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Unethical leadership, moral compensation, and ethical followership: Evidence from a survey experiment with Chilean public servants

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Abstract

Numerous studies associate ethical leadership with ethical behavior in the public sector. By contrast, the effects of *unethical* leadership in the public sector have largely not been explored. Yet, unethical leadership need not beget unethical followership. Instead, we theorize that some bureaucrats may perceive unethical leadership as a moral threat and respond to it with moral compensation and greater *ethical* behavior. We provide evidence for our theorized effect through a vignette experiment with 19,852 bureaucrats in Chile. Bureaucrats exposed in the vignette to unethical role modeling by their superior or peers react with greater ethical awareness and ethical intent. This effect is concentrated among bureaucrats recruited through merit-based, public service criteria rather than connections, and thus bureaucrats who more likely feel morally threatened by unethical leadership. This suggests that unethical leadership in the public sector may differ in its consequences from the mere absence of ethical leadership.

Evidence for practice
- Unethical leadership in the public sector can take many forms, including unethical role modeling.
- Bureaucrats recruited based on merit reacted, in our sample, to unethical role modeling with moral compensation and greater ethical behavior.
- Merit recruitment constitutes an important practice to shield organizations from (some) adverse effects of unethical leadership.

INTRODUCTION

How does unethical leadership affect public organizations? Shedding light on this question is arguably an important task for public administration (Hassan, 2019). Studies in management and psychology have started such empirical inquiry (Brown & Mitchell, 2010; Tepper, 2007). Public administration scholarship has largely not, beyond limited work on politicization and abusive supervision (Story et al., 2023), and the use of incentives by managers to foster corruption (Mutahi et al., 2023), for instance. Consequently, as Hassan (2019, p. 554) puts it, "many important questions about unethical leadership behavior in the public sector are yet to be explored—for example, … How does unethical leadership behavior affect work motivation and behavior of public sector employees?"

This research gap on unethical leadership in the public sector stands in sharp contrast to the manifold existing studies on ethical leadership. Ethical leadership is typically 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). By contrast, unethical leadership is typically understood as leader

actions or behaviors that violate moral standards or promote unethical conduct among followers (Brown & Mitchell, 2010, p. 588)—or the demonstration of normatively *inappropriate* conduct through "personal actions and interpersonal relationships, and the promotion of such conduct to followers" (Brown et al., 2005, p. 120). By way of example, a leader who encourages unethical conduct by employees, for instance by role modeling how to cover up fraud or pressuring employees to participate in cover-ups, leads unethically.[1] Dozens of studies in management and psychology have underscored the importance of ethical leadership for employee attitudes and organizational outcomes (Brown et al., 2005; den Hartog, 2015; Mayer et al., 2009). The same holds for manifold studies in public administration (Downe et al., 2016; Hassan et al., 2014; Wright et al., 2016; Young et al., 2021). Unethical leadership, however, is not merely the absence of ethical leadership. Instead, it is a distinct form of leadership. It thus needs separate empirical inquiry.

What, then, are the consequences of unethical leadership for follower behavior? We contribute to addressing this question both theoretically and empirically. Theoretically, we, first, extrapolate from mechanisms in existing ethical leadership studies to hypothesize that unethical leadership *decreases* ethical awareness and behavior of public servants. Subsequently, however, we posit a juxtaposed hypothesis, drawing on research on social identities and moral compensation—understood as "a set of compensating moral or worthy actions that cancel out the ethical violation that preceded it" (Ding et al., 2016, p. 2). While ethical leadership is generally associated with positive outcomes, unethical leadership need not be generally associated with negative outcomes. Instead, we argue that where followers experience unethical leadership, unethical leadership can lead to moral compensation, with followers seeking to compensate for the moral threat to themselves from unethical behavior by leaders, by responding to it with ethical behavior. As moral compensation occurs based on experienced moral threat, compensating reactions should occur only if the leader's action presents a moral threat to followers. Building on existing theorizing on the benefits of merit recruitment in the public sector, going back to Weber (1978), we thus hypothesize that bureaucrats hired based on merit (rather than personal or political connections) may be expected to identify more with public service and therefore be particularly susceptible to experiencing moral threat and reacting with moral compensation.

We test our hypotheses through a vignette experiment with 19,852 public servants in Chile. In the vignette, we randomly assign bureaucrats to hypothetical scenarios including or excluding one form of unethical leadership—unethical role modeling—by their superior or peers. Consistent with moral compensation, we find that bureaucrats exposed to unethical role modeling by superiors in the vignette react with greater ethical intent, and that this effect is concentrated among bureaucrats who were hired into the public sector based on merit rather than through connections.

Our findings suggest that unethical role modeling can lead to moral compensation in public service and *greater* ethical behavior. They also underscore the importance of merit bureaucracy in shielding public administration from (some) adverse effects of unethical leadership. Finally, by showing that unethical leadership does not have symmetric effects to those identified in prior studies assessing the (absence of) ethical leadership, we hope our findings encourage other public administration scholars to study unethical leadership.

LITERATURE AND THEORY: UNETHICAL LEADERSHIP, MORAL THREAT, AND ETHICAL BEHAVIOR

To develop our hypotheses linking unethical leadership to (un)ethical follower behavior, we first review a theoretical mechanism based on social learning theory (Bandura, 1986), through which ethical leadership—and in particular ethical role modeling—has been argued to influence followers. Conceptually, we follow the literature in understanding morality as the principles and values of individuals that guide what they perceive as right or wrong, while referring, with the term "ethical," to standards of right and wrong in a social or organizational context—epitomized, for instance, in an organizational code of conduct (Denhardt, 1988).

From a social learning perspective, leaders influence followers by role modeling. Followers do not have fully formed attitudes about—and do not ascribe salience to—all potentially ethically salient issues. Consequently, they look to leaders for ethical guidance and emulate them as role models (den Hartog, 2015). Brown et al. (2005), among others, utilize this mechanism to link ethical leadership to ethical behavior. Social learning theory thus leads to an expectation that conduct cascades from leaders to followers: ethical behavior of leaders is reproduced by their supervisees, fomenting greater employee ethical conduct (den Hartog, 2015; Mayer et al., 2009).

Research on unethical leadership has extended the application of social learning theory to unethical leadership to derive symmetric expectations. Employees seeking guidance on ethical salience and attitudes from unethical leaders are met with the converse: that ethical dimensions of choices are rarely salient, and that unethical behavior is acceptable or even condoned (Ashforth & Anand, 2003). Leaders role model unethical behavior through their own acts or lead unethically by using their position to get others to act unethically (Brief et al., 2001). Unethical leaders thus become unethical role models. Following this line of reasoning, we hypothesize:

> **H1.** Unethical leadership decreases ethical awareness and behavior of public servants.

If H1 were true, this would, of course, lessen the attractiveness of studying unethical leadership. It would heighten the likelihood that empirical findings about ethical leadership could be extrapolated (with opposite signs) to unethical leadership.

Theoretically, however, this extrapolation may not be warranted (den Hartog, 2015). Research has found that when employees observe leaders acting unethically, negative attitudes toward the leader often follow (Mackey et al., 2017; Pelletier & Bligh, 2008). For instance, employees lose trust in the leader, believing the leader's unethical acts to reflect questionable principles and norms (Norman et al., 2010). Moreover, unethical leadership can lead to moral distress among employees—a feeling of pain and anxiety from recognizing moral responsibility to act against unethical behavior but feeling constrained from doing so (Uhl-Bien & Carsten, 2007; West & Zhong, 2015). This tension is particularly salient when followers have other sources of guidance and ethical standards (Brown & Treviño, 2014). A main source of such an alternative standard is an individual's moral identity: her internal cognitive schema of self in terms of moral beliefs and values, expressed through attitudes and behaviors (Aquino & Americus Reed, 2002; Shao et al., 2008). Distress is caused by a "comparative deficit" (West & Zhong, 2015) between followers' mental representation of their own moral character (how followers want to see themselves) and how leader behavior makes them see themselves in moral terms. In this sense, unethical leadership can act as a moral threat (Zhong & Liljenquist, 2006) to followers' moral identity or self-image.

