Public Budgeting as Moral Dilemma

Ben Wroblewski

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Public Budgeting as a Moral Dilemma

by

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A dissertation submitted in partial fulfillment of the requirements for the degree of Doctor of Business Administration
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DEDICATION

I dedicate this dissertation to my wife, Megan O'Connell, who has infinite patience with her evolving husband.
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ABSTRACT

Government budget managers are responsible for the proper stewardship of public funds and facilitating the business transactions necessary to meet the public’s needs. Sometimes, during these decisions, managers can experience pressure to make an unethical decision. A better understanding of this issue can help organizations prevent misallocation of funds and adverse effects within the community. The problem is that the general pressure model lacks a framework to explain the decision-making process. Moral utility theory can provide insight into how people weigh or score choices with ethical considerations. This study found that government budget managers included their self-interests when experiencing tension under pressure. Consequently, self-interest had a significant relationship with how likely they were to approve a questionable request. These findings advance research on budgetary slack, moral utility theory, and practical implications for observing potentially sub-optimal budgeting behavior.
CHAPTER ONE:
INTRODUCTION

Background of Researcher

The investigator has served in financial management for six years. He is a Certified Government Financial Manager (CGFM) sponsored by the American Government Accountants and a Certified Managerial Accountant sponsored by the Institute of Management Accountants. The investigator was responsible for 95% of a federal agency’s funds for Command, Control, Communications, Computers, and Information Technology, totaling over $700 million. The U.S. Coast Guard has over 50,000 members and is responsible for coastal defense, search and rescue, maritime law enforcement, and uniformed services.

Motivation

Government agencies use publicly supplied funds to provide vital services to their citizens. Research suggests that budgetary slack is typical in organizations (Buchheit et al., 2003). Dunk and Nouri (1998) defines budgetary slack as the intentional underestimation of projected revenue or overestimating projected expenses for a task to become easier to achieve or as a deliberate underestimation of resources needed to meet a more accessible achieved standard (Douglas & Wier, 2000). For example, if a project only requires $100,000 of funding to complete a project but $120,000 of funding is requested, this is an example of the overestimation of resources. From a public organizational perspective, budgetary slack can be beneficial as a buffer against uncertainty regarding the achievement of preset targets. However, from a private
organizational perspective, budgetary slack has several negative implications, including reduced managerial effort, misallocation of an organization’s resources, and distorted performance evaluations of managers and their areas of responsibility (Davis et al., 2006).

Budgetary slack causes an unequal flow of resources throughout the organization, wasting resources at one end while starving another division at the other. This “fluff” ties up an organization’s resources unnecessarily until late in the fiscal year when each federal department maximizes spending. The federal government fiscal year ends on September 30th of each year. Often surplus resources are “hidden” from the financial manager until after the most significant obligations have occurred. As a result, on September 1st each year, financial managers are looking for opportunities to exhaust remaining funds.

One difficulty in predicting budgetary slack in the public sector is the lack of understanding of the motivations of those responsible for these decisions. These motivations can be from an external impetus like pressure or result from an individual’s psychological characteristics. There is a difference between the motivation of those working in the public sector and their private-sector counterparts. Public organizations collect revenue from the communities they serve through taxes and fees. Those responsible for approving budget requests are paid through tax revenue, so the public has a vested interest in how the funds are allocated. This study provides some insight into these motivations and how they influence the creation of budgetary slack. Specifically, what happens when a budget manager feels tension when facing an unethical decision. The purpose of public organizations is to maximize the collective good of the community. Yet, creating budgetary slack does not maximize the collective good because funds are allocated unequally, which contradicts the purpose of the organization.
To provide context, the public budgeting process compared with the more common business process is discussed followed by the individual motivation differences between the two sectors. Next, current models related to external and internal pressures and influences are evaluated. Lastly, the proposed model is explained.

**Planning, Programming, Budgeting, and Execution Process**

A brief discussion of the budgeting process used by the government agencies is necessary to understand the differences in perception of slack and the different motivations between private and public sector employees. The Planning, Programming, Budgeting, and Execution Process (PPBE) consists of four interrelated phases: planning, programming, budgeting, and execution. These phases are conducted sequentially by different levels of the government. The planning phase begins three years in advance and focuses on identifying the capabilities required to meet taxpayers’ needs. This phase leverages and defines policies, strategies, and resource needs. The second phase, programming, allocates resources to support the mission. This phase begins two years in advance and calculates costs for the next six years to meet mission requirements. The intent is to prevent short-term decision-making from impacting long-term objectives. Approximately one year in advance, each service budgets out its conditions to prepare the President’s Budget compiled by the Office of Management and Budget (OMB) (McGarry et al., 2018). Next is the budgeting phase. This is when agencies are most susceptible to budgetary slack. Each agency has local methods of delivering and negotiating budgets with its respective parent department and with OMB. When Congress allocates funding authority to each echelon to spend in the fiscal year, the final phase is execution. Government spending segments into two categories: mandatory and discretionary. Discretionary funding is limited to approximately 30% of total funding in a fiscal year (USAspending.gov). The execution phase of the PPBE process is
the most inflexible because funds have already allocated to the agencies (McGarry et al., 2018). The method to request additional funds from Congress or re-direct funds from other parts of the federal government is arduous and time-consuming.

