotiating behavior to a lesser extent (Hypothesis 2). We examined gender differences in intentions to engage in opportunistic behavior by distorting information and renegeing on implicit and explicit commitments (Jap & Anderson, 2003; Malhotra & Gino, 2011) within the context of a distributive negotiation involving the sale of a used car with a known defect. We chose this context because we expected it to be both common and high-stakes and because deception abounds within it (Akerlof, 1970).

### Pretest

A pretest ( $N = 109$ ; 48% female) examined whether used car negotiations are perceived as common and high-stakes. Thirty-nine percent of participants were ages 26 to 34, 33% were 18 to 25, 21% were 35 to 54, and 6% were 55 to 64. Using a scale from 1 (*no experience at all*) to 9 (*great deal of experience*), participants first rated their experience with nine negotiation domains (order counterbalanced): negotiating for cars, real estate, employment, furniture, merchandise, division of household labor, with friends and family, with landlords/tenants, and with a romantic partner. Participants then rated the stakes in the nine negotiation domains from 1 (*extremely low stakes*) to 9 (*extremely high stakes*).

Participants reported “some experience” with car negotiations ( $M = 4.29$ ,  $SD = 2.34$ ), which they perceived as “high-stakes” ( $M = 6.32$ ,  $SD = 1.52$ ). Car negotiations were higher stakes than six of the eight other domains ( $ps < .001$ ). Only real estate ( $M = 7.18$ ,  $SD = 1.88$ ,  $t$  [106] = -5.62,  $p < .001$ ) and employment negotiations ( $M = 6.69$ ,  $SD = 1.67$ ,  $t$  [107] = -2.64,  $p =$

.009) were rated as higher stakes. Thus, used car negotiations are both common and high-stakes, making them an important context to examine.

## Method

**Participants and procedure.** Participants ( $N = 217$ ; 42% female;  $M_{\text{age}} = 28.72$ ,  $SD_{\text{age}} = 9.77$ ) from Amazon's Mechanical Turk website received \$1.50 for completing the study. Our sample size was pre-determined and no data were excluded. Gender varied naturally between participants.<sup>2</sup>

Participants first read a negotiation scenario (see Appendix A for the full scenario), which provided the possibility for negotiating opportunistically. Specifically, participants were selling their used car, which had a minor (missing fuel cap) and a larger (intermittent transmission) problem. Participants were given examples of how some deception was not uncommon in car negotiations (to ensure they did not feel pressure to act ethically) and needed to decide whether they would reveal the car problems to a potential Craigslist buyer.

**Dependent variables.** After reading the scenario, we measured participants' moral disengagement and opportunism.

To measure *moral disengagement in negotiations*, we adapted Bandura et al.'s (1996) moral disengagement scale to the negotiation context (see Appendix B for the 32 items;  $\alpha = .97$ ). Using a scale from 1 (*strongly disagree*) to 7 (*strongly agree*), participants indicated how much they agreed with items like, "It's ok to omit information if the buyer doesn't ask the right questions" and "Bending the truth is no big deal when you consider that others are engaging in outright fraud."

Next, on a scale from 1 (*not at all*) to 7 (*extremely*), we measured *opportunism* using a 3-item scale ( $\alpha = .66$ ) from Malhotra and Gino (2011). Questions included, "When negotiating

with Michael/Patricia, how committed are you to negotiating openly and in good faith?"

(reverse-scored), "When negotiating with Michael/Patricia, to what extent are you going to be opportunistic?", and "How obligated do you feel to act in a completely trustworthy and honest manner in your dealings with Michael/Patricia?"<sup>3</sup>

## Results and Discussion

Our first analyses helped to validate our moral disengagement in negotiations scale. We submitted the 32 items to a principal components analysis with varimax rotation. Four factors with eigenvalues greater than one emerged, but all items loaded most heavily on the first factor, at .59 or higher. Consistent with prior research (Bandura et al., 1996; Detert et al., 2008; Shu, Gino, & Bazerman, 2011), we therefore analyzed moral disengagement as one scale.

We next examined whether relative to men, women would morally disengage less and negotiate less opportunistically. Consistent with prior research, a main effect of participant gender emerged,  $t(206.27) = -2.87, p = .005, d = 0.39$ , with women ( $M = 3.03, SD = 1.10$ ) morally disengaging less than men ( $M = 3.49, SD = 1.25$ ). The same pattern emerged for opportunism: women ( $M = 2.93, SD = 1.07$ ) exhibited less opportunism than did men ( $M = 3.40, SD = 1.42$ ),  $t(208.98) = -2.74, p = .007, d = .37$ .

Finally, we tested whether women's lower moral disengagement could explain their lower opportunism. In a linear regression predicting opportunism, participant gender ( $b^* = -.17, t[208] = -2.54, p = .01$ ) became non-significant ( $t[207] = -1.53, p = .13$ ) when accounting for moral disengagement,  $b^* = .44, t(207) = 7.18, p < .001$ . A bootstrapping analysis with 10,000 samples (Preacher & Hayes, 2008) yielded a confidence interval of [-.05, -.39] for the indirect effect, providing evidence of significant mediation and supporting Hypothesis 2.

Consistent with prior research on moral disengagement and ethical behavior, women in Study 2 were less likely to morally disengage and less likely to behave opportunistically when selling a used car to a stranger. Although the mediational analyses should be interpreted with caution as the data are correlational and the effects appear to be bi-directional (i.e., opportunism predicted moral disengagement), women were less inclined than men to act unethically and to rationalize unethical behavior within a distributive negotiation. Given that holding a stronger moral identity prevents moral disengagement (Aquino et al., 2007; Detert, et al., 2008; McFerran et al., 2010), we turned to whether women negotiator's stronger moral identities can explain why women morally disengage less and behave less unethically than men when they negotiate.

### **Study 3**

The previous studies established both that women have stronger moral identities than men (Study 1) as well as report less moral disengagement and opportunism in negotiations (Study 2). Study 3 linked these ideas to explore the fundamental role of moral identity in creating gender differences in negotiator ethics. We expected moral identity to precipitate gender differences in moral disengagement and unethical negotiating behavior (Hypothesis 3). In Study 3, men and women were introduced to Study 2's negotiation scenario, after which we measured their moral identity strength, moral disengagement, and endorsement of unethical negotiating tactics. Studies 2 and 3 examined moral disengagement within the context of a specific scenario, demonstrating that in an identical situation, women rationalize deception less than men do. Study 3 also measured endorsement of unethical negotiating tactics as a more general measure of intentions to engage in unethical behavior, which is broadly applicable across negotiating contexts.

## Method

Participants ( $N = 324$ ; 44% female;  $M_{\text{age}} = 20.55$ ,  $SD_{\text{age}} = 1.99$ ) were undergraduates at two universities: one private in the Southeastern U.S. and one public in the Western U.S.

Participants received course credit for completing the study. Our sample size was determined by the number of students who opted to participate in the study at each university (we collected as much data as possible within a fixed number of lab sessions). No data were excluded. Gender varied naturally between participants.

**Moral identity strength.** We first measured how strongly participants internalized moral traits in their identities. Participants read characteristics associated with a moral identity (caring, compassionate, fair, friendly, generous, helpful, hardworking, honest, and kind) and wrote about how a person with these characteristics would think, feel, and act on a typical day (Aquino & Reed, 2002; Aquino et al., 2007). In designing this measure, Aquino and Reed (2002) noted that these traits do not comprehensively capture every characteristic of a moral person, but they invoke associations that make salient a person's moral identity. These terms were mentioned by at least 30% of respondents when asked about the traits of a moral person. After imagining this type of person, participants reported how important it was for them to have these characteristics by responding to the five-item internalization subscale ( $\alpha = .79$ ) from Aquino and Reed (2002). Specifically, using a scale from 1 (*not at all important*) to 7 (*extremely important*), they responded to items like, "It would make me feel good to be a person with these characteristics", "Being someone who has these characteristics is an important part of who I am" and "I would be ashamed to be a person who had these characteristics (reverse-scored)".