To resolve the threat unethical leadership imposes on followers, they may engage in moral compensation: compensatory actions aimed at restoring moral self-worth. While such compensatory actions typically follow one's own ethical infractions, moral compensation may also be triggered by acts of others, which threaten the individual moral self. For instance, guilt may arise not only from personal immoral acts, but also from immoral acts of group members (Doosje et al., 1998). Additionally, employees may respond to moral threats by engaging in "upward ethical leadership:" taking "action to maintain ethical standards in the face of questionable moral behaviors by higher-ups" (Uhl-Bien & Carsten, 2007, p. 188). In other words, and contrary to the expectation of H1, unethical leadership may lead to moral compensation of employees and thus greater *ethical* behavior of employees. Particularly as upward ethical leadership often imposes high personal and career costs, employees who feel morally threatened may also respond to unethical leadership by behaving more ethically in their own work in ways other than confronting leaders. This moral compensation behavior to maintain ethical standards in the organization without confronting superiors can plausibly help employees reduce moral threat and identity loss.[2] Based on this alternative

theoretical grounding, we thus posit H2 as a competing hypothesis to H1:

H2. Unethical leadership increases ethical awareness and behavior of public servants.

As a scope condition of the intuition underlying H2, prior studies suggest that people's identity, principles, and beliefs moderate how they react to unethical leadership (Carsten & Uhl-Bien, 2013; Knoll et al., 2017). Of particular relevance for our purposes, Fehr et al. (2020) have shown that how employees react to unethical leaders depends on their moral disengagement propensity—that is, their propensity to engage in cognitive justification of unethical acts to circumvent the self-condemnation that normally inhibit such behavior (Bandura, 1986).

This suggests that moral disengagement or, plausibly more broadly, moral values and identities moderate how employees react to unethical leadership. In general, Ding et al. (2016) argue that the centrality of moral identity to their self-concept makes people more sensitive to guilt, driving moral compensation (Hertz & Krettenauer, 2016; Shao et al., 2008). More particularly, we could expect that employees who identify more strongly with ethical values related to their workplace will face greater moral threat when faced with unethical leadership. Consequently, such employees will attempt to resolve the threat through moral compensation and respond to unethical leadership with greater ethical awareness and behavior.

In the public service as a workplace, going back to Weber (1978), an important predictor of public service identification is merit recruitment—that is, the selection of public servants based on public service examinations and merit criteria rather than political or personal connections. Merit recruitment enables employees to act virtuously at the point of recruitment, thus reinforcing their moral character in their self-concept. By contrast, hiring based on connections (for instance, through political or friendship networks) is an integrity violation in most public services, at least below the top level of political appointments (Schuster, 2017). Additionally, merit recruitment conveys a socialization experience in which selected officials can align their beliefs, values, and goals to those collectively shared in public service organizations (McDonnell, 2020). Weber (1978) had argued that merit recruitment enables the selection and subsequent socialization of public servants committed to public service rather than private aims, while hiring based on connections selects for public servants often identifying with the private interests of political patrons rather public service. In line with these assertions, merit recruitment has been consistently linked to greater public service motivation and identification (Brewer et al., 2022; McDonnell, 2020; Meyer-Sahling et al., 2021), as well as greater bureaucratic honesty, less political clientelism, and less unethical behavior (Meyer-Sahling et al., 2021; Oliveros & Schuster, 2018).

One consequence of this view is that merit recruits should be more strongly affected by the moral compensation effect of unethical leadership. Merit recruits, because of their greater identification with public service, will feel more morally threatened by unethical leadership. By contrast, we would expect recruits hired through connections into public service to *not* feel morally threatened by unethical leadership and instead respond with greater unethical behavior of their own, in line with H1 and predictions of unethical leadership studies in private sector settings (Bellé & Cantarelli, 2017).

> **H3.** Public servants hired based on merit react to unethical leadership with increased ethical awareness and ethical behavior.

> **H4.** Public servants hired through political or personal connections react to unethical leadership with lower ethical awareness and more unethical behavior.

As an empirical implication of the mechanisms underlying these arguments, we may also expect the type of leader to matter. Of course, leaders in public administration need not be superiors; colleagues may also be role models (Jakobsen et al., 2023; van der Hoek & Kuipers, 2022). Given their greater formal authority, however, we would expect unethical leadership by superiors to represent a greater moral threat—and thus affect ethical followership more strongly—than unethical leadership by colleagues. Similarly, unethical leadership by *more* leaders represents a greater moral threat and may thus affect ethical followership more strongly. We developed our research design to assess our hypotheses *and* these empirical implications.

METHODS AND DATA

Identifying an effect of unethical leadership on ethical follower behavior is challenging. Unethical leadership both shapes and is shaped by other factors—such as organizational climates—which equally affect employee behavior (Brown & Mitchell, 2010). This raises obvious endogeneity concerns when correlating the two. The gold standard solution—a field experimental manipulation of unethical leadership—would raise ethical concerns of its own. We circumvent these by manipulating one form of unethical leadership—unethical role modeling—in a vignette experiment. The vignette presents public servants with a fictitious conflict of interest situation and randomly varies whether or not superiors or peers behaved unethically in the situation. It enables assessment of the effect of exogenously manipulated unethical role modeling on the attitudes and behavioral intent of public servants in a conflict of interest situation.

Participants

The experiment was embedded in the National Survey of Public Servants in Chile (*Encuesta Nacional de Funcionarios*)—a central government-wide survey on civil service management and employee engagement—as part of a collaboration with Chile's National Directorate of the Civil Service (*Dirección Nacional del Servicio Civil*, DNSC). The DNSC invited Chilean government institutions to participate. With the DNSC, we held meetings with government institutions to explain the survey rationale and benefits of participation (a free employee survey-based diagnostic to help improve civil service management). The country's largest public sector union (ANEF) also endorsed the survey. A total of 65 institutions opted to participate and share employee email addresses with one of the authors.

Chile is a propitious environment for studying ethical behavior. First, like other OECD countries, Chile has very limited public sector corruption, ranking 24 out of 176 in Transparency International's (2017) Corruption Perception Index. Several studies suggest that less corrupt countries attract more honest bureaucrats, who in turn are more likely to identify with public service (Barfort et al., 2019; Olsen et al., 2019). Such countries thus meet an important scope condition of our argument: moral compensation in response to unethical leadership requires bureaucrats who perceive unethical leaders' actions as a moral threat—which, as we argue, is conditional on the moral identity of bureaucrats. As such, our findings plausibly travel to other low corruption OECD countries but may have less validity in high corruption contexts.

Second, Chile's central government provides a propitious empirical setting as ethical (formal) norms and merit recruitment are in flux. Ethics codes have only been introduced, in 64 of 65 participating institutions, in at most 3 years prior to the survey (DNSC, 2023); and more than a third of public servants do not know whether their institution has an ethics code (Schuster et al., 2020). As such, (un)ethical role modeling may be expected to shape (un) ethical behavior of employees, including for—as in our vignette—behavior that is prohibited by ethics codes. Moreover, the Chilean government is characterized by meaningful internal variation in merit recruitment—which the study exploits to assess H3 and H4. Recruitment is not based on centrally administered exams, but instead in practice—despite formal merit requirements—left to significant line institution discretion, with frequent concerns about merit violations (Egaña et al., 2021; Schuster et al., 2020).

Finally, our large sample of central government employees offers important external validity advantages over prior experimental ethics research, which has often drawn on students (Bellé & Cantarelli, 2017; Christensen & Wright, 2018).

The survey was distributed via email by one of the authors through the Qualtrics platform to all 49,069 public servants of the 65 participating institutions. A total of

TABLE 1 Summary statistics.