**Private Sector Budget Process**

The private sector approaches budgeting differently than does the government. The focus for a private sector company is a budget that consists of sales revenue, production costs, and operating expenses. Government budgets are planned on the collection of tax revenue which is a regulated process often constrained by legal statutes whereas a sales revenue budget provides the boundaries for the company’s expenses. Governments are constrained by tax revenue collections but have some flexibility to borrow funds or raise additional taxes.

When developing expense budgets, a few factors that firms consider are new products, customers, geographical areas, changes due to competition, changes in costs, inflation, and new strategies in providing the company’s services. Governments must consider the needs of their community and prioritize those goals in an open forum process. The operating expense budget follows the sales revenue budget for service firms because there are no manufacturing costs to consider. The operating expense budget captures the costs necessary to meet sale goals for salaries, supplies, insurance, which is similar to government budgeting. Firms use their operating expense budget to plan future capital expenditures and acquire cash to pay off liabilities. Private sector firms can plan from anywhere to 1-5 years based on the strategy, but there is no required duration. Government plans vary with the level of authority: federal, state, county, and municipal. Private sector firms can adjust their budget for increasing revenues and have the flexibility to leverage market opportunities as they arise without a burdensome request process.
Government budgeting focuses on costs necessary to provide services, while private sector budgeting focuses on revenue necessary to cover costs and generate profits.

**Public Sector Employee Motivations**

Anecdotally, there are many reasons for a difference in public and private sector accounting decisions. Evidence suggests that government accountants are more motivated to act in the public interest instead of individual goals (Donaldson, 1991). Private sector accountants are motivated by financial and non-financial measures to meet organizational goals, including profit and loss, solvency, and employee turnover measures that will allow the company to continue to operate. Private sector managerial accountants have different degrees of pressure because the human resource structure is different. Often, supervisors of accountants in the private sector evaluate their direct subordinates based on-budget performance. Similar criteria are not necessarily valid in government budgeting. The supervisor still evaluates their employees, but because the promotion system is structured, budget performance is not tied to either promotion or cash bonuses. The bonuses are often not significant enough to warrant influence over decision-making. Government is responsible for meeting the needs of its citizens and, as such, does not always seek the most efficient use of resources nor aims to reduce costs. These requirements change the motivation of each government member, including financial managers.

Public sector motivation (PSM) is a general commitment and loyalty towards the public interest, compassion with people in need of social assistance, self-sacrifice, and attraction to public policymaking to help improve public services (Perry, 1996). Kjeldzen and Hansen (2018) found evidence that PSM is positively associated with job satisfaction for public sector employees. Public administration and public managers have been misjudged by the public they
serve and labeled with terms like maladministration or “Bureaupathologies.” Some of the traits people associate with public administration behavior have included: inert, ineffective, wasteful, suboptimal, failing to learn (Caiden, 1991). Hur (2017) found that public sector managers displayed a lower affinity for advancement, training, career development, and increased responsibility related to job satisfaction. He also found the public sector employees are extrinsically motivated and not interested in working independently from a structured supervisory chain. Public sector employees are less likely to experience tension because they are extrinsically motivated and are not concerned about advancement (Hur, 2017). They may be less concerned with responding to pressure from a supervisor.

**General Pressure Model (GPM)**

This study focuses on how social pressure affects the level of tension or stress which influences decision making. The general pressure model (GPM) measures how social pressure affects the level of stress which influences decision-making, so it is the logical place to begin the investigation. GPM is the primary model to predict budgetary slack in the extant literature and links psychology with behavioral accounting (Davis et al., 2006; DeZoort & Lord, 1997). The original adoption of the model was from the organizational stress literature (DeZoort & Lord, 1997). DeZoort and Lord (1997) defines the different parts of the model. In Figure 1, Pressure Stimulus (x) is the characteristic or combination of characteristics that influence individuals.