**Moral disengagement.** Participants then read the used car negotiation scenario and completed the 32-item moral disengagement scale from Study 2 ( $\alpha = .97$ ).

**Endorsement of unethical negotiating tactics.** Finally, using the self-reported inappropriate negotiating strategies (SINS) scale (Robinson et al., 2000) and a scale from 1 (*not at all appropriate*) to 7 (*very appropriate*), participants reported their endorsement of 16 general unethical negotiating tactics that were not specific to the scenario (e.g., attempt to get your opponent fired from his/her position so that a new person will take his/her place). The items formed a reliable scale ( $\alpha = .91$ ).<sup>4</sup>

## Results and Discussion

Table 1 presents correlations among the variables. We first conducted analyses including the institution where the study was conducted as a factor. No interactions between gender and the institution emerged ( $ps > .22$ ), so we collapsed across the samples in analyses reported below.

We replicated the gender differences from Studies 1 and 2. Once again, women ( $M = 6.22$ ,  $SD = 0.88$ ) more strongly internalized moral traits than did men ( $M = 5.93$ ,  $SD = 0.88$ ),  $t(320) = 2.98$ ,  $p = .003$ ,  $d = 0.33$ . Additionally, women negotiators ( $M = 2.79$ ,  $SD = 1.07$ ) morally disengaged less than did men negotiators ( $M = 3.17$ ,  $SD = 0.98$ ),  $t(320) = -3.26$ ,  $p = .001$ ,  $d = 0.37$ . Finally, also as expected, women ( $M = 2.71$ ,  $SD = 0.90$ ) endorsed general unethical negotiating tactics to a lesser degree than did men ( $M = 3.31$ ,  $SD = 1.01$ ),  $t(320) = -5.56$ ,  $p < .001$ ,  $d = 0.63$ . Notably, the effect size for this last gender difference was medium-to-large (Cohen, 1992), and it is larger than has been observed outside negotiations (e.g., Jaffee & Hyde, 2000).

**Sequential mediation analysis.** Using Preacher and Hayes' (2008) method, we then explored whether the gender difference in moral identity strength could explain gender

differences in moral disengagement and unethical negotiating behavior (Hypothesis 3). Specifically, we tested a model involving gender → moral identity strength → moral disengagement → endorsement of unethical negotiating tactics. In PROCESS, Model 6 (Hayes, 2013), we entered gender as the explanatory variable, moral identity strength and moral disengagement as sequential mediators, and endorsement of unethical negotiating tactics as the outcome variable. The bootstrap analysis with 10,000 resamples yielded a 95% confidence interval that excluded zero for the four-variable model (-.08, -.01). Figure 2 illustrates these results. This analysis provides evidence that gender differences in moral identity strength help to explain why women morally disengage less and endorse unethical negotiating tactics to a lesser degree than men.

Notably, a number of models did *not* receive empirical support. Moral disengagement alone did not explain the gender difference in endorsement of unethical negotiating tactics (-.12, .04), and neither did moral identity strength by itself (-.08, .01). The results indicate that moral identity strength and moral disengagement each help to explain why gender differences in unethical negotiating behavior emerge, consistent with prior research adopting the social-cognitive approach (Aquino et al., 2007).

Study 3 replicated and extended the effects found in our prior studies. Women reported stronger moral identities, lower moral disengagement, and lesser endorsement of unethical behavior than did men. We tested and confirmed a sequential model, whereby the degree to which the self was conceptualized in moral terms precipitated gender differences in moral disengagement, which in turn predicted gender differences in unethical negotiating behavior (Hypothesis 3).

### Study 4

Our studies up to this point have focused on establishing that gender differences in the strength of moral identity predict ethical cognition, which underlies gender differences in ethical behavior. In Study 4, we shifted towards identifying a situational moderator that might mitigate gender differences in unethical negotiating behavior, increasing women's use of deception in negotiations to a level comparable to that of men.

More specifically, Study 4 explored whether financial incentives eliminate gender differences in unethical negotiating behavior. By testing financial incentives as a moderator, the study could provide further support for moral identity as an underlying mechanism (Spencer, Zanna, & Fong, 2005). Aquino et al. (2009, Studies 2 and 3) found that financial incentives suppress moral identity, affecting those with stronger (but not weaker) moral identities. If financial incentives affect women (but not men), it would suggest that moral identity underlies gender differences in unethical negotiating behavior. Consistent with Aquino et al. (2009), we operationalized financial incentives in two ways – the presence of performance-based incentives and incentive size. Following their logic, we expected financial incentives (performance-based incentives or large financial incentives) to affect women's but not men's unethical negotiating behavior. Specifically, Hypothesis 4 predicted that women (who generally have stronger moral identities, Studies 1 and 3) would behave unethically in the presence but not absence of financial incentives. In contrast, men (who generally have weaker moral identities, Studies 1 and 3) would behave unethically regardless of the presence or absence of financial incentives.

Finally, to show the robustness of our effects, Study 4 used a behavioral dependent variable to explore gender differences in unethical negotiating tactics. Because our earlier studies



used scales to measure unethical behavioral intentions, we sought to replicate our effect using a behavioral measure of lying in a face-to-face negotiation.

### **Method**

To test our hypothesis that gender differences in unethical negotiation behavior would be moderated by financial incentives, we re-analyzed data from Aquino et al.'s (2009) Study 3, which was provided to us by the study's authors. Participants ( $N = 224$ , 130 women) were undergraduate business students. The study used a 2 (Incentive type: Random, Performance) X 2 (Incentive size: Small, Large) between-participants design. Full details are provided in Aquino et al. (2009, pp. 132-133), but we repeat key information here.

The role-play simulated a negotiation between a manager and a job candidate. Managers sought to secure the candidate at the lowest possible salary. Candidates valued job security and were instructed not to agree to any salary without a guarantee of holding the position for at least 2 years. However, managers could not agree to this term because the job would be eliminated in six months due to a restructuring (unbeknownst to the candidate). Participants in the manager role therefore had an opportunity to lie to the candidate about job stability. The negotiation lasted 15 minutes. Consistent with Aquino et al. (2009), we included only those who held the role of manager ( $n = 112$ , 66 women) in our analyses in order to explore their deceptive behavior.

Participants were randomly assigned to one of four experimental conditions. Reward size was either \$50 (*small incentive*) or \$150 (*large incentive*). Participants were told that the reward would be given to either the manager who negotiated the lowest salary (*performance incentive*) or to a randomly selected manager (*random incentive*).

**Moral identity strength.** At least two days prior to the study, participants' strength of moral identity ( $\alpha = .82$ ) was measured using the five internalization items from Aquino and Reed

(2002) on a 5-point scale from 1 (*strongly disagree*) to 5 (*strongly agree*). The items were similar to those in our Study 3, except they were phrased as statements (“It would make me feel good to be a person who has these characteristics”) rather than questions (e.g., “How good would it make you feel to be a person who has these characteristics?”). We explored moral identity strength first as a continuous variable, and then as a median split. Following Aquino et al. (2009), those below the median of 4.60 were coded as having weak moral identities ( $n = 55$ ,  $M = 3.97$ ,  $SD = 0.43$ ) and those at or above the median were coded as having strong moral identities ( $n = 57$ ,  $M = 4.86$ ,  $SD = 0.17$ ).

**Unethical negotiating behavior.** Aquino et al. (2009) had two independent raters ( $ICC = .89$ ) code the degree of deception from videotapes of the negotiation. The deception variable had four levels: truth telling (e.g., “The job will be restructured after six months”), refusing to answer (e.g., “I can’t tell you that”), concealing (e.g., “It’s possible you may be on the job for at least two years”), and lying (e.g., “I can guarantee that you will be at the same job for at least two years”). Following Aquino et al. (2009), we first analyzed deception as a 4-level variable from 1 (*told truth*) to 4 (*lied*), and then as a binary variable (1 = lied, 0 = other response).

