Are ethical dilemmas in public service unique? A study in experimental decision-making

Aaron Miller, Robert K. Christensen, Eva M. Witesman and Brad Agle

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Aaron Miller, *Brigham Young University*, aaronmiller@byu.edu
Robert K. Christensen, *Brigham Young University,* rc@byu.edu
Eva M. Witesman, *Brigham Young University,* eva_witesman@byu.edu
Brad Agle, *Brigham Young University*, bradagle@byu.edu

Conference Abstract. Recent efforts (Miller, Agle, O'Rourke, 2016) have begun to identify common ethical dilemmas in the workplace. But do employees, across all job types, recognize and process ethical dilemmas similarly? Jones's (1991) pioneering work suggests that ethical responses may vary by moral intensity. Moral intensity is a multi-dimensional approach that reflects the magnitude of consequences, social consensus, probability of effect, temporal immediacy, proximity, and concentration of effect. In the field of public management research, recent works reinforces the theme of variable/contingent responses to ethical dilemmas. Wright, Hassan, Park (2016) found, for example, that employees high in PSM may behave more ethically.

The purpose of this paper is to describe a broader theoretical argument to suggest that public service oriented employees may uniquely recognize and process ethical dilemmas. The theory further suggests that public service dilemmas may be more complicated and cognitively difficult. We then empirically test our theory using an experimental design.

The essence of our theoretical argument is that most employees recognize dilemmas as conflicts between personal and organizational interests. Public service oriented employees, on the other hand, often contemplate a third set of interests that are neither personal nor organizational but that accrue to the general public's benefit. The tension between personal, organization, and public interests uniquely describe public service dilemmas.

We test the veracity of this theory by presenting real-world ethical dilemmas gathered from executive MPA students and alumni. After reading a short dilemma we ask respondents to the identify parties and interests that they see as important in the dilemma. We then ask respondents to distribute "points" across the interests that they've identified – assigning more points to the interests that they perceive as most important. Finally, we ask respondents to respond to several personality and demographic questions, including public service motivation (PSM) and prosocial motivation questions.

We hypothesize that respondents with higher levels of PSM, or respondents employed in public sector, will be more likely to recognize parties and interests that would be considered "general public benefit" and that they will also assign these parties and interests higher relative importance. We propose that one mechanism by which this might happen is moral intensity's proximity dimension, such that public service oriented decision makers will consider public interests to be more proximate.

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Introduction. Scholars have made recent efforts to identify and categorize common ethical dilemmas in the workplace (Agle, Miller, O'Rourke, 2016).[i] One of the primary aspirations of this effort to identify and standardize dilemma types is to understand and teach -- before an individual is actually confronted -- how to engage a particular type of dilemma when it arises.

Questions remain, however, as to whether Miller et al.'s (2016) dilemma typology is universally applicable across sectors. Is public service work, for example, home to unique ethical dilemmas. Similarly, do employees, across all job types, recognize and process ethical dilemmas--even if they follow a universal typology--similarly?

Jones's (1991) pioneering work suggests that ethical responses may vary by moral intensity. Moral intensity is a multi-dimensional approach that reflects the magnitude of consequences, social consensus, probability of effect, temporal immediacy, proximity, and concentration of effect. In the field of public management research, recent work enforces the theme of variable/contingent responses to ethical dilemmas. Several researchers (Wright, Hassan, Park 2016; Christensen and Wright, 2018) have found, for example, that employees high in PSM may behave more ethically. Some theoretical work also suggests the existence of unique public sector dilemmas, despite disagreement on this point (Maesschalck, 2008, p 36). Rohr summarizes the "unique" dilemma as follows, "there is an emerging consensus over the precise nature of the ethical problem that is peculiar to the career public servant. . . . That problem is the responsible use of administrative discretion" (1990, 119).

The purpose of this paper is to empirically determine whether individuals uniquely recognize and/or process ethical dilemmas in public service. We begin with citizen expectations to public service dilemmas but hope to extend future work to public sector employees' approaches. Our work further raises the possibility that public service may be home to unique ethical dilemmas--regardless of how they're processed--but we also leave this question for future empirical work.