Variable	Share/mean
Gender	
Female	57%
Male	43%
Education	
Basic and middle education	10%
Higher (technical)	15%
Higher (university)	75%
Age	
Less than 30 years	7%
30–39 years	32%
40–49 years	33%
50–59 years	19%
60+ years	8%
Years in public administration	
0–5 years	26%
6–10 years	23%
11–20 years	28%
21–30 years	14%
30+ years	9%
Contract	
Permanent	13%
Temporary	78%
Other	9%
Personal connection hiring (1–7)	2.24
Political connection hiring (1–7)	1.34
Average connection hiring (1–7)	1.77
(Lack of) Ethical awareness (1–5)	2.12
(Lack of) Ethical intent (1–5)	2.00

21,443 public servants completed the survey (43.7% response rate). About 57% of respondents were female; most hold a university degree (75%) and, as is the case for Chile's public service generally, the majority are on temporary contracts (Table 1). Of the 21,443 respondents, 19,852 responded to the survey vignette, mitigating any concerns about underpowered experiments (despite the aforementioned sampling approach not being guided by power considerations). Survey respondents are slightly more often female and more educated than the survey population (see Appendix Table A1). In our base specification, we thus add demographic controls to adjust for non-response based on observable characteristics; our findings are not substantively altered by this.

Experimental design

Respondents were presented with a vignette in which we randomly varied across individual respondents whether or not superiors or peers engaged in unethical behavior in a hypothetical conflict of interest situation. We deliberately assess unethical role modeling by both superiors *and* peers. As noted above, leadership—including (un) ethical leadership—is not limited to those in formal authority positions. Still, as an empirical implication of the argument underlying H2, we would expect unethical superiors, given their greater formal authority in the organization, to affect respondents more strongly than unethical peers.

Our vignette focuses on unethical role modeling in a conflict of interest situation in which superiors and peers prioritize personal gain over public service interests. This is not the only form of unethical leadership. Unethical leadership can involve a panoply of practices (Sam, 2021). Our findings are generalizable to the effects of unethical *role modeling* where followers learn about unethical actions by their superior. Unethical leadership might have distinct effects on employee behavior when leaders, for instance, pressure employees into unethical behavior. We return to this limitation in the conclusion.

Our vignette was developed with DNSC feedback—including its experts on ethics in Chile's government—to ensure it is plausible in the Chilean context and that the behavior is (1) a violation of institutional ethics codes and (2) behavior that, hypothetically, any public servant could undertake on-the-job if the opportunity presented itself. In the vignette, a public servant receives an invitation from a travel agency, that he regularly uses for work and personal traveling, to celebrate the opening of a new flight route to a nearby country. The invitation for loyal customers comprises free flight tickets, 1 day accommodation at one hotel, and a hotel reception. The public servant accepts the invitation and travels to the nearby country (see Appendix Table B1 for a write-up of the vignette). As the public servant obtains a private benefit through the invitation in part thanks to her/his actions as a public servant (travel for work), accepting the invitation represents a perceived conflict of interest—rather than a mere trade-off of different public values (see Denhardt, 1988).

To test our hypotheses, we designed three treatment groups, each with additional information (see Table 2, which presents the full set of treatments included in the survey). One treatment informed participants that the superior of the public servant in the vignette has previously accepted similar invitations; a second and third, that some or all of his/her colleagues have previously accepted similar invitations. In other words, in our treatment groups, we randomly vary whether public servants are exposed to unethical role modeling for accepting the invitation. Our treatment messages are explicitly phrased to delineate role modeling behavior ("Following this model"). By contrast, our control group responds to the vignette without unethical role models for accepting the invitation (see Appendix Table B1 for the original Spanish wording of the treatments).

T A B L E 2   Treatments.

Unethical colleagues (all)	Unethical colleagues (some)	Unethical superior	Control group
Previously, all colleagues of the public servant who had received a similar invitation from another travel agency accepted it. Following this model, the public servant accepts the invitation and travels to the nearby country.	Previously, some colleagues of the public servant who had received a similar invitation from another travel agency accepted it. Following this model, the public servant accepts the invitation and travels to the nearby country.	Previously, the public servant's superior received and accepted a similar invitation from another travel agency. Following this model, the public servant accepts the invitation and travels to the nearby country.	The public official accepts the invitation and travels to the nearby country.

Our three treatment groups allow us to differentiate whose unethical role modeling—managers' or colleagues'—matters most for ethical follower behavior. As aforementioned, we expect managers to matter more. A "rapidly growing body of work" also shows that employees can perceive many in their team to be leaders (Dust & Ziegert, 2012; Friedrich et al., 2009, p. 933). Where more are unethically role modeling (i.e., "all" rather than "some" colleagues in our treatment groups), we can expect a larger effect on follower behavior.[3]

As a duty of care, we examined whether the treatment groups were unbalanced on observed covariates and whether they were associated with attrition. We did not find evidence to suggest either (Appendix Tables C1, C2 and D1).

Measures

Following the vignette, respondents were asked on a 5-point Likert scale about their extent of agreement with the statements "The behavior of the public servant was appropriate" (ethical awareness) and "If I were in the position of the public servant, I would have done the same" (ethical behavioral intent). The first is a measure of (lack of) ethical awareness, assessing whether respondents recognize the ethical implications of the action (Kohlberg, 1984). The second is a measure of (lack of) ethical behavioral intent. There were no other outcome measures in the survey.

Measuring behavioral intent rather than behavior allows us meaningful experimentation in the vignette and follows common practice in the literature on ethical behavior of public servants (Caillier, 2012; Wright et al., 2016; exceptions are Brewer & Selden, 1998; Caillier, 2017). In meta-analyses, however, behavioral intent and behavior are closely related, suggesting unethical behavioral intent measures can provide insights into unethical behavior (Ajzen & Fishbein, 1980; Hertz & Krettenauer, 2016)—even though, of course, unethical behavioral intent need not necessarily translate into unethical behavior.

Our measures of ethical awareness and behavioral intent may be affected by social desirability biases. This may lead to deflated means, with few respondents willing to indicate lack of ethical behavioral intent, for instance. We thus do not generalize descriptively about levels of (un)ethical awareness and intent. At the same time, social desirability bias plausibly *attenuates* effect sizes (i.e., biasing them toward zero), since it causes more respondents to select (irrespective of treatment assignment) socially desirable response options.

Our experimental treatments and outcome measures allow us to assess H1 and H2. To assess H3 and H4, we additionally measured whether (personal or political) connections—rather than merit—determined recruitment of a respondent into the public sector. To do so, we asked respondents before the treatment (in a separate question block) how important "friends or family" (personal connections) and "politicians or persons with political links" (political connections) were for their initial recruitment into public service on a 7-point scale from "not important at all" to "very important." We use the average response to the two items as our measure of connection-based (and thus not merit-based) recruitment (using either form of connections rather than an average yields substantively similar results). This measure has been validated elsewhere, predicting—for instance—corruption by bureaucrats in list experiments in five countries (Harris et al., 2023).

Consistent with numerous prior studies, our measure implies that we conceptualize merit-based bureaucracy as "opposed to one … [which] appoints employees at will"—that is, as juxtaposed to connection-based hiring (Charron et al., 2017, p. 90; see also, among many, Dahlström et al., 2012; Oliveros & Schuster, 2018). Merit selection implies selecting a candidate solely based on skills, ability, and knowledge to perform (cf. Kearney & Hays, 1985, p. 63). If connections matter for recruitment, recruitment is no longer solely based on skills, ability, and knowledge, and thus less merit-based. Consistent with this conceptualization, connection-based hiring is a violation of merit recruitment standards in Chile's government, as well as ethics and probity norms (DNSC, 2017a, 2017b).