These can act as potential antecedents to strain responses and outcomes. Stress response (y) focuses on how professionals perceive pressure. It is the interaction between stimuli and individual characteristics. Strain outcomes (z) refer to the consequences of the triggers and response.
Figure 1. General Model of Pressure Adopted from DeZoort and Lord (1997).

Davis et al. (2006) extended this model into managerial accounting by assigning an element of social pressure (obedience) as the stimulus and four different individual characteristics as control variables: professional commitment, impression management, perceived pressure strength, and perceived decision difficulty (See Figure 2). Davis et al. (2006) argued that slack could exist if the organizational culture pressured budget managers to create it.

Figure 2. Model of Obedience Pressure Effects on Judgment or Decision Making (JDM).

The GPM focuses on individual differences like professional commitment and impression management. However, other issue-related factors may provide a better explanation about how
individuals engage in unethical decisions. The GPM measures the scope of the behavior based on a person’s psychological make-up instead of the decision-making process. People experience tension when put under pressure by a supervisor to approve a request that challenges their ethical values. The Davis et al. (2006) model assumed the person under stress would shift the responsibility of the decision to the supervisor abdicating all responsibility for resulting consequences. This assumption implies the person conducted some manner of calculation, but the proposed theory of attribution does not explain how that calculation or decision process occurs. Moral utility theory (MUT) explains how budget managers make deliberate calculations when making an ethical decision. This study found that budget managers use self-interest in their calculation of the utility (“value or satisfaction that an individual receives from an event”; Hirsh et al., 2018, p.45) of each alternative before deciding. Budget managers used their self-interest, or self-benefit judgment, to resolve the conflict. Cropanzano et al. (2005) defined self-interested action as “undertaken for the sole purpose of achieving a personal benefit or benefits” (p.985).

The probability of a manager approving a conflicting budget request was directly related to their level of self-interest. The use of self-benefit judgment to make an ethical decision aligns with moral utility theory. An illustration of this process is displayed in Figure 3.

Self-benefit judgment acts as a “switch” on a railway junction. The switch which typically controls which railroad the train runs on controls the budget manager’s decision process when they conflict or experience tension. Each track represents a different decision available to the budget manager. Social pressure represents the external force moving the decision down the track. The conflict is represented by tension just before the switch. Extant literature and comments from the participants in this study substantiate the assertion that introducing slack into a budget request is unethical.
It is unethical to create budgetary slack in governmental accounting. Davis et al. (2006) supported the assertion that creating budgetary slack was unethical in private sector accounting. Budget managers recognize that there are ethical considerations when deciding to approve a request that would create slack. Here are just a few responses from governmental accountants in this study that reinforce this assertion: “It would be unethical to approve an amount that has excess”, “…not aligned with what top leadership wants, borderline unethical”, and “Personal ethics trump this unethical request, [I] cannot work for someone who knowingly lies.”

In the current study, respondents are asked if they believed approving the request in the scenario was unethical on a seven-point scale. Findings indicate that budget managers agreed
that approving a request in the scenario that creates slack is unethical ($M = 4.69, SD = 1.68$). The methodology is available in Chapter 3.

**Research Question**

This study was developed to assess the following research question: In public sector accounting, to what extent does self-interest moderate the relationship between social pressure, tension, and the propensity of financial managers to create budgetary slack? This study also evaluated to what extent employees’ self-interest affect an ethical decision when tension was experienced. This study used the MUT framework, which provides a more comprehensive understanding of this phenomenon by introducing the idea that each decision the manager can make has a utility (“value or satisfaction that an individual receives from an event”; Hirsh et al., 2018, p.45) that is intentionally calculated. The proposed alternative pressure model used MUT and demonstrates the relationship between perceived tension and intent during the ethical decision process (See Figure 4).

![Proposed Model of Pressure](image_url)

**Figure 4.** Proposed Model of Pressure.

Quantitative analysis of 77 government budget managers’ survey responses revealed that managers inspect their self-interest when making potentially ethical decisions during the budget process. Regression analysis revealed that if a budget manager perceives tension after being
directed to make a questionable decision, that tension forces them to look to their self-interest and deliberately calculate the moral utility of the decision.