The essence of our theoretical argument is that ethical dilemmas in the public sector require a more complicated calculus or more intense deliberation than ethical dilemmas in the private sector. Our suppositions here are based on the work by Rainey, Backoff and Levine (1978) who hypothesized--with subsequent, albeit mixed, empirical support (Solomon, 1986; Boyne 2002)--differences in private and public sector demands. Among these differences, public sector demands must often account for multiple and often conflicting values (Rosenbloom, 1983); competing constituencies and goals; increased levels of red tape; and contingencies reflecting higher levels of political machination.

As such we propose that:

> **P1 Citizens assessing an ethical dilemma in the public sector/nonprofit sector will deliberate more than citizens assessing a dilemma in the private for profit sector.**

Further, we propose that private sector employees primarily recognize dilemmas as conflicts between personal and organizational interests. Public service oriented employees, on the other hand, may contemplate a third set of interests that are neither personal nor organizational but that accrue to the general public's benefit. There is a multi-faceted basis for these suppositions. First, those with higher public service motives are predisposed to seek work that benefits the public (Carpentar, Doverspike and Miguel, 2012; Wright, Hassan and Christensen, 2017). Indeed, a central aspect of public service motivation--demonstrated to be higher in the public sector (Bullock, Stritch and Rainey, 2015)--is a need to consider others' needs and interests, particularly the broader community's needs and interests (Rainey and Steinbauer 1999, 23). Second, when an individual's "values are associated with a higher concern for others, they are less inclined to evaluate information or actions in terms of their own personal costs and benefits" (Wright, Christensen and Isett, 2013, p. 740; see also Korsgaard, Meglino, and Lester 1997). Third, an individual's heightened commitment to social or public benefit, may lead them to be less committed to their organizations than to the public served by the organization (see Bullock et al., 2015)

As such we propose the following:

> **P2 Citizens facing a dilemma in the public sector/nonprofit sector will more explicitly recognize the "public" as an interested party**

We test the veracity of these suppositions by utilizing experimental surveys that present real-world ethical dilemmas gathered from executive MPA students and alumni.

Method

Sample
The current data are the result of a survey-based experiment. The research subjects were undergraduate and graduate students affiliated with a private religious business school who opted-in through a computerized research subject management system. Students received extra credit in their courses for participation in the study, and participants self-selected this study over (or in addition to) other posted studies.

Following routine cleaning of the data, we had 133 useable responses to our survey. Of these, 38 percent had been randomly assigned to the nonprofit condition, 29 percent to the government condition, and 33 percent to the for profit condition. The average age was 22 years, 26 percent of respondents were married, and 37 percent were female. Most respondents (about 72 percent) reported working at least part time, and the average respondent had completed some college, considered themselves to be more religious and well off compared with their peers (4.7 and 4.9 on 7 point scales, respectively) and somewhat conservative (3 on a 7 point scale). Racial minorities represented 14 percent of the sample.

Instrument and Data

Each respondent was asked to provide advice to a person facing one of three randomly assigned workplace dilemmas. All three workplace dilemmas were identical in detail, except that each varied in the sector where they occurred (business, government, nonprofit). All three were lightly edited versions of an actual dilemma gathered during an exercise with executive students, and the original language identifying the key relationships, issues, and concerns was preserved as much as possible.

Each dilemma was presented as an email from a long-time friend, explaining the situation and asking for direction on what approach to take, with an emphasis on a desire to act ethically. Here is the government version of the dilemma:

> To: Me
> From: friend@friend.com
> Subject: A dilemma at my new government job
>
> Hi. I need your advice with a very difficult decision.
>
> I'm worried my job is on the line if I do this the wrong way. As you may remember, I'm a subcontract administrator for a government agency that manages about $8 million in budget annually. The agency provides architect, engineering, and project management services to other government agencies needing to build infrastructure.
>
> On one particular project, I issued several change orders for additional work that was not in the original contract. Subcontractors are required to submit invoices monthly. One change order required an additional $30,000 worth of work. However, I issued the change order for only the additional $30,000 worth of work needed and didn't include the previously agreed to $20,000 worth of work already in progress.