## Results and Discussion

Table 2 provides descriptive statistics and correlations among variables.

We first tested for gender differences in moral identity strength. Consistent with Studies 1 and 3, women ( $M = 4.57$ ,  $SD = 0.48$ ) had stronger moral identities than men did ( $M = 4.22$ ,  $SD = 0.59$ ),  $t(110) = 3.41$ ,  $p = .002$ ,  $d = 0.64$ . Overall, using Aquino et al.’s (2009) median split, 64% of women were categorized as having strong moral identities compared to 33% of men,  $X^2(1) = 10.44$ ,  $p = .001$ . Because moral identity strength was measured two days before the key manipulations, we were not able to further analyze its potential role in explaining the effects of

the manipulation on unethical behavior (deception). We thus examined deception by participant gender and incentive condition.

We explored whether both incentive type and incentive size moderated the gender difference in unethical negotiating behavior. To do so, we first used multinomial logistic regression with maximum-likelihood estimation, in line with Aquino et al. (2009). We predicted the 4-level deception variable with incentive type, incentive size, manager gender, and the three two-way interaction terms (gender X incentive type, gender X incentive size, and incentive type X incentive size). Two significant effects emerged. A main effect for participant gender emerged,  $X^2(3) = 12.70, p = .005$ , and this effect was qualified by an interaction with incentive size,  $X^2(3) = 7.68, p = .05$ . No other effects reached significance,  $X^2s < 6.00, ps > .11$ . When the 3-way interaction (gender X incentive type X incentive size) was entered, it was non-significant,  $X^2(3) = 2.34, p = .50$ .<sup>5</sup> For women, incentive type ( $X[3] = 9.88, p = .02$ ) and incentive size ( $X[3] = 8.96, p = .03$ ) influenced deception, with women acting more deceptively in the presence (rather than absence) of incentives and when incentives were large (rather than small). For men, no effects of incentive type ( $X[3] = 1.49, p = .69$ ) or incentive size ( $X[3] = 1.94, p = .59$ ) emerged. These findings supported Hypothesis 4: women's (but not men's) ethicality was suppressed in the presence of large incentives. Figures 3a and 3b depict the results.

We next investigated deception with the binary measure also reported by Aquino et al (2009). Using logistic regression, we once again predicted deception with incentive type, incentive size, participant gender, and the three two-way interaction terms. As before, the main effect of gender ( $OR = 0.02, Wald = 6.38, p = .01$ ) was subsumed by a gender X incentive size interaction,  $OR = 22.17, Wald = 6.33, p = .01$ . No other effects were significant ( $Walds < 2.11, ps > .14$ ). For women, the odds of lying were 6.06 times higher under performance than random

incentives,  $Wald = 5.37, p = .02$ . Additionally, the odds of lying were 8.41 times higher when incentives were large than small,  $Wald = 5.98, p = .01$ . For men, no effect emerged for incentive type ( $OR = 1.62, Wald = 0.50, p = .48$ ) or size ( $OR = 0.53, Wald = 0.86, p = .35$ ). Figure 4 illustrates the effect.

Consistent with Hypothesis 4, these results confirm that women (but not men) respond to strong situational cues such as financial incentives: women (who generally have stronger moral identities) behaved unethically in the presence of large incentives. In contrast, men (who generally have weaker moral identities) were unaffected by incentive size. These findings also provide further theoretical support for the role of situational factors that promote self-interest by suppressing and supplanting moral identity, in line with a social-cognitive perspective on moral behavior.

Because Aquino et al. (2009) showed that people with stronger moral identities (but not those with weaker moral identities) were influenced by the presence of performance-based (relative to random) financial incentives, we also expected incentive *type* to similarly moderate gender differences in unethical negotiating behavior, something which we did not find. One possible explanation for the null effect could be that some participants in Aquino et al.'s (2009) study interpreted the mere presence of a financial incentive in the random incentive condition as performance-based. In their study, no manipulation check was reported that specifically asked whether participants perceived the incentive to depend on their performance. Study 5 remedies this problem.

### Study 5

We conducted Study 5 to further explore whether it is the presence of performance-based financial incentives specifically rather than any financial incentives (i.e., random financial

incentives) that moderate gender differences in unethical negotiating behavior. To the extent that unethical behavior is triggered by lucrative environments broadly (Kouchaki, Smith-Crowe, Brief, & Sousa, 2013), any type of financial incentive (including one randomly awarded) could impact unethical negotiating behavior. Alternatively, to the extent that unethical behavior is more narrowly triggered by financial goals relevant to performance, performance-based financial incentives could be especially impactful. Performance-based financial incentives could encourage goal-setting more strongly than do randomly-awarded financial incentives, thereby increasing unethical behavior (Schweitzer, Ordóñez, & Douma, 2004). Overall, we expected women (but not men) to be influenced by the presence (versus absence) of performance-based financial incentives (Hypothesis 4).

We used the procedure from Aquino et al.'s (2009) Study 2, which is similar to our Study 4 with the following exceptions. First, we did not vary incentive size, but held it constant at \$100. By holding constant the incentive size at a moderate level (the midpoint of the low and high incentive amounts from the prior study), we aimed to isolate the hypothesized moderating effect of performance-based financial incentives on unethical negotiating behavior for women relative to men. Second, we included a manipulation check to ensure that participants in the performance-based financial incentive condition perceived their performance as more relevant to their payout than participants in the randomly-awarded financial incentive condition. Third, participants did not actually complete the negotiation. After reviewing their role instructions, participants completed a survey with measures of moral identity strength and intention to lie, embedded among filler items. Measuring moral identity strength after role instructions and manipulations were introduced allowed us to test whether moral identity strength mediated the effect of gender and financial incentive type on intention to lie.

## Method

**Participants and design.** Participants ( $N = 194$ , 100 women,  $M_{age} = 19.77$ ,  $SD_{age} = 1.07$ ) were undergraduates at a private Southern university. They received course credit for participating. Our sample size was determined by the number of students who opted to participate in the study (we collected as much data as possible within a fixed number of lab sessions). No data were excluded. The study had a 2-condition (Financial incentive type: Random, Performance) between-participants design, with gender varying naturally.

**Procedure.** Participants were given the role of a manager in a negotiation role-play, which was very similar to the one used in Study 4 (adapted from the Job Offer Negotiation in Lewicki, Barry, & Saunders, 2015). As manager, participants were tasked with securing a job candidate at the lowest possible salary. Participants knew that the job candidate would agree to a lower salary in exchange for a verbal commitment of job stability, but in fact, the job would be eliminated in 6 months due to a restructuring (unbeknownst to the candidate). Once again, the critical question was whether participants would lie to the candidate about job stability in order to secure a better negotiation outcome for themselves.

Following Aquino et al. (2009), participants in the *performance incentive* condition were told:

*Negotiating a low salary can benefit you personally in this experiment because the person in the manager's role who negotiates the lowest salary at the end of this study will earn a \$100 cash prize.*

Participants in the *random incentive* condition were told:

*For participating in today's experiment, you may win a \$100 cash prize. The winner of the prize will be randomly selected from among all of the persons who played the role of manager during the experiment.*

In both conditions and consistent with instructions from Aquino et al. (2009), participants were informed that doing better for themselves could harm the other party:

*In addition, by doing better for yourself, you will decrease your negotiating counterpart's chances of earning \$100 because the candidate's prize is dependent on his or her starting salary.*

**Moral identity strength.** After reading their role materials, we measured participants' moral identity strength with the five items from Study 4,  $\alpha = .81$ . Participants reported how important displaying the moral traits would be to them in the context of the negotiation with the job candidate using a scale from 1 (*strongly disagree*) to 7 (*strongly agree*).