In our baseline specification, we control for a set of basic controls to enhance efficiency: age, education, gender, years of service, and contract type. We estimate treatment effects through OLS regressions, with standardized effect sizes (to aid interpretation of substantive significance). Our results remain qualitatively similar without
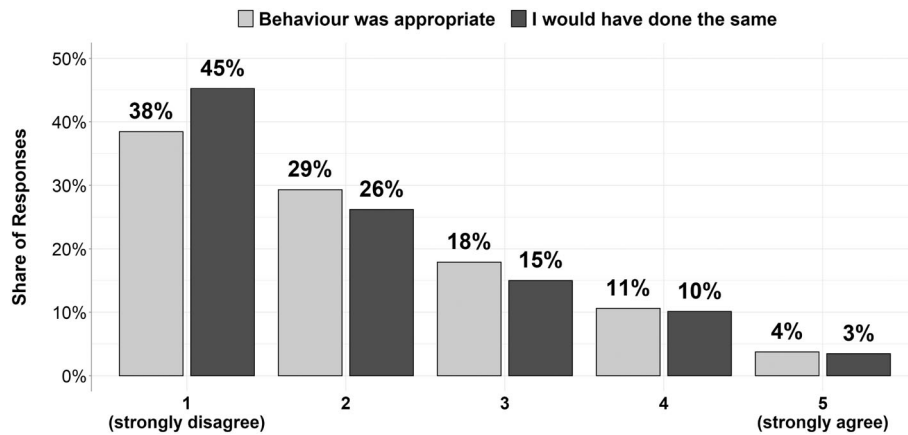
FIGURE 1 Response distribution: conflict of interest scenario.

control variables and using an ordered logit specification (Appendix Tables F1 and J1).

Our data are nested, covering public servants within organizations. However, since our treatment is assigned randomly at the public servant level, and assignment is therefore statistically unrelated to organizations, the nested structure of our data should not bias our estimates. However, treatment effects may vary by organization, a possibility we examine in our results.

RESULTS

We present our results in four steps. We first show descriptive variation in our dependent variables and moderator (connection-based hiring), thus also underscoring the utility of Chile's central government as a case. Second, we turn to average treatment effects. Finally, we examine whether results differ along merit recruitment.

As illustrated in Figure 1, our respondents vary in their (lack of) ethical awareness and behavioral intent when faced with the conflict of interest situation. While 38% and 45%, respectively, strongly disagree that the behavior was appropriate and that they would have done the same, the majority of respondents does not strongly disagree, underscoring significant variation across public servants.

Responses to our moderator question also reveal significant variation. A significant minority attributed at least some importance (scoring at least 2 on a 1–7 scale) to personal (36%) and political (10%) connections for having obtained their first public sector job (Figure 2).

Does unethical role modeling explain variation in ethical awareness and (un)ethical behavioral intent? We, first, assess average treatment effects, bundling unethical superiors and colleagues into a single "unethical role modelling" treatment. In support of H2 and contrary to extrapolations from the ethical leadership literature and H1, we find that unethical role modeling leads to more *ethical* followership, with public servants more strongly

disagreeing that the public servant's unethical behavior was appropriate (significant at the 1% level) and that they would have done the same (significant at the 5% level). This suggests that followers morally compensate when observing unethical role modeling (Figure 3; Table 3).

When assessing each unethical leader treatment—superiors, colleagues (all), and colleagues (some)—we find that the effect of unethical superiors retains significance for both outcomes at the 1% level (Figure 3; see Appendix Table E1). By contrast, unethical role modeling by (*some* or *all*) colleagues only significantly predicts at the 10% level greater ethical awareness, and only in more efficient specifications with demographic controls (Figure 3; see Appendix Table E1). On the face of it, unethical role modeling by superiors thus appears to generate a stronger moral compensation response from respondents than unethical role modeling by peers—plausibly as it represents a greater moral threat in light of superiors' greater formal authority. At the same time, we do not find significant differences between our "all" and "some" colleagues treatment groups (Appendix Table K1). Perhaps this is because—and this may be a limitation of our design—the moral threat difference between the two is too marginal to evoke differential moral compensation responses.

H3 and H4 posit, however, that public servants will react differentially to our treatments, depending on their recruitment. We find this to be the case. Interacting the full 1–7 scale of connections in hiring with our treatments, we find that, for all three treatments and both dependent variables, the interaction effect is significant in both OLS and Ordered Logit specifications (Appendix Table J1). For ease of visualization—to present conditional average treatment effects akin to average treatment effects—Figure 4 splits treatment effects into public servants hired with personal or political connections (scoring at least 2 on one of the 1–7 scales) versus those hired without any connections and thus plausibly based on merit (scoring 1 on both 1–7 scales). Bureaucrats hired without connections respond to unethical role modeling (bundling
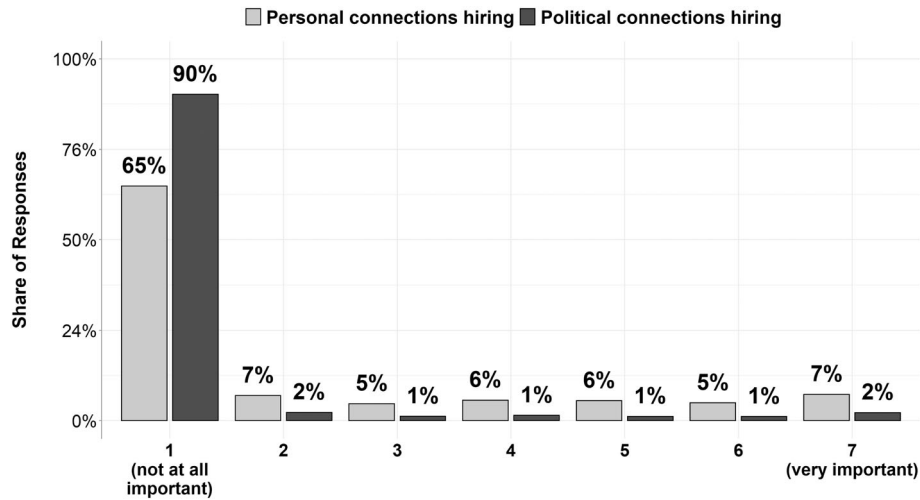
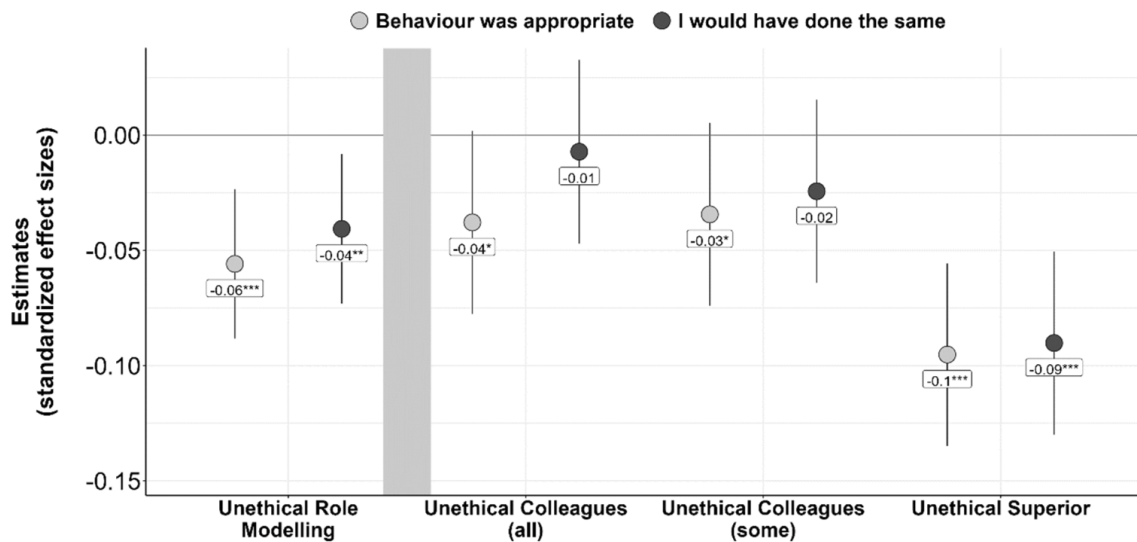**FIGURE 2** Response distribution: importance of connections in respondent's public sector recruitment.