The subcontractor signed the change order and instead of billing for the $20,000 completed that month, the subcontractor waited until the following month to submit an invoice for the entire $50,000. Based on the signed change order for $30,000, my agency rejected payment. I brought this to the attention of the senior project manager, who told me it's the subcontractor's responsibility to submit timely invoices and it's the subcontractor's problem if they signed an incorrect change order.

I decided to respond to the subcontractor that its invoice was rejected due to the lack of timely submission and the discrepancy with the signed change order. The subcontractor was shocked and upset by my response.

Knowing that I am partially to blame for the error on the change order, I'm feeling guilty. I know the subcontractor completed the work and the total $50,000 is a sizeable portion of its yearly revenue. I approached the senior project manager about it. He just said, "It's not our problem." After responding to the subcontractor that there is nothing more I can do, the subcontractor next told me to expect to hear from their lawyer in the near future.

Since then, things have gotten more complicated. A few weeks later, I found out that I, my agency's director, chief legal counsel, and the senior project manager will all be meeting with the subcontractor and its lawyer to discuss the issue. To make things worse, I also overheard the senior project manager discussing the issue with a colleague angrily stating, "No way are we paying, not even a penny!"

I found myself wondering why the project manager was so adamant against paying the subcontractor. Not only did I know for a fact the work was completed but it was completed to my agency's satisfaction and without issue. Shortly after, I found out the senior project manager's annual performance review is based on several factors, including a percentage of how much projects come in under budget. Because the invoice was rejected by my agency, the senior project manager has now essentially saved $20,000, helping keep the budget on target.

Now that I realize the senior project manager was acting in self-interest in the decision to not pay the invoice, what do I say in the meeting with my superiors, the lawyers, and the subcontractor? Do I side with my agency to keep my job or do I take responsibility for my mistake and possibly face retribution from my superiors? Although the subcontractor had responsibility to thoroughly read the change order before signing, I'm asking myself, "Would an ethical person risk

We used two quality control checks to aid in the data cleaning process. One quality control check was an attention question. The second quality control was a manipulation check--to determine whether respondents could identify whether the organization their "friend" worked for was a business, nonprofit, or government organization. (an attention question and a condition sensitivity control). Of 157 total respondents with complete responses, 19 failed the manipulation check and 6 failed the attention question. One participant failed both, yielding a useable sample size of 133 observations.

Email response. After reading the dilemma, each respondent was asked to craft an email back to their friend with advice. Responses to the dilemma were open ended, with each subject asked to reply in "email format" to this person. Subjects had the dilemma available to review as they wrote their responses.

Survey about the dilemma. Following the dilemma and response, each subject was asked to list all of the considerations they weighed in pondering their recommendations. A consideration was defined to include "an interest, a value, a person, an organization, or other factors you found to be important." Respondents were then asked to categorize by weighting, using 100 total points, the importance of each consideration to their friend asking for advice, to their friend's organization, and to the public. After this categorizing exercise, they were asked if there were other categories—besides friend, friend's organization, and public—that might have fit their considerations better.

Subjects were then shown a list of all the considerations they had listed and were given 65 points total to divide among the considerations for weighting their importance. To reduce the cognitive load, the survey instrument calculated the total points while they were being assigned to each consideration.

The survey concluded with demographic questions, a self-reported public service motivation scale (Wright, Christensen and Pandey, 2013) and single item measure of narcissism (Konrath, Meier and Bushman, 2014).

Variables

This exploratory study is not intended to provide generalizable results, but rather uses an experimental design to ascertain the presence or absence of treatment effects.

Our key independent variable of interest was sector. For this analysis, we focused only on the difference between business and other organization types (government, nonprofit). Future analysis may examine the differences between public and nonprofit organizations.