**Intention to lie.** We measured intention to lie with two items from Aquino et al. (2009). In the context of planning their negotiation strategy, participants reported how likely they were to tell the job candidate that the position was certain to be eliminated in six months if they were specifically asked about job security during the negotiation using percentages (0-100%) and a scale from 1 (*extremely unlikely*) to 9 (*extremely likely*). We reverse-scored the items so that higher numbers indicated greater intent to lie and then standardized and averaged the items,  $\alpha = .94$ .

**Manipulation check.** At the end of the study, participants were asked, "To what extent does your chance of winning the \$100 incentive depend on how low of a salary you negotiate?" They responded using a scale from 1 (*not at all*) to 7 (*very much*).

## Results and Discussion

Table 3 provides descriptive statistics and correlations among variables. We analyzed results using ANOVA with incentive type and participant gender as between-participant factors, unless otherwise noted.

**Manipulation check.** Participants in the performance incentive condition ( $M = 6.06$ ,  $SD = 1.72$ ) thought that their negotiation performance more greatly affected their chances of winning the incentive than those in the random incentive condition ( $M = 3.14$ ,  $SD = 2.22$ ),  $F(1, 190) = 104.03$ ,  $p < .001$ ,  $\eta_p^2 = .35$ . Neither gender nor the interaction term reached significance ( $F_s < .93$ ,  $p_s > .33$ ).

**Moral identity strength.** Only a main effect for gender emerged for moral identity strength,  $F(1, 190) = 16.21$ ,  $p < .001$ ,  $\eta_p^2 = .08$ . Women ( $M = 6.20$ ,  $SD = 0.81$ ) had stronger moral identities than men did ( $M = 5.67$ ,  $SD = 0.99$ ). Incentive type ( $F[1, 190] = 0.00$ ,  $p = .98$ ,  $\eta_p^2 < .001$ ) and the gender X incentive type interaction ( $F[1, 190] = 0.17$ ,  $p = .68$ ,  $\eta_p^2 = .001$ ) were not significant.

**Intention to lie.** We then examined whether women and men reacted differently to the presence of performance incentives. For intention to lie, only the predicted gender X incentive type interaction emerged,  $F(1, 190) = 4.45$ ,  $p = .036$ ,  $\eta_p^2 = .02$ . The main effects of incentive type ( $F[1, 190] = 0.28$ ,  $p = .60$ ,  $\eta_p^2 = .001$ ) and gender ( $F[1, 190] = 0.02$ ,  $p = .89$ ,  $\eta_p^2 < .001$ ) were not significant.

As hypothesized, the interaction reflected responsiveness to financial incentives on the part of women but not men. Women reported greater intention to lie under the performance incentive ( $M = 0.14$ ,  $SD = 0.81$ ) than under the random incentive ( $M = -0.22$ ,  $SD = 0.96$ ),  $t(98) =$



2.03,  $p = .045$ ,  $d = 0.41$ . In contrast, men's intentions to lie did not vary by type of incentive,  $t(92) = -1.03$ ,  $p = .30$ ,  $d = 0.22$ . Figure 5 illustrates the result.

**Conditional mediation analysis.** Using Hayes' (2013) PROCESS models, we then tested whether moral identity strength explains why incentive type affected women's intentions to lie, but not men's. Gender (0 = male, 1 = female) was entered as the independent variable, incentive type (0 = random, 1 = performance) was entered as the moderator, moral identity strength was the mediator, and intention to lie was the dependent variable. All analyses used 10,000 resamples.

We first tested Model 15, expecting performance incentives to moderate both the direct effect of gender and the indirect effect of women's stronger moral identities on intentions to lie (i.e., a second-stage moderated mediation; see Figure 6a for an illustration). Model 15 did not receive support. The 95% confidence interval bridged zero for the incentive type X moral identity interaction  $[-.42, .16]$  and for the indirect effect of moral identity overall  $[-.26, .08]$ . This finding was surprising since Aquino et al. (2009) found evidence for the mediating role of moral identity between financial incentives and unethical behavior. However, the lack of evidence for this second-stage moderated mediation model could potentially be explained by our having measured moral identity *strength* rather than moral identity *accessibility*. Moral identity strength increases a person's perceived obligation to act morally—that is, it increases the “activation potential” of moral identity (Aquino et al., 2009, p. 125)—but accessibility reflects “actual activation” in a given situation.

We then proceeded to test Model 5, whereby incentive type moderated only the direct effect of gender on intentions to lie (see Figure 6b). A bootstrapping analysis produced a 95% confidence interval of  $[-0.22, -0.03]$  for the indirect effect of moral identity strength, overall.

This result suggests that gender differences in moral identity strength help to explain why incentive type impacted unethical negotiating behavior for women but not men.

Study 5's results were consistent with those from Study 4, suggesting that women's unethical negotiating behavior is more affected by the presence of financial incentives than is men's. Aquino et al. (2009) found evidence that self-interest-promoting situational factors like financial incentives most strongly influence the behavior of people with stronger moral identities. Across Studies 4 and 5, we found evidence to support this notion. Women (who have generally stronger moral identities) negotiated more ethically than men (who have generally weaker moral identities) only when incentives were small (not large), and their behavior varied based on type of incentive more than men's did. This suggests that women require more financial incentives than men do to engage in unethical bargaining behavior.

Prior research (Aquino et al., 2009, Study 2) established that performance-based financial incentives decrease the salience of moral identity. Other identities such as "clever person" and "pragmatic person" become relatively more salient when such incentives are present. Our two mediation analyses suggest that moral identity remains stronger for women than men even when performance-based financial incentives are present. However, consistent with Aquino et al.'s (2009) theorizing, the fact that performance-based financial incentives moderated the gender difference on lying intentions suggests that women's moral identity became less *accessible* in the presence of performance incentives, thereby providing indirect evidence for the importance of moral identity in explaining gender differences in negotiator ethics.

### **General Discussion**

In a series of five studies, we draw attention to important gender differences in negotiator ethics and provide a novel theoretical explanation for them: Women's stronger moral identities

relative to men's provide a buffer against the temptation to rationalize, plan, and engage in unethical behavior in competitive negotiations. Although women are disadvantaged in negotiations by negative stereotypes (Kray et al., 2001) and in terms of economic performance under some conditions (Mazei et al., 2015), the current work suggests that at times, women have an ethical advantage at the bargaining table relative to their male counterparts. Additionally, we find that women's stronger moral identities only translate into more ethical behavior when financial incentives do not promote the use of deception, suggesting chronic gender differences in moral identity interact with contextual cues to predict bargaining behavior.

The magnitude of our findings for gender are consistent with Eagly's (1995, p. 151) assertion that sex differences are often comparable in size to other types of findings, when judged in relation to reasonable benchmarks. Our results place gender alongside other well-accepted predictors of ethical behavior, such as idealistic and relativistic moral philosophy, and Machiavellianism, which respectively showed correlations of  $-.21$ ,  $.20$ , and  $.27$  with unethical choices in Kish-Gephart et al.'s (2010) meta-analysis. With regard to endorsing unethical negotiating tactics on Robinson et al.'s (2000) measure specifically, gender's effect size in our studies was comparable to that of being in a loss (versus gain) frame (Kern & Chugh, 2009) and was larger than that of envy (Moran & Schweitzer, 2008). With respect to moral identity, gender related to it at levels comparable to parents' autonomy-granting behavior (Hardy, Bhattacharjee, Reed, & Aquino, 2010), one of the few known predictors. Below, we further discuss theoretical and practical implications of our findings.

### **Theoretical Contributions**

Fundamentally, our research draws attention to and explains a number of under-theorized gender differences in the literature: in moral disengagement, endorsement of unethical tactics,

and deception. Despite emerging consistently in prior research, these effects have received little theoretical attention. We attempt to take one step toward eliminating the treatment of gender as a “black box.” Studying demographic variables as “black boxes” (without insight into their underlying psychological constructs) allows for prediction, but it eliminates explanation, obscuring clear thinking (Lawrence, 1997). Our findings suggest that gender is a proxy for moral identity, which predicts unethical behavior under certain circumstances.