**Expected Contributions**

A better understanding of this issue can help government employees and organizations manage budgetary slack. The current research examines how external pressure affects the tension perceived by the managers and how that affects the manager’s intent to create budgetary slack. The study makes two main contributions. First, the study identifies MUT as a novel framework for understanding the ethical decision-making of a public sector employee under social pressure. Second, it delineates the self-interested nature of a public-sector budget managers’ creation of budgetary slack upon request. Third, it confirms that budget managers in the public sector consider the creation of budgetary slack as unethical. The findings identify practical steps organizations can take to observe and minimize negative effects from self-interest and the creation of budgetary slack.
CHAPTER TWO:
THEORY AND HYPOTHESES

Overview

This chapter reviews the primary theories related to budgetary slack and the various variables associated with the phenomena. Next, social pressure as an antecedent to budgetary slack is discussed. Then, the difference in the psychological process between public and private sector accounting and how these differences affect professionals in each. We will introduce MUT and self-focus related to the proposed model and define each variable associated with the model. Finally, the current models related to the phenomena of budgetary slack are discussed.

Budgetary Slack

There are some contradictions in the private sector research regarding theory and antecedents. The extent literature has a litany of research of budgetary slack in a private sector context (Dunk & Nouri 1998; Hartmann & Maas, 2010; Hobson et al., 2011). However, there is limited literature on budgetary slack in the public sector, which did not reveal strong similarities to private-sector research. This literature has produced some common characteristics in environments where budgetary slack could exist, but it is not all-encompassing. One such example is Dunk and Nouri (1998), who found an environment where information asymmetry could create budget slack. One of the primary variables studied in behavioral accounting was pressure because it inhibits objectivity and forces managers into making unethical decisions.
Social Pressure

Social pressure is defined as the process of people actively encouraging, urging, or pressuring someone to act or think in a certain way, by using direct forms of influence, such as demands and threats, or by giving promises of rewards or social approval (Bastiaensens et al., 2016). It segments into three categories: compliance, obedience, and conformity (DeZoort & Lord, 1997). Compliance pressure is defined as when the subject responds to explicit requests at any level. Obedience is when pressure comes from an authority figure. Conformity refers to an individual responding to peers (Hartmann & Maas, 2010).

Social Pressure for Budgetary Slack

Davis et al. (2006) found that social pressure had a significant impact on budget decision-making. Management accountants can be susceptible to even weak forms of pressure from authority and create bias in the budget despite policy to prevent occurrences. An example of that weak form of pressure is when managers respond to pressure from a hypothetical scenario with no consequences. The managers in the Davis et al. (2006) study created bias and attributed their actions to their superiors absolving themselves of responsibility. Hartmann & Maas (2010) attributed budget bias to three factors: involvement in management, social pressure, and individual personality characteristics. They found that subordinates with a high Machiavellian rating were more likely to produce slack than those with a low rating. Social pressure is known to inhibit auditors’ objectivity and threaten an accountant’s fiduciary duties, specifically in a conservative fiscal environment like government (Brink et al., 2018; Eskenazi et al., 2016). Social pressure toward obedience could be a significant factor in government accounting with a rigid hierarchal structure and strict fiscal policies. This study will focus on social pressure felt by budget managers. Social pressure (compliance) has influenced other budget decisions, such as

Social Pressure for Budgetary Slack
inventory valuation (Bishop et al., 2013). Compliance is defined as pressure from explicit pressure from the supervisor, peer, or subordinate and a subset of social pressure (DeZoort & Lord, 1997). There is reason to believe that pressure will influence other financial decision-making. Thus, MUT can be the link between a person under pressure and the likelihood of unethical behavior.

**Moral Utility Theory**

MUT is the critical theory behind the proposed model. MUT is a framework for understanding what a person’s motivation is when making ethical or moral decisions. The brain estimates the utility of “potential actions based on predicted effects on current goals” (Hirsh et al., 2018, p. 44). The metric of measurement is subjective expected utility (SEU), calculating probability and potential outcome. Hirsh et al. (2018) explained that making an ethical decision would assign weight to each alternative and then choose the option that maximizes SEU even if it is unmoral or unethical. People were either realistically or deliberately calculating the utility of their decision-making (see Figure 5).

**Figure 5.** Partial MUT model

Moreover, MUT describes a process to remove “moral uncertainty” (Hirsh et al., 2018) instead of discussing what went wrong after the decision. Moral uncertainty could exist in at least three situations. The first is an unfamiliar situation with no benchmark to compare. The
second is when there is a conflict between maximizing achievement with social harmony. An example relevant to government accounting is the conflict between meeting the organization’s budget goals and the role of management control of the budgeting process. The third situation of moral uncertainty is when a person cannot see all the potential outcomes leading to an unforeseen negative consequence.