We also report findings related to the gender (female=1) and work status (1= working full-time or part time) of respondents.

We examined several dependent variables to represent variation in the nature of deliberation regarding private vs. public ethical dilemmas. These are:
- Number of considerations identified
- Email word count
- Average word count per consideration
- Average percent personal/organizational/public for an individual's list of concerns (avgpers, avgorg, avgpublic)
- Percent of a person's concerns identified as personal/organizational/public (pctpers, pct org, pctpublic)
- Average weight given to a person's personal/organizational/public concerns (importpers, importorg, importpublic)
  - A concern was coded as personal/organizational/public if that characteristic was weighted most heavily. In some cases, more than one category had equally high weights. In these cases, both characteristics were coded. The weight given to the consideration was then included in the characteristic average.

We used linear regression, though we recognize that there are limitations to this method when the dependent variable is a percent or ratio. We have sought to be sensitive to these limitations in our interpretation.

Women in our sample are, on average, about 1.7 years younger, slightly more liberal (0.7 points on a 7 point scale) and less likely to be married than their male counterparts. They do not differ in terms of level of education, work status, minority status, or self-reported religiosity or perception of wealth (alpha=0.05).

Results

Number of issues identified

Sector condition had no effect on the number of issues identified by respondents when considering the ethical dilemma.

Women identified, on average, about one more issue than their male counterparts. Gender was the only variable in our dataset that had an effect on the number of issues identified, and it explained only about 3 percent of the variation in the number of issues identified. However, the gender effect on number of issues identified is notable in part because the email word count and average word count variables are significantly affected by gender (with women writing more on average) but this effect disappears when one controls for number of issues identified. It therefore appears that women do not simply write more than men, they write more because they identify more issues in the scenario than their male counterparts.

Email Word Count

The primary driver of increased word count in respondent emails was the number of issues identified by the respondent. For every additional issue identified by a respondent, the number of words in the email increased, on average, by about 12 words. This result is robust to model specification. Assignment to the business condition decreased word count on average by about 31 words. When controlling for number of issues identified, gender has no effect on word count. People who are currently working at least part time write, on average, about 30 more words than their non-working counterparts.

Average word count (word count per issue)

Those assigned to the business condition wrote, on average, about 5 words less per issue, though this finding fails the critical value test at alpha equals 0.05 (p equals 0.057).
The number of issues decreases the average word count per issue by about 3 words, suggesting that respondents who knew they had a lot of ground to cover in issues sought brevity in their responses. Though those in the business condition generally wrote less than their public sector counterparts, women assigned to the business condition wrote, on average, 12 words more per issue, controlling for the total number of issues, than others. When additional controls are added, however, this finding loses its statistical significance (p equals 0.074).

Average percent personal/organizational/public for each concern

We found no systematic variation in the average percent personal, percent organizational, or percent public a person indicated their concerns to be. In other words, the assigned condition did not affect the likelihood that a person identified concerns to be more (or less) public, personal, or organizational in nature. Nor did any of our control variables appear to have a systematic effect on this outcome.

Percent of concerns that were primarily personal/organizational/public

In preparing this independent variable, we first converted respondents classifications of each of their self/identified listed concerns from a percentage scale to a binary scale. Any item that was scored as at least 50 percent personal was coded as a 1 (personal) concern. For each respondent, we then calculated the percent of concerns that were primarily classified as personal concerns.

Sector condition had no effect on the classification of concerns.

Women were less likely to report their concerns as personal concerns (0.13 percent fewer concerns identified as primarily personal), and people with more education were more likely to report their concerns as personal (an average increase of 0.1 percent of concerns identified as personal per level increase in education). We found no systematic variation in the percent of concerns that were primarily organizational or public.

Average weight of concerns that were primarily personal/organizational/public

For those concerns identified as primarily personal (or organizational or public) in nature classified as 50 percent or more of the specified type), we averaged the importance weight assigned to the concerns by respondents.

Sector condition did not have an effect on the relative importance of personal, organizational, or public issues.