Our approach is distinguished from prior accounts that have emphasized the importance of moral reasoning, where moderators have played a limited role (e.g., Kohlberg & Candee, 1984). By focusing on moral identity as the driving mechanism underlying gender differences in negotiator ethics, our research supports a social-cognitive account. The social-cognitive model argues that moral behavior is determined by the interplay of internal standards (e.g., moral identity) and situational circumstances (Aquino & Reed, 2002; Bandura, 1999; Bandura et al., 1996). Consistent with this model, our research shows the importance of how negotiators conceptualize themselves for their bargaining behavior. When negotiators prioritize moral traits in their self-concept, it has important consequences for whether they behave ethically in negotiations. When moral traits are less strongly internalized, negotiators are more likely to rationalize the use of ethically questionable tactics and to deceive their counterparts. Additionally, we show that when situational pressures such as financial incentives disrupt self-regulatory processes, then unethical negotiating behavior increases for those who are *a priori* more restrained.

Similarly, our research reflects a desire to shift the study of gender differences in ethics toward explanation and away from gender determinism, whereby gender is thought to be a fixed cause of individual traits (Tinsley, Howell, & Amanatullah, 2015). Gender-deterministic

perspectives are too often used to justify the segregation of women and men into distinct roles (Baumeister, 1988; Brescoll, Uhlmann, & Newman, 2013; Eagly, 1995; Tinsley et al., 2015). Instead, we seek to begin addressing “the more demanding question of why the sexes sometimes differ considerably and at other times differ moderately or minimally or do not differ at all” (Eagly, 1995). In so doing, we examine gender differences in concert with the situational context, and thereby avoid both exaggerating differences (*alpha bias*) and minimizing them (*beta bias*) (Hare-Mustin & Marecek, 1988).

### **Potential Practical Implications**

Moving from theory to practice, Eagly (1995, p. 152) concluded that “the evaluation of the...importance of sex-related differences should not end with the translation of them into metrics that are easily understood. In practical terms, the importance of a difference depends on the consequences of the behavior in natural settings.” We expect our moderate gender differences in negotiator ethics to matter in practical terms because simulations suggest that even small differences matter. Martell, Lane, and Emrich (1996) explored the effects of bias in work performance ratings on women’s representation in leadership positions. When gender bias comprised only 1% of the variance in performance ratings, only 35% of top-ranking positions in an organizational hierarchy were filled by women. In negotiations, small differences in economic outcomes can compound over time: Babcock and Laschever (2007) found that small salary differences between men and women at early stages in their careers can result in substantial wealth differences as they near retirement, even if men and women receive identical raises in the intervening years. Similarly then, gender differences in unethical negotiating behavior can create gender differences in economic outcomes that compound rapidly. If women negotiators deceive others less than men, they may gain less from their counterparts. Gender differences in ethical

standards may thus contribute to “supply side” explanations for gender differences in pay (for a summary of this and other explanations, see England, 2005). Alternatively, women’s approach to negotiating could build relational capital and subjective value (Curhan, Elfenbein, & Kilduff, 2009; Curhan, Elfenbein, & Xu, 2006). It is an empirical question whether such outcomes would translate into economic gains over time, by attracting cooperative counterparts or repeat business.

Although our research recognizes a potential and largely unappreciated (Kennedy & Kray, 2015) ethical advantage possessed by women negotiators, we have ironically risked providing data-driven justifications for antiquated gender roles. Too often, favorable female stereotypes have been used to exclude women from high-status roles that require toughness or aggressiveness (Eagly, 1995) and to lend scientific prestige to politically charged differences between women and men (Baumeister, 1988). Our findings should not be used to justify gender disparities in hiring or role assignments for at least two reasons. First, the gender differences seem to be contextual rather than constant, and as such, are not evidence that gender dictates individual characteristics. Second, when women’s ethical advantage does manifest, it could be valuable for organizations in maintaining their reputation and relationships with key constituencies. That is, women’s ethics could justify greater (not lesser) negotiation responsibilities.

### **Avenues for Future Research**

Our research leaves open some unanswered questions that nonetheless present interesting avenues for future research. First, we focused on understanding the role of moral identity in driving negotiator ethics. One possibility for future work is to explore the role of moral emotions (relative to moral identity) in driving gender differences in negotiator ethics. Moral identity has

been theorized to elevate guilt following transgressions (Cohen & Morse, 2014), and consistent with this notion, women report more chronic guilt than men (Cohen, Wolf, Panter, & Insko, 2011; Tangney & Dearing, 2002). Although we found mixed results for guilt on negotiator ethics (as reported in Footnote 4), one possibility is that moderators may be needed to predict whether and when guilt proneness leads to gender differences in ethical behavior. Alternatively, it may be necessary to consider a broader range of moral emotions to explain gender differences in ethicality, including sympathy, anger, contempt, or gratitude, to name a few (Haidt, 2003).

Our research has focused on how women prioritize morality in their identities, leaving open the question of what men prioritize in their identities. Prescriptive gender stereotypes require that men demonstrate good business sense (Prentice & Carranza, 2002) and it may well be that male negotiators' identities are comprised of traits that fulfill this requirement, including being competitive, ruthless, and strategic. Drawing from circumplex models of values (e.g., Schwartz, 1992), Aquino et al. (2009) made a convincing argument that moral identity and self-interest are at odds. Accordingly, men may conceive of themselves in terms of values related to self-interest (e.g., power, achievement) rather than morality (e.g., universalism and benevolence). In fact, some research supports this proposition (Adams & Funk, 2012). However, similar to the dual concern model (Pruitt & Carnevale, 1993), it is also possible that morality and self-interest are orthogonal. Future research could explore whether moral identity and self-interest are at odds, and if measuring the self-interested component of identity predicts men's bargaining behavior across contexts. Additionally, if financial incentives have their greatest impact on those with strong moral identities, it is worth considering whether there are situational moderators that have a relatively large impact on those with strong self-interest identities, such as relational incentives. In negotiations where a goal is in place to maintain long-term relationships, men may

shy away from unethical bargaining behavior, becoming more like women. Alternatively, a promising factor could be cues that highlight identity implications of acting unethically. Bryan, Adams, and Monin (2013) found that participants cheated less frequently when they were told, “Please don’t be a cheater,” rather than, “Please don’t cheat.” By embedding interventions for men to behave more ethically in their identities, researchers may be more successful in reducing men’s vulnerability to ethical lapses at the bargaining table.

Another avenue is to explore the construct of moral identity relative to communal identity. Moral identity could simply reflect the communal orientation of women (cf. Rubin & Brown, 1975). Many of the terms used in Aquino and Reed’s (2002) measure of moral identity are communal in nature (e.g., caring, friendly, generous, helpful, kind). On one hand, these items were mentioned by over 30% of those authors’ respondents when asked what traits comprise a moral person, meaning that communal roles prescribe morality to a greater extent than agentic roles. If so, it raises the question of whether the communal-agentic distinction offers a more parsimonious explanation for gender differences in negotiator ethics than moral identity. On the other hand, recent work has begun to distinguish warmth and sociability from morality (Goodwin, 2015), suggesting the answer is not so straightforward. Future research should explore the overlap between moral and communal identities.

Finally, although we examined the impact of financial incentives (in terms of type and size) on gender differences in negotiator ethics, there may also be situational moderators unrelated to self-interest. For instance, performance-based financial incentives may be part of a broader class of contextual cues that provide plausible cover stories to allow women to maintain a stronger moral identity while acting unethically. In one study, women acting as an agents were no more ethical than men (Kouchaki & Kray, 2016) because advancing the client’s interests



licensed women to act unethically, possibly insulating their moral identity from threat. Similarly, ambiguity may be critical (Bowles et al., 2005; Kray & Gelfand, 2009). Perhaps gender differences are mitigated when norms for how to treat another party are clear, and stronger when such norms are ambiguous.