FIGURE 3 Average treatment effects: treatment groups and bundled unethical role modeling treatment (95% confidence intervals). Estimates of standardized effect sizes of treatment groups relative to control group, with controls. Across figures, *** denotes significance at 1%, ** at 5%, and * at 10% level.

superiors and colleagues) with moral compensation: they become significantly (at the 1% level) more ethically aware and intent on behaving ethically. This provides support for H3.

By contrast, connection-based hires do not morally compensate when faced with unethical role modeling. In fact, if at all, they appear to become less ethical when faced with an unethical role model (in terms of the sign of the effect; though this effect in support of H4 does not reach statistical significance; see Table 4).

We observe a similar pattern when unbundling unethical role modeling into unethical superiors and (some or all) colleagues (see Figures 5 and 6). Public servants hired based on merit respond to all three unethical leader treatments (superiors and colleagues) with moral

compensation: they become more ethically aware and less intent on behaving unethically (all significant at the 1% level). This provides further complementary evidence for H3. By contrast, bureaucrats hired through connections do not appear to morally compensate: none of the unethical role modeling treatments is significantly associated with greater ethical awareness or behavioral intent.

Standardized effect sizes for merit bureaucrats for unethical superiors reach −0.16 (awareness) and − 0.14 (intent), while those for (all) colleagues reach −0.10 (awareness) and − 0.06 (intent; Appendix Table G1). Unstandardized effect sizes of the unethical superior treatment for merit bureaucrats reach −0.18 (awareness) and −0.16 (intent) on a 1–5 scale (Appendix Tables H1 and I1).

TABLE 3 Average treatment effect of unethical role modeling (OLS estimates, standardized effect sizes).

	Lack of ethical awareness: Behavior was appropriate		**Lack of ethical intent: I would have done same**	
Unethical role modeling	−0.048***	−0.056***	−0.033**	−0.041**
	(0.016)	(0.016)	(0.016)	(0.017)
Gender (male)		0.060***		0.077***
		(0.015)		(0.015)
Age		−0.109***		−0.112***
		(0.011)		(0.011)
Education (technical)		−0.049		−0.032
		(0.031)		(0.031)
Education (university)		−0. 284***		−0.242***
		(0.026)		(0.026)
Years in pub. admin		−0.035***		−0.031***
		(0.011)		(0.011)
Type of contract (consultancy)		0.119*		0.088
		(0.062)		(0.063)
Type of contract (permanent)		−0.041		−0.076
		(0.057)		(0.058)
Type of contract (term)		−0.008		−0.054
		(0.055)		(0.055)
Controls	No	Yes	No	Yes
N	20,075	18,788	19,948	18,672
Adjusted R^2	0.0004	0.040	0.0002	0.039

***Denotes significance at 1%;
**Denotes significance at 5%;
*Denotes significance at 10% level.

Substantively, while we recover statistically significant effects for most comparisons, effect sizes are small. However, our design may attenuate effects relative to effects outside the survey and vignette setting. First, as noted, social desirability bias may attenuate effect sizes. Second, our treatment is low intensity: we manipulate a single sentence in a vignette. We would thus not expect large treatment effects, and this is a limitation of our design. However, our design *does* enable us to estimate whether we observe the theorized effects and provides evidence to this end. Lastly, to understand whether effects from treatments are nested in particular institutions within government, we assess institution-varying slopes (Appendix Table L1). Across all six analyses (three treatment groups, two dependent variables), we do not find significant evidence (at the 5% level) for institution-varying slopes. In other words, we do not find evidence that the effects we observe differ substantially in different institutions.

In sum, our data suggest that unethical role modeling leads to moral compensation and greater ethical awareness and behavioral intent. Unethical role modeling by superiors (rather than peers) thereby appears to exert the strongest treatment effect. Public servants, however, only react to unethical role modeling with moral compensation when they are "merit bureaucrats," who perceive a moral threat when faced with unethical leaders and compensate with greater ethical behavioral intent.

DISCUSSION

Our results underscore, in the first place, the importance of a dedicated research agenda on unethical leadership in the public sector (Hassan, 2019). Unethical role modeling, as we studied, does not have symmetric effects to those identified in prior studies of ethical role modeling (den Hartog, 2015).

Theoretically, taking the theoretical mechanisms developed in studies of ethical leadership at face value, one would expect unethical leadership to foment unethical behavior by followers. Yet, as we have argued—and this mechanism is the core theoretical contribution of this paper—this need not be the case. Extrapolating from studies of moral compensation and identities (Uhl-Bien & Carsten, 2007; West & Zhong, 2015), we posited that where ethical followers experience unethical leadership, unethical leadership can lead to moral compensation by followers, with followers seeking to compensate for the moral threat to their self-concept from unethical behavior by leaders by responding to it with greater *ethical* behavior. As a scope condition, we further argued that such

FIGURE 4 Treatment effects of unethical role modeling (bundled), split by merit recruitment (95% confidence intervals). Estimates of standardized effect sizes of bundled treatment groups (superior, all colleagues and some colleagues) relative to control group, split by whether respondents were hired without support from personal or political connections (scoring 1 on the 1–7 scale) versus with support from connections, with control variables.

T A B L E 4 Treatment effects of unethical role modeling (bundled), split by merit recruitment (OLS estimates, standardized effect sizes).

	Lack of ethical awareness: Behavior was appropriate				*Lack of ethical intent*: I would have done the same			
	Merit hires	Merit hires	Connection hires	Connection hires	Merit hires	Merit hires	Connection hires	Connection hires
Unethical role modeling	−0.097***	−0.113***	0.018	0.018	−0.070***	−0.086***	0.018	0.019
	(0.021)	(0.021)	(0.028)	(0.029)	(0.020)	(0.021)	(0.028)	(0.029)
Controls	No	Yes	No	Yes	No	Yes	No	Yes
N	12,211	11,448	6722	6326	12,144	11,388	6679	6289
Adjusted R^2	0.002	0.041	−0.000	0.046	0.001	0.040	−0.0001	0.046

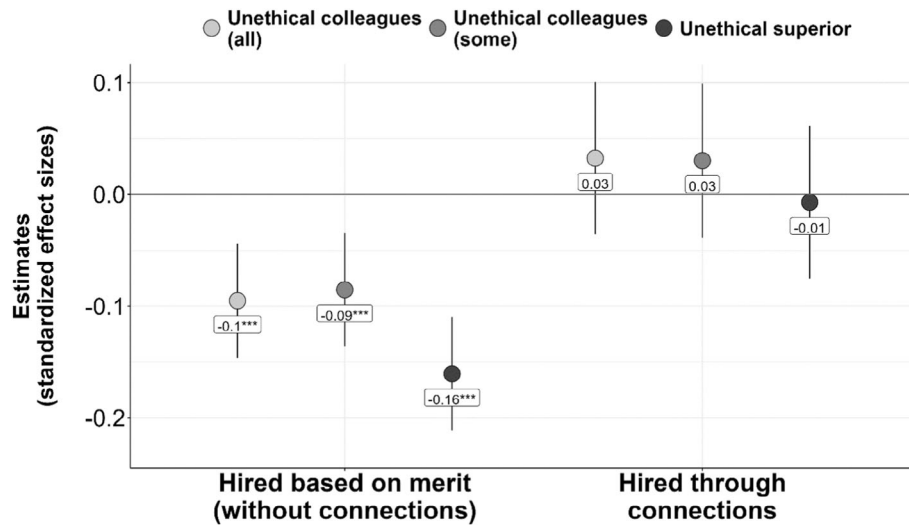*Note*: *** denotes significance at 1%, ** at 5%, and * at 10% level.