People who believe themselves to be well off compared to their peers assigned slightly less weight (0.1 points for a one level increase on a 7 point scale) to personal concerns than their peers.

People who are working at least part time assigned slightly less weight (0.1 points for a one level increase on a 7 point scale) to organizational concerns than their peers.

Discussion & Conclusion

There seems to be a general idea that public servants should be held to a higher ethical standard because there are broader or more interests at stake (Rohr 1998). But beyond taking more time/effort to deliberate in government and nonprofit contexts (the business condition decreased word count on average by about 31 words), respondents -- at least in the role of citizens-- did not seem to feel that a public service context necessarily heightens the dilemma or makes the dilemma more complex. This is contrary to general expectations.

We do not know if respondents are inherently simplifying the public context in a way that reflects a higher ethical standard, making the dilemma feel less difficult because the ethical choice is more clear to them. It is entirely possible, for example, that a higher ethical responsibility makes decision-making easier. We need to do more qualitative analysis of the individual responses to know whether this is the case. There is also the possibility that there are distinctly different dilemmas in the public sector. If this is the case, comparing one dilemma type across sectors may not effectively elicit the kind of variation in responses that a dilemma "more" public sector in nature might elicit. We are currently exploring whether this is case with a related research effort.

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[i] These dilemmas are categorized as follows, with respective questions to prime better engagement of the dilemma (see https://www.ethicsfieldguide.com/pages/about-us).

1. **Standing Up to Power**. Your boss or someone else in authority is asking you to do something unethical. Ask yourself: *Can I get this done in some other way, without being unethical? How can I help my boss save face?*
2. **Made a Promise and World Has Changed**. You made a promise, but unexpected events have made it very hard to keep. Ask yourself: *Can I still keep my promise, even if costly to me? Does keeping this promise now make it harder to keep other promises?*
3. **Intervention**. You see something that's wrong but face risks if you try to stop it. Ask yourself: *Are you the right person to intervene or should you recruit help? Can you intervene in a way that creates the least harm to everyone involved?*
4. **Conflict of Interests**. Your personal interests and your work obligations are at cross purposes with each other. Ask yourself: *Who has a right to know the details and have I let them know? Would my actions cause others to question my motives or character?*
5. **Suspicions Without Enough Evidence**. You suspect something wrong is going on, but how you investigate could harm others. Ask yourself: *What happens if I act on the allegations and they are false? Does my bias push me to believe or dismiss too quickly?*
6. **Playing Dirty**. You have a chance to harm someone who has harmed you. Ask yourself: *Would my action really bring about justice? Does my action solve a problem or is it merely revenge?*
7. **Skirting the Rules**. To accomplish a worthy purpose, you have to go around the rules or break the law. Ask yourself: *Would those with authority over the rules/law want you to break them in this case? What are all the reasons the rule or law matters?*
8. **Dissemblance**. It helps you to misrepresent or allow someone to continue with a false understanding of your intentions or motives. Ask yourself: *Do I have the authority to reveal the truth? What are the real reasons I want to misrepresent the truth?*
9. **Loyalty**. Showing loyalty to someone comes at a cost to yourself or others. Ask yourself: *Have they shown loyalty to me? Does demanding your loyalty allow them to take advantage of you?*
10. **Sacrificing Personal Values**. Your work requires you to sacrifice values or relationships that you hold dear but that you can't reasonably expect from others. Ask yourself: *What costs am I willing to bear for my beliefs or relationships? What burden am I placing on others by imposing my beliefs or relationships?*

11. **Unfair Advantage**. You have the upper hand, but not in a way that you're sure is fair. Ask yourself: *What makes the advantage unfair? If I were the other party, how would I consider a person making my choice?*
12. **Repair**. You made a mistake, but can get away with not fixing it. Ask yourself: *Who should bear the cost for the mistake? Did you act unethically when you made the mistake?*
13. **Showing Mercy**. Someone has come asking for mercy, but granting it comes at a cost. Ask yourself: *Is mercy mine to give? Does showing mercy in this case hurt someone else?*