### **Conclusion**

The current research opens up what has heretofore been a theoretical black box with respect to gender differences in negotiator ethics. Drawing from social-cognitive explanations of ethical behavior, we find that, relative to men, women more strongly internalize moral traits in their self-concepts under baseline conditions. Whether this gender difference in moral identity produces a gender difference in unethical behavior depends on whether situational forces are in place to suppress the self-regulatory benefits of moral identity. In so doing, we address both *why* and *when* men and women approach competitive negotiations with different ethical playbooks.

### Footnotes

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<sup>1</sup> This statement refers to original data collected by the authors (i.e., not Study 4 which involved re-analyzing data from Aquino et al, 2009; for those data, please contact Aquino et al.).

<sup>2</sup> We manipulated the gender of the negotiating counterpart (“the buyer”) to ensure this factor could not explain the results. Because it did not produce any main or interaction effects, we do not discuss it further.

<sup>3</sup> We also measured stereotypes about and feelings toward the buyer (e.g., anxiety, warmth, competence), as well as individual differences (e.g., social dominance orientation, sexism). Because these measures are not central to our research question, we do not discuss them further.

<sup>4</sup> On an exploratory basis, we also measured guilt and examined its role. Prior theorizing suggests that guilt is an important moral emotion that could follow moral identity (Cohen & Morse, 2014). Using a scale from 1 (*disagree entirely*) to 7 (*agree entirely*), participants imagined that they had disclosed the small defect but not the large defect in the car negotiation and indicated their agreement with eight items measuring their guilt (adapted from Grant & Wrzesniewski, 2010) (e.g., I would feel I had not lived up to the buyer’s standards, I would feel I had not lived up to my standards, I would feel guilty),  $\alpha = .95$ .

Women ( $M = 5.61$ ,  $SD = 1.00$ ) anticipated stronger feelings of guilt than did men ( $M = 5.00$ ,  $SD = 1.27$ ) after imagining that they acted unethically,  $t(320) = 4.77$ ,  $p < .001$ ,  $d = 0.54$ . To test guilt’s mediating role, we used PROCESS, Model 6 (Hayes, 2013). When guilt was entered into the model between moral identity strength and moral disengagement, the 95% confidence interval excluded zero (-.04, -.01). The results suggest that gender differences in moral identity strength may precipitate gender differences in moral emotions, such as guilt.

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Other exploratory models confirmed that moral identity strength precipitates subsequent gender differences in ethical emotion and behavior, not vice versa.

Although interesting, we interpret these findings with caution because two prior studies produced contradictory findings for guilt. One study manipulated guilt and found neither a main effect of guilt nor a gender X guilt interaction on moral disengagement. A second study using a panel of men and women recruited through Qualtrics failed to replicate the mediating role of guilt observed above. Overall, further empirical exploration is needed to properly understand the role of guilt in predicting gender differences in unethical negotiating behavior. Further details are available from the authors.

<sup>5</sup> Results were similar using linear regression analysis. Only a main effect of gender ( $b^* = -.34, t [105] = -2.11, p = .04$ ) and the gender X incentive size interaction ( $b^* = .39, t [105] = 2.14, p = .04$ ) were significant.

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TABLE 1

*Correlations among Variables in Study 3*

Variable	M	SD	1	2	3	4
1. Gender <sup>a</sup>	--	--	--			
2. Moral identity strength	6.06	0.89	.16**	--		
3. Moral disengagement	3.00	1.04	-.18**	-.26***	--	
4. Endorsement of unethical negotiating tactics	3.04	1.01	-.30***	-.24***	.51***	--

<sup>a</sup> Female = 1, male = 0.

\*\*\* $p < .001$ . \*\*  $p < .01$ . \*  $p < .05$ .

TABLE 2

*Descriptive Statistics and Correlations in Study 4*

Variables	M	SD	1	2	3	4	5	6
1. Gender <sup>a</sup>	0.59	0.49	--					
2. Incentive size <sup>b</sup>	0.52	0.50	.07	--				
3. Incentive type <sup>c</sup>	0.49	0.50	.02	-.02	--			
4. Moral identity strength (cont.)	4.43	0.55	.31**	.13	-.04	--		
5. Moral identity strength (split) <sup>d</sup>	0.51	0.50	.31**	.05	-.11	.81***	--	
6. Deception (4-level)	2.40	1.08	-.09	.03	.12	-.28**	-.15	--
7. Deception (binary)	0.22	0.42	-.12	.09	.16	-.31**	-.16†	.80***

<sup>a</sup> Female = 1, male = 0.

<sup>b</sup> 1 = large incentive (\$150), 0 = small incentive (\$50).

<sup>c</sup> 1 = performance incentive, 0 = random incentive.

<sup>d</sup> 1 = high moral identity, 0 = low moral identity.

\*\*\* $p < .001$ . \*\* $p < .01$ . \* $p < .05$ . † $p < .10$ .

TABLE 3

*Descriptive Statistics and Correlations in Study 5*

Variables	M	SD	1	2	3
1. Gender <sup>a</sup>	0.52	0.50	--		
2. Incentive type <sup>b</sup>	0.50	0.50	.12†	--	
3. Moral identity strength	5.95	0.94	.28***	.03	--
4. Intention to lie	-0.36	0.95	.01	.04	-.17*

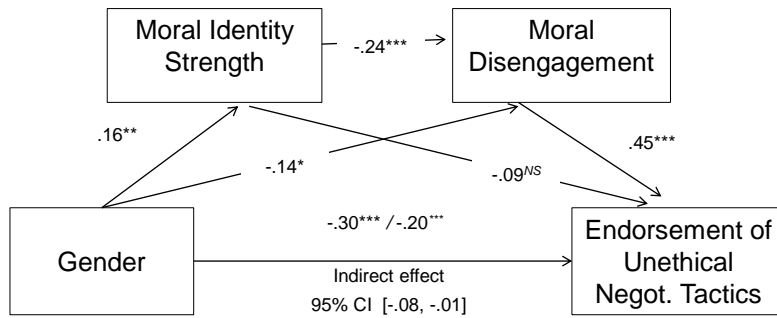
<sup>a</sup> Female = 1, male = 0.

<sup>b</sup> 1 = performance incentive, 0 = random incentive.

\*\*\* $p < .001$ . \*\*  $p < .01$ . \*  $p < .05$ . †  $p < .10$ .