FIGURE 5 Treatment effects on ethical awareness, split by merit recruitment (95% confidence intervals). Estimates of standardized effect sizes of treatment groups relative to control group, split by whether respondents were hired without support from personal or political connections (scoring 1 on the 1–7 scale) versus with support from connections.

FIGURE 6 Treatment effects on ethical behavioral intent, split by merit recruitment (95% confidence intervals). Estimates of standardized effect sizes of treatment groups relative to control group, split by whether respondents were hired without support from personal or political connections (scoring 1 on the 1–7 scale) versus with support from connections.
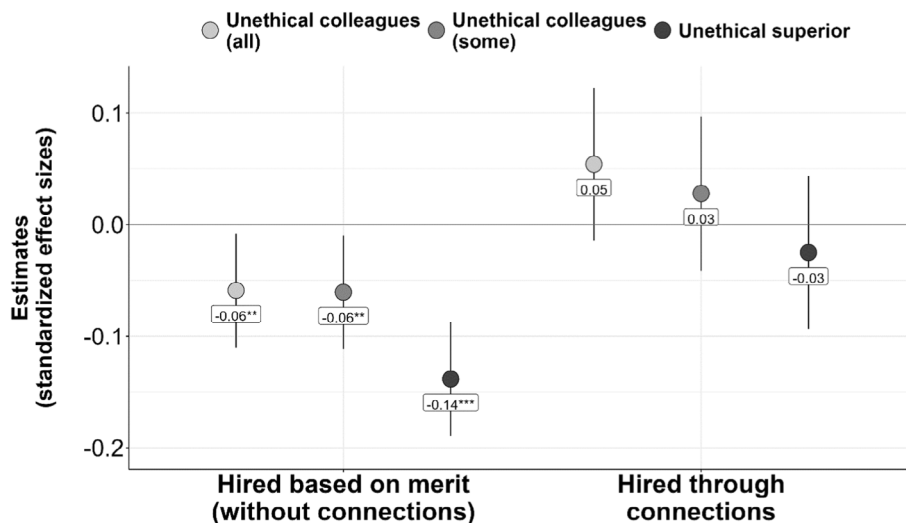
moral compensation should occur only where the leader's unethical action presents a moral threat. As we had argued, bureaucrats hired based on merit—rather than connections—identify more with public service (Brewer et al., 2022; Meyer-Sahling et al., 2021; Weber, 1978) and are more likely perceive a moral threat from unethical leadership—and are thus more likely to morally compensate with greater ethical behavior in response to it.

Empirically, data from our experiment are consistent with these claims: public servants responded to unethical role modeling in the vignette with greater ethical awareness and behavioral intent. As theorized, this effect was concentrated in bureaucrats hired based on merit rather than through connections.

Our results thus also underscore the importance of merit bureaucracy to shield public administrations from some of the adverse effects of unethical leadership and add further weight to the literature on the merits of meritocratization of public administrations.

CONCLUSION

Unethical leadership is, extrapolating from corruption studies, ripe in some governments (Meyer-Sahling et al., 2018). Furthering the study of unethical leadership in public services is thus of central importance. Our study provided an important empirical foray, but is not without limitations.

First, we only provided indirect evidence for our moral identity, threat, and compensation mechanism. Given prior work that has tied merit recruitment to public service identification (McDonnell, 2020; Meyer-Sahling et al., 2021), our findings are plausible empirical implications of this mechanism. Future research could test this

mechanism mediating the effects of unethical leadership more directly, by measuring perceptions of moral threat or moral self-image of respondents (Jordan et al., 2015). In a similar vein, our outcome measures did—like many other survey experiments in public administration—not include a manipulation check. Yet not all respondents might be attentive to treatments embedded in a longer vignette. If so, however, our estimates are plausibly biased downwards, making our test a harder one while underestimating the effects of unethical leadership.

Second, the evidence for our moderator (merit recruitment) is part observational. In our vignette, we experimentally manipulated the treatment (unethical role modeling), but not the moderator (how respondents were hired). While we control for a range of other respondent characteristics—such as their education, years of service or contract type—and thus lower potential endogeneity concerns, our moderator inferences should be read with this caveat in mind.

Third, we studied one form of unethical leadership (unethical role modeling), by two leaders (superiors and colleagues), and one form of ethical behavior by followers (not prioritizing private gain in a conflict of interest situation at work). Whether our findings travel to other forms of unethical leadership, other types of leaders or other follower behaviors remain an empirical question. In particular, employees might be less inclined to react ethically to unethical leadership where unethical leaders pressure them to behave unethically (Mutahi et al., 2023). In this instance, incentives to comply with unethical demands from superiors might override moral compensation concerns. Moreover, we do not concurrently manipulate ethical leadership in our vignette, given past work linking ethical leadership to ethical follower behavior (den Hartog, 2015). As such, we cannot directly explore the (a)

symmetric effects of unethical and ethical leadership within the same empirical case.

At the same time, employees may respond to unethical leadership not only by morally compensating in their own works tasks but also by engaging in "upward ethical leadership," that is "taking a stand against their manager, questioning the legality or ethicality of the action" (Uhl-Bien & Carsten, 2007, p. 190). The literature on guerrilla bureaucracy suggests that "upward ethical leadership" may not be uncommon in public service (Hollibaugh et al., 2020; O'Leary, 2006). Whether our findings—including the importance of merit bureaucracy in responding to unethical leadership—travel to "upwards ethical leadership" remains for empirical inquiry.

In addition, our findings focused, in a vignette experiment, on the immediate reaction of public servants to unethical role modeling. We had hypothesized that a sense of moral threat mediates this reaction. However, unethical leaders can shape over time what types of actions are perceived as morally threatening. Leaders can shape "employee perceptions of what is supported in the organization and how they should navigate the work environment … A leader's display of unethical behavior can potentially be seen as a signal of what to do and how to act in the organization" (Fehr et al., 2020, p. 75). Continuous unethical role modeling may thus gradually corrode employees' sense of moral threat—and thus undermine their ethical behavior in response to unethical leadership. Whether this is the case remains an empirical question for longitudinal research on unethical leadership.

Lastly, we experimentally manipulated unethical role modeling in a vignette rather than a lab or field experiment, measuring the ethical awareness and behavioral intent of our respondents, rather than ethical behavior. Effectively manipulating unethical role modeling of public sector managers in the field, however, is both a logistical challenge and raises potential ethical concerns of its own (when treating on *unethical* leadership). Whether our vignette experiment replicates in an experiment that overcomes these challenges in the field remains an empirical question. Similarly, whether ethical behavioral intent of our respondents translates into actual ethical behavior in the field remains for future inquiry. We thus hope, most of all, that our manuscript encourages further scholarly inquiry into the effects of unethical leadership in government.

ENDNOTES

1 Public management, of course, frequently represents trade-offs between distinct public values (such as accountability vs. efficiency). Determining "normatively inappropriate" or "unethical" leadership behavior can thus represent an implicit value judgment, where leaders prioritize one conflicting public value over another (Denhardt, 1988). However, there are unethical leadership behaviors that are difficult to justify in terms of countering values—such as corruption. Our study focuses on—and is only generalizable to—unethical leadership which violates moral standards in a way that cannot be plausibly justified by public value trade-offs, allowing us to sidestep concerns about the inherent normativity in judging unethical behavior.

2 This presupposes some ethical standards in an organization, and H2 may thus not be applicable to high corruption contexts.

3 As a limitation, our "colleagues" treatment groups might alternatively be conceived of as social norm cues which justify the appropriateness of unethical action. Our findings—with unethical role modeling enhancing ethical follower behavior—are consistent with our theorized moral compensation mechanism, but not this alternative interpretation, however.

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APPENDIX 1

TABLE A1   Survey representativeness.