Study	Authors	Journal	Public.	N	Scale	
			Year		Reliability	Correlation
1	Barclay, Whiteside, Aquino - Study 1	Journal of Business Ethics	2014	127	.80	.20
2	Barclay, Whiteside, Aquino - Study 2	Journal of Business Ethics	2014	200	.85	.19
3	Barclay, Whiteside, Aquino - Study 3	Journal of Business Ethics	2014	179	.74	-.08
4	Birtch & Chiang	Journal of Business Ethics	2014	318	.93	.04
5	Joosten, Dijke, Hiel, Cremer	Journal of Business Ethics	2014	94	.77	.29
6	Rupp, Shao, Thornton & Skarlicki - Study 1	Personnel Psychology	2013	81	.73	.02
7	Rupp, Shao, Thornton & Skarlicki - Study 2	Personnel Psychology	2013	245	.76	-.02
8	Winterich Aquino Mittal Swartz - Study 1	Journal of Applied Psychology	2013	293	.78	.17
9	Winterich Aquino Mittal Swartz - Study 2	Journal of Applied Psychology	2013	231	.87	.19
10	Hardy, Francis, Zamboanga, Kim, Anderson, & Forthun	Journal of Clinical Psychology	2013	9500	.82	.19
11	DeCelles, DeRue, Margolis, & Ceranic	Journal of Applied Psychology	2012	173	.77	.22
12	Aquino, McFerran, & Laven - Study 1	Journal of Personality and Social Psychology	2011	436	.85	.26
13	Aquino, McFerran, & Laven - Study 2	Journal of Personality and Social Psychology	2011	443	.86	.26
14	Aquino, McFerran, & Laven - Study 4	Journal of Personality and Social Psychology	2011	129	.82	.29
15	O'Fallon & Butterfield	Journal of Business Ethics	2011	655	.85	.26
16	Cote, DeCelles, McCarthy, Van Kleef, & Hideg	Psychological Science	2011	131	.84	.15
17	Sage & Kavussanu	Psychology of Sport and Exercise	2010	365	.71	.05
18	McFerran, Aquino, & Duffy	Business Ethics Quarterly	2010	145	.81	.37
19	Winterich, Mittal, & Ross - Study 1	Journal of Consumer Research	2009	143	.85	.42
20	Winterich, Mittal, & Ross - Study 2	Journal of Consumer Research	2009	258	.83	.21
21	Winterich, Mittal, & Ross - Study 3	Journal of Consumer Research	2009	233	.79	.09
22	Skarlicki, van Jaarsveld, & Walker	Journal of Applied Psychology	2008	358	.82	.24
23	Reed & Aquino - Study 2	Journal of Personality and Social Psychology	2003	79	.87	.37
24	Reed & Aquino - Study 3	Journal of Personality and Social Psychology	2003	96	.90	.36
25	Reed & Aquino - Study 4	Journal of Personality and Social Psychology	2003	106	.85	.10
26	Reed & Aquino - Study 5	Journal of Personality and Social Psychology	2002	333	.70	-.02
27	Reed & Aquino - Study 6	Journal of Personality and Social Psychology	2002	160	.78	.29
28	Trapnell	Unpublished manuscript	NA	1084	.80	.20
29	Cohen, Panter, Turan & Kim	Journal of Personality and Social Psychology	2014	1514	.83	.22
30	Cohen, Panter, Turan & Kim	Journal of Personality and Social Psychology	2014	548	.85	.06
31	Ward & King	Unpublished manuscript	NA	346	.84	.20
32	Ward & King	Unpublished manuscript	NA	194	.78	.10
33	Ward & King	Unpublished manuscript	NA	600	.81	.25

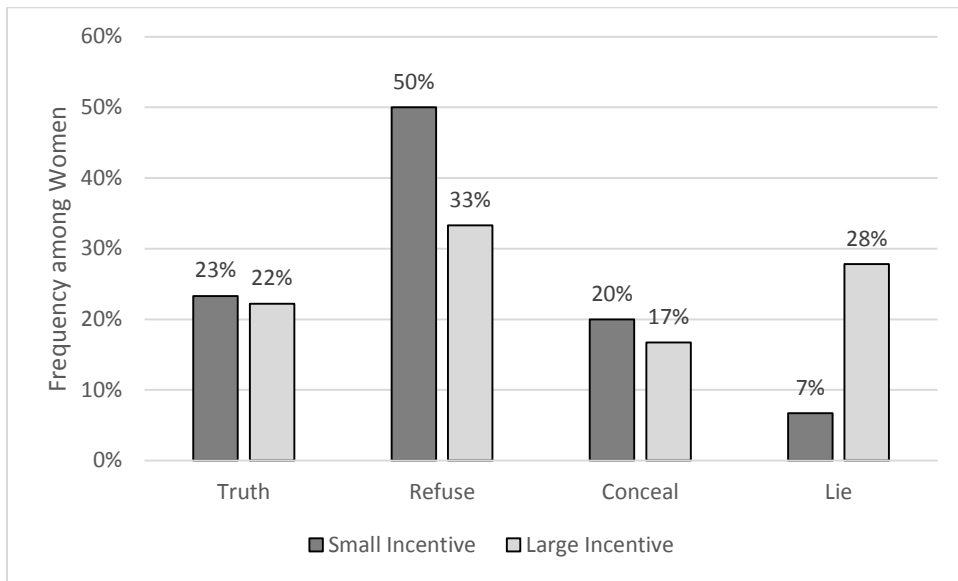
**Figure 1.** Summary of studies included in Study 1's meta-analysis of gender and strength of moral identity internalization.



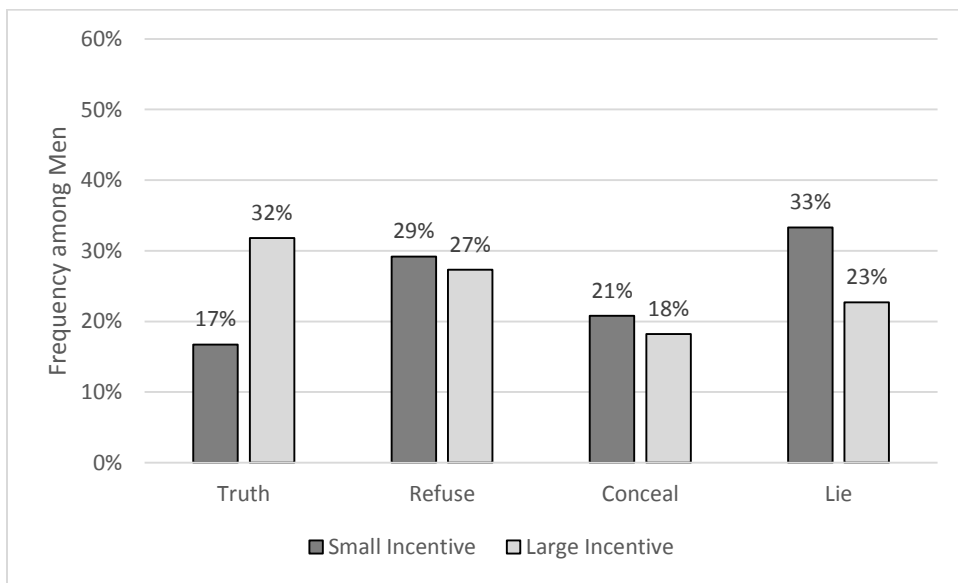
\*  $p < .05$ . \*\*  $p < .01$ . \*\*\*  $p < .001$ .

Note. Diagram shows standardized regression coefficients. CIs obtained using Hayes (2012) PROCESS approach.

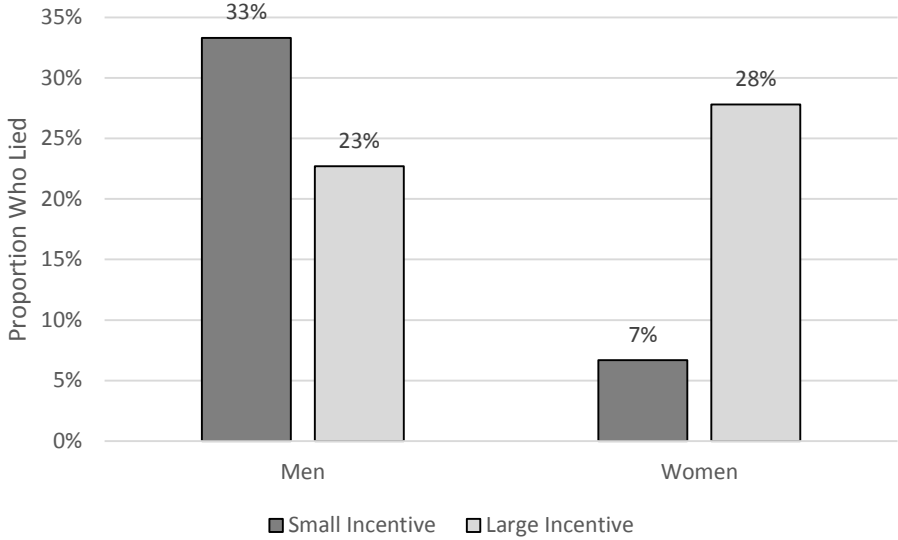
**Figure 2.** Test of theoretical model in Study 3.



**Figure 3a.** Frequency of unethical negotiating behavior by incentive size for women in Study 4.



**Figure 3b.** Frequency of unethical negotiating behavior by incentive size for men in Study 4.



**Figure 4.** Gender differences in unethical negotiating behavior (binary measure) by incentive size in Study 4.

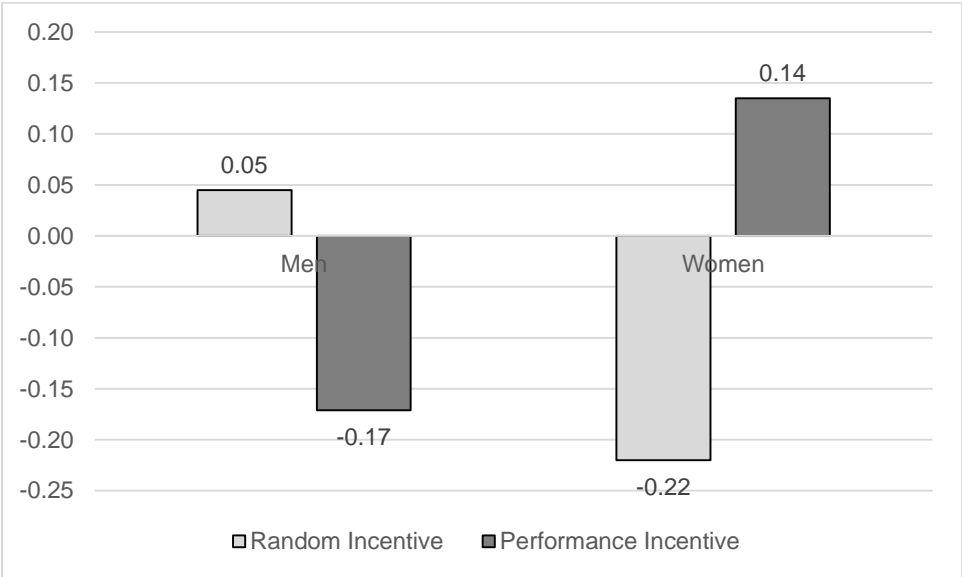
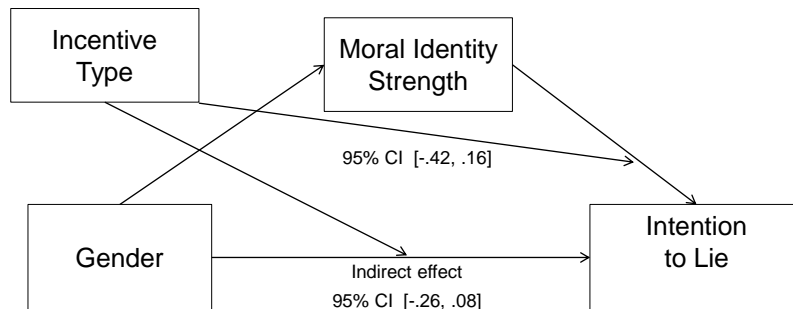


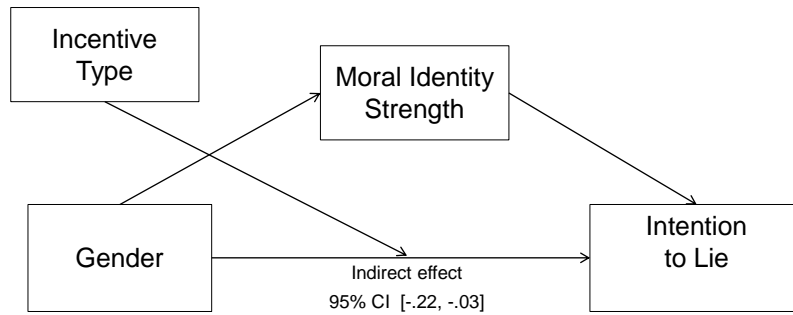
Figure 5. Gender differences in intention to lie by incentive type in Study 5.





Note. CIs obtained using Hayes (2012) PROCESS macro.

**Figure 6a.** Mediation analysis (PROCESS MODEL 15) in Study 5.



Note. CIs obtained using Hayes (2012) PROCESS macro.

**Figure 6b.** Mediation analysis (PROCESS MODEL 5) in Study 5.

## Appendix A

### Used Car Negotiation Scenario

Imagine you are selling your used car. It's generally been a good car, but you recently lost your job so it's more expensive than you can currently afford.

Because you really need the money, you have set your sights on getting the best price possible.

To begin, you read a book on how to negotiate the best deal for a used car. The book said that people obtain the best price for their used car when they disclose a small defect – for instance, the need for new windshield wipers. This helps because people know when they're buying a used car that it probably has some problems (but because potential buyers know this, it is up to them to ask about bigger problems). The book provided many tips on how to selectively disclose information to potential buyers.

Your used car is missing the cap for the gas tank. It rolled off one day and you haven't made it to the store to buy a new one. More importantly, the car has a transmission problem that flares up now and then. You have taken the car to the shop twice, but no one has been able to find the problem or fix it. Lately, the car has been working with no issues, though. In considering whether to reveal these issues, you remember back to when you bought the car 3 years ago. Its previous owner lied to you outright by saying all 4 tires were new; you later found out that only 2 of the tires had been replaced. This experience taught you that at least some sellers tell “whoppers”, or outright lies.

After posting an ad on Craigslist, you were contacted by an interested buyer.

## Appendix B

### Moral Disengagement in Negotiations Scale

Below are a series of statements of how you might think or act in this negotiation. Please rate the extent to which you agree or disagree with each of the statements below, using the provided scale.

Strongly Disagree	Moderately Disagree	Slightly Disagree	Neither Agree nor Disagree	Slightly Agree	Moderately Agree	Strongly Agree
1	2	3	4	5	6	7

1. It is alright to bend the truth to protect your assets.
2. It's ok to keep secrets in order to take care of your financial needs.
3. It's ok to omit information if the buyer doesn't ask the right questions.
4. It is alright to keep quiet in order to get a good price.
5. Omitting some information is just a way of getting a fair deal.
6. Keeping some information secret is just self-defense.
7. Not disclosing the car's transmission problem is just "playing the game" in negotiations.
8. It is not bad to withhold information about the car in this situation.
9. Bending the truth is no big deal when you consider that others are engaging in outright fraud.
10. Omitting a relevant fact is not too serious compared to those who tell outright lies.
11. Providing only the information the buyer asks for is really no big deal when you consider that other people are probably explicitly deceiving buyers in situations like this.

12. Compared to other deceptive things people do in negotiations, not disclosing the car's entire maintenance history is not very serious.
13. Since you are under pressure to get a good deal, you cannot be blamed for concealing the transmission problem.
14. If the buyer doesn't catch a lie, you aren't responsible for that.
15. Because you are being pressured into driving a hard bargain by your financial situation, you shouldn't be blamed for doing whatever you have to do to get a good deal.
16. You cannot be blamed for omitting information to get a good price since it's a dog-eat-dog world in competitive negotiations.
17. You should not be blamed for using negotiation tactics other people invented.
18. If you only copy the tactics advocated by the experts, you should not be blamed for using them.
19. If negotiators commonly act deceptively, it is unfair to blame you for being deceptive.
20. As an individual seller, you can't be blamed for misleading someone because you play only a small part in setting common practices for used-car negotiations.
21. It is ok to tell a small lie because it wouldn't really do any harm.
22. People don't mind being misled in used-car negotiations because it's part of the game.
23. Omitting information doesn't really violate anyone's rights.
24. Letting buyers fend for themselves isn't really wrong.
25. If people buy a "lemon," it's their own fault.
26. If someone is deceived when buying a car, it's their own fault for believing whatever they were told.
27. Negotiators who are deceived usually deserve it.

28. Negotiators who need the money are not at fault for bending the truth.
29. Some negotiators deserve to be treated like dumb animals.
30. If the buyer is as ignorant as a rock, it is ok to let them suffer the consequences.
31. Naïve idiots do not deserve to be treated honestly.
32. Some people have to be deceived so they learn to use their brain.