	Survey population (65 Chilean central government institutions)	Survey respondents
Gender		
% Female	48%	57%
Age		
Up to 29 years	7%	7%
30–39 years	29%	32%
40–49 years	31%	33%
50–59 years	22%	19%
60 or more years	11%	8%
Education		
% with University Degree	62%	75%

APPENDIX 2

TABLE B1   Ethics vignette and treatments (English translation and Spanish original).

Introduction
A public official that regularly travels abroad for work receives an invitation from a travel agency to celebrate the opening of a new flight route to a near country. According to the invitation, the celebration is only targeted to the most loyal users of the travel agency. The travel schedule includes flight tickets, one night at one hotel and one reception at the hotel. All costs of the program are covered by the agency. The public official has used the travel agency for work traveling as well as for personal traveling.

Unethical superior	Unethical colleagues (all)	Unethical colleagues (some)	Control group
Previously, the public servant's superior received and accepted a similar invitation from another travel agency. Following this model, the public official accepts the invitation and travels to the nearby country.	Previously, all the colleagues of the public official who had received a similar invitation from another travel agency accepted it. Following this model, the public official accepts the invitation and travels to the nearby country.	Previously, some colleagues of the public official who had received a similar invitation from another travel agency accepted it. Following this model, the public official accepts the invitation and travels to the nearby country.	The public official accepts the invitation and travels to the nearby country.

Introduction
Un funcionario que viaja regularmente al extranjero por su trabajo, recibe una invitación desde una agencia de viajes para celebrar la apertura de una nueva ruta de vuelo a la ciudad de un país vecino. De acuerdo a la invitación, la celebración está dirigida solo a los usuarios más leales de la agencia de viajes. El programa incluye pasajes aéreos, alojamiento por una noche en un hotel y una recepción en el hotel. Todos los gastos del programa están cubiertos por la agencia. El funcionario ha utilizado los servicios de la agencia tanto para viajes laborales como para viajes personales.

Unethical superior	Unethical colleagues (all)	Unethical colleagues (some)	Control group
Previamente, el supervisor del funcionario recibió y aceptó una invitación parecida desde otra agencia de viajes. Siguiendo este modelo, el funcionario acepta la invitación y viaja a la ciudad del país vecino.	Previamente, varios colegas del funcionario que habían recibido una invitación parecida desde otra agencia de viaje la aceptaron. Siguiendo este modelo, el funcionario acepta la invitación y viaja a la ciudad del país vecino	Previamente, varios colegas del funcionario que habían recibido una invitación parecida desde otra agencia de viaje la aceptaron. Siguiendo este modelo, el funcionario acepta la invitación y viaja a la ciudad del país vecino	El funcionario acepta la invitación y viaja a la ciudad del país vecino

APPENDIX 3: BALANCE TESTS

TABLE C1   Balance table: All treatments versus control.

	Control	Unethical role modeling
Gender (% male)	43.14	42.87
Education (% university)	76.64	76.20
Age (mean)	43.71	43.73
Years in public administration (mean)	13.71	13.62

Note: No difference between groups is significant at the 5% level.

TABLE C2   Balance table: Each treatment versus control.

	Control	Some colleagues	All colleagues	Leader
Gender (% male)	43.14	42.97	43.03	42.62
Education (% university)	76.64	76.41	76.04	76.15
Age (mean)	43.71	43.75	43.80	43.63
Years in public administration (mean)	13.71	13.47	13.66	13.73

Note: No difference between groups is significant at the 5% level.

APPENDIX 4

TABLE D1   Response rates and attrition by treatment group.

	Control	Some colleagues	All colleagues	Leader	ANOVA test (*p*-value)
Assigned to a treatment group	5318 (25.04%)	5303 (24.97%)	5310 (25.00%)	5309 (25.00%)	-
Answered the *Ethical Awareness* question	5055 (95.05%)	5016 (94.59%)	4998 (94.12%)	5006 (94.29%)	.16
Answered *Ethical Intent* question	5024 (94.47%)	4991 (94.11%)	4962 (93.44%)	4971 (93.63%)	.11

Note: Numbers in parentheses in the upper panel refer to share of respondents in each group relative to the total number of respondents assigned to either one of the treatment or control group. Number in parentheses in the lower panel refer to share of respondents answering a question relative to the number of respondents assigned to each treatment group. An ANOVA test comparing the number of missing responses across treatment groups detected no statistically significant differences (at the 10% level).

APPENDIX 5

T A B L E E 1   Average treatment effect of unethical role modeling by superiors and colleagues (with demographic controls, OLS models, standardized effect sizes).

	Lack of ethical awareness: Behavior was appropriate	*Lack of ethical intent*: I would have done the same
All colleagues	−0.038*	−0.007
	(0.020)	(0.020)
Some colleagues	−0.034*	−0.024
	(0.020)	(0.020)
Leader	−0.095***	−0.090***
	(0.020)	(0.020)
Gender (male)	0.060***	0.076***
	(0.015)	(0.015)
Age	−0.110***	−0.112***
	(0.011)	(0.011)
Education (technical)	−0.050	−0.033
	(0.031)	(0.031)
Education (university)	−0.285***	−0.242***
	(0.026)	(0.026)
Years in pub. admin.	−0.034**	−0.030**
	(0.011)	(0.011)
Type of contract (consultancy)	0.117*	0.086
	(0.062)	(0.063)
Type of contract (permanent)	−0.044	−0.080
	(0.057)	(0.058)
Type of contract (term)	−0.010	−0.055
	(0.070)	(0.055)
N	18,788	18,672
Adjusted R^2	0.040	0.040

***Denotes significance at 1%;
**Denotes significance at 5%;
*Denotes significance at 10% level.

APPENDIX 6

TABLE F1   Average treatment effect of unethical role modeling by superiors and colleagues (OLS and logit models, standardized effect sizes).

	Ethical awareness		Ethical intent	
	OLS	**Ordered logit**	**OLS**	**Ordered logit**
All colleagues	−0.032	−0.040	−0.004	0.006
	(0.020)	(0.036)	(0.020)	(0.037)
Some colleagues	−0.022	−0.029	−0.012	−0.008
	(0.020)	(0.036)	(0.02-)	(0.037)
Leader	−0.091***	−0.164***	−0.084***	−0.138***
	(0.020)	(0.036)	(0.020)	(0.037)
(1|2)		−0.53***		−0.23***
		(0.027)		(0.027)
(2|3)		0.68***		0.88***
		(0.027)		(0.027)
(3|4)		1.73***		1.82***
		(0.030)		(0.030)
(4|5)		3.18***		3.30***
		(0.043)		(0.045)
N	20,075	20,075	19,948	19,948
Adjusted R^2	0.001		0.001	
Log Likelihood		−28,018		−26,760

Note: *** denotes significance at 1%, ** at 5%, and * at 10% level.

APPENDIX 7

TABLE G1   Treatment effect of unethical role modeling by superiors and colleagues, split by whether bureaucrats are hired based on merit or connections (OLS estimates, standardized effect sizes).

	Lack of ethical awareness: Behavior was appropriate				*Lack of ethical intent*: I would have done the same			
	Merit hires	**Merit hires**	**Connection hires**	**Connection hires**	**Merit hires**	**Merit hires**	**Connection hires**	**Connection hires**
All colleagues	−0.078***	−0.095***	0.032	0.033	−0.044*	−0.059**	0.050	0.054
	(0.025)	(0.026)	(0.035)	(0.035)	(0.026)	(0.026)	(0.035)	(0.035)
Some colleagues	−0.068***	−0.085***	0.039	0.030	−0.042*	−0.061**	0.037	0.028
	(0.029)	(0.026)	(0.035)	(0.035)	(0.025)	(0.026)	(0. 035)	(0.035)
Leader	−0.145***	−0.160***	−0.018	−0.007	−0.123***	−0.138***	−0.033	−0.025
	(0.025)	(0.026)	(0.035)	(0.035)	(0.026)	(0.026)	(0. 035)	(0.035)
Controls	No	Yes	No	Yes	No	Yes	No	Yes
N	12,211	11,448	6722	6326	12,144	11,388	6679	6289
Adjusted R^2	0.002	0.042	0.0001	0.046	0.002	0.041	0.001	0.046

***Denotes significance at 1%;
**Denotes significance at 5%;
*Denotes significance at 10% level.

APPENDIX 8

TABLE H1   Average treatment effect of unethical role modeling (unstandardized, OLS models, with demographic controls).

	Lack of ethical awareness: Behavior was appropriate	*Lack of ethical intent*: I would have done the same
All colleagues	−0.043*	−0.008
	(0.023)	(0.023)
Some colleagues	−0.039*	−0.028
	(0.023)	(0.023)
Leader	−0.109***	−0.104***
	(0.023)	(0.023)
Gender (male)	0.069***	0.088***
	(0.017)	(0.017)
Age	−0.012***	−0.013***
	(0.001)	(0.001)
Education (technical)	−0.057	−0.038
	(0.036)	(0.036)
Education (university)	−0.326***	−0.278***
	(0.030)	(0.030)
Years in pub. admin.	−0.004**	−0.003**
	(0.001)	(0.001)
Type of contract (consultancy)	0.134*	0.099
	(0.071)	(0.072)
Type of contract (permanent)	−0.050	−0.092
	(0.066)	(0.066)
Type of contract (term)	−0.011	−0.064
	(0.063)	(0.065)
N	18,788	18,672
Adjusted R^2	0.040	0.040

***Denotes significance at 1%;
**Denotes significance at 5%;
*Denotes significance at 10% level.

APPENDIX 9

TABLE I1   Treatment effect of unethical role modeling by superiors and colleagues, split by whether bureaucrats are hired based on merit or connections (OLS, unstandardized).

	Lack of ethical awareness: Behavior was appropriate				*Lack of ethical intent*: I would have done the same			
	Merit hires	Merit hires	Connection hires	Connection hires	Merit hires	Merit hires	Connection hires	Connection hires
All colleagues	−0.089***	−0.108***	0.037	0.037	−0.050*	−0.067**	0.059	0.064
	(0.029)	(0.030)	(0.040)	(0.040)	(0.029)	(0.029)	(0. 041)	(0.041)
Some colleagues	−0.078***	−0.097***	0.045	0.035	−0.049*	−0.068**	0.043	0.033
	(0.029)	(0.029)	(0.040)	(0.040)	(0.029)	(0.029)	(0. 041)	(0.041)
Leader	−0.165***	−0.182***	−0.020	−0.008	−0.138***	−0.156***	−0.039	−0.029
	(0.029)	(0.029)	(0.040)	(0.040)	(0.029)	(0.029)	(0. 041)	(0.041)
Controls	No	Yes	No	Yes	No	Yes	No	Yes
N	12,211	11,448	6722	6326	12,144	11,388	6679	6289
Adjusted R^2	0.002	0.042	0.0001	0.046	0.002	0.041	0.001	0.046

***Denotes significance at 1%;
**Denotes significance at 5%;
*Denotes significance at 10% level.

APPENDIX 10

TABLE J1 Treatment effect of unethical role modeling of superiors and colleagues, interacted with connection-based hiring (OLS and logit models, unstandardized).

	Lack of ethical awareness: Behavior was appropriate		*Lack of ethical intent*: I would have done the same	
	OLS	**Ordered logit**	**OLS**	**Ordered logit**
All colleagues	−0.116***	−0.172***	−0.071**	−0.100
	(0.034)	(0.062)	(0.034)	(0.063)
Some colleagues	−0.109***	−0.192***	−0.063*	−0.106*
	(0.039)	(0.062)	(0.034)	(0.063)
Leader	−0.177***	−0.319***	−0.144***	−0.264***
	(0.034)	(0.063)	(0.034)	(0.064)
Connections	0.017	0.035*	0.031***	0.056***
	(0.011)	(0.020)	(0.011)	(0.020)
All colleagues × Connections	0.044***	0.068**	0.035**	0.054*
	(0.015)	(0.028)	(0.015)	(0.028)
Some colleagues × Connections	0.045***	0.083***	0.028*	0.052*
	(0.015)	(0.028)	(0.015)	(0.028)
Leader × Connections	0.045***	0.079***	0.032**	0.064**
	(0.015)	(0.028)	(0.015)	(0.029)
N	18,933	18,933	18,823	18,823
Adjusted R^2	0.006		0.007	
Log Likelihood		−26,334		−25,169

***Denotes significance at 1%;
**Denotes significance at 5%;
*Denotes significance at 10% level.

APPENDIX 11

T A B L E   K 1   Assessing differences in estimates between treatment group.

Figure	Outcome	Sub-sample	Treatment group 1	Treatment group 2	Difference	p-value
4	Behavior was appropriate	-	Unethical colleagues (all)	Unethical colleagues (some)	−0.003	.863
4	Behavior was appropriate	-	Unethical colleagues (all)	Unethical superior	0.057	.005***
4	Behavior was appropriate	-	Unethical colleagues (some)	Unethical superior	0.061	.003***
4	I would have done the same	-	Unethical colleagues (all)	Unethical colleagues (some)	0.017	.398
4	I would have done the same	-	Unethical colleagues (all)	Unethical superior	0.083	.000***
4	I would have done the same	-	Unethical colleagues (some)	Unethical superior	0.066	.001***
6	Behavior was appropriate	Hired based on merit (without connections)	Unethical colleagues (all)	Unethical colleagues (some)	−0.010	.704
6	Behavior was appropriate	Hired based on merit (without connections)	Unethical colleagues (all)	Unethical superior	0.065	.012**
6	Behavior was appropriate	Hired based on merit (without connections)	Unethical colleagues (some)	Unethical superior	0.075	.004***
6	Behavior was appropriate	Hired through connections	Unethical colleagues (all)	Unethical colleagues (some)	0.002	.950
6	Behavior was appropriate	Hired through connections	Unethical colleagues (all)	Unethical superior	0.04	.254
6	Behavior was appropriate	Hired through connections	Unethical colleagues (some)	Unethical superior	0.037	.287
7	I would have done the same	Hired based on merit (without connections)	Unethical colleagues (all)	Unethical colleagues (some)	0.002	.951
7	I would have done the same	Hired based on merit (without connections)	Unethical colleagues (all)	Unethical superior	0.079	.002***
7	I would have done the same	Hired based on merit (without connections)	Unethical colleagues (some)	Unethical superior	0.078	.003***
7	I would have done the same	Hired through connections	Unethical colleagues (all)	Unethical colleagues (some)	0.026	.454
7	I would have done the same	Hired through connections	Unethical colleagues (all)	Unethical superior	0.079	.022**
7	I would have done the same	Hired through connections	Unethical colleagues (some)	Unethical superior	0.053	.132

Note: *** denotes significance at 1%, ** at 5%, and * at 10% level.

APPENDIX 12

T A B L E L1   Assessing institution-varying slopes.

Outcome	Treatment group	χ^2 statistics	Degrees of freedom	p-value
Behavior was appropriate	Unethical colleagues (all)	2.742	2	.254
Behavior was appropriate	Unethical colleagues (some)	1.840	2	.399
Behavior was appropriate	Unethical superior	5.091	2	.078*
I would have done the same	Unethical colleagues (all)	2.634	2	.268
I would have done the same	Unethical colleagues (some)	1.565	2	.457
I would have done the same	Unethical superior	1.932	2	.381

Note: *** denotes significance at 1%, ** at 5%, and * at 10% level. Each row denotes the results of a model comparison *F*-test comparing mixed effects models with and without random slopes for our treatment by institution (with controls) for a relevant sub-sample of respondents (against the control group).