Previous models include rationalist, sentimentalist, or dual process. Rationalist models are “based on explicit reasoning about moral principles” (Hirst et al., 2018, p. 45). These models were criticized for being cognitive and minimized emotions. Sentimentalist models “emphasize the importance of emotional intuitions” (Hirsh et al., 2018, p. 45). These models are criticized for reducing cognitive function. Then there are dual-process models which marry the two approaches together. The model proposed in this study is an example of a System 2 approach. System 1 is the reactive, emotional process cycle designed for “automatic processing, implicit learning, and intuition.” System 2 is the conscious reasoning process cycle which “involves logical analysis, perspective-taking, and the adoption of behavior rules” (Hirsh et al., 2018, p. 45).

MUT begins with personal goals. A budget manager has a personal interest in a budget request estimating the SEU of approving, disapproving, or some other action. Let us assume a binary choice, and it involves approving a request more than the needed amount, which is morally and ethically questionable. The person would calculate the probability of detection or interest from oversight and any sanction that may occur. It is unusual in government for accounting professionals to be sanctioned over budget decisions unless they violate federal or state law.
The only obstacle to making the decision will be the anticipated guilt built on their value system if there is no fear of detection or punishment. Punishment could be the result of disobeying a direction from a superior. This direct order from the superior results in tension which will be included in the utility of outcome construct and influence the SEU calculation. They may also factor in personal relationships in the decision process. For example, suppose the budget manager embeds (works in another organization outside their formal evaluation structure) into another organization. In that case, they may seek acceptance even outside their line of supervision, even if the decision is unethical. They want to assist in achieving organizational goals, which may temporarily have a higher SEU than the ethical course of action. Social pressure could be from someone at any level of authority. The budget manager may be influenced by either peers or by authority figures even outside their organization hierarchy. The path from their personal goal to an unethical decision could be a simple one.

Hirsh et al. (2018) also points out these SEUs update through reinforced learning. This is the “conscious reasoning” process, where people use a deliberate process to make decisions. This deliberate process involves “logical analysis, perspective-taking, and adoption of behavioral rules” (Hirsh et al., 2018, p. 45). Accounting professionals are trained to use a calculative method to conduct analysis and make decisions. MUT provides a goal-oriented process when objectives can be achieved through either an ethical or unethical means. A deliberate process does not necessarily mean the accountant will choose the ethical action, only that they will choose the action with the highest expected utility. Accountants may choose to approve a budget request that creates slack if they believe they can more easily attain their goals. Surveillance systems are also essential to regulate ethical conduct. More experienced accounting professionals can make these decisions faster with less stress if previous ethical and unethical actions have
gone unnoticed. One factor that can influence the expected utility of a decision is the introduction of pressure into the scenario.

Pressure can cause a person to look inward to seek the decision that satisfies individual self-interest. This could be one of the factors included in the deliberate calculation of SEU. Self-focus attention (SF) could explain how a manager’s self-interest could influence ethical decision-making. Self-interest is the conditional factor in the decision-making process, much like a railroad switch. A more thorough discussion of self-benefit judgment and tension follows in the subsequent sections.

**Tension and Anxiety**

The definition for this study for tension is the psychological state of discomfort due to conflicting cognitions and feelings (Karremans et al., 2003). Anxiety is associated with a negative effect of that pressure. Anxiety is a common symptom of tension reported by people, and the most common negative symptom associated with anxiety is depression (Almeshari et al., 2021). Krishnaswamy et al. (2019) noted that children experience increased tension and anxiety when their parents’ pressure them about their academic performance. The children were unable to cope with parental pressure, which created an adverse environment. Muchacka-Cymerman (2018) found that teachers experienced an adverse environment under constant pressure from the students and parents, which increased anxiety and tension leading to professional burnout. When people experience tension in an adverse environment, they may look inward and examine if the behavior is in their self-interest. Next is a discussion about how a person may appraise tension based on self-interest.
Self-Focus (SF)

Self-focus (SF) is “an awareness of self-referent internally generated information that stands in contrast to an awareness of externally generated information derived through sensory receptors” (Mor & Winquist, 2002, p. 638). SF can become self-absorption, a more dysfunctional form of SF if the person’s attention to self is excessive and unable to shift to an external focus, when necessary. A complex relationship between the variables is more likely than a single unidirectional relationship between SF and anxiety. Mor and Winquist (2002) argued that the relationship between SF and negative affect (NA) is cyclical instead of unidirectional as causality can describe contexts when SF leads to NA or NA leads to SF. SF is examined in an experimental design but focusing on the relationship between temporary SF and adverse effects, as this study provides.

The influence of SF can vary in duration and severity based on gender, age, and predisposition to NA. SF can be attributable to significant events in a person’s life, such as losing a loved one or job loss. In those instances, the result is NA. Threats can cause a person to SF and increase the level of anxiety. Mor and Winquist (2002) found associations between anxiety conditions like panic and test anxiety with SF, but the relationship was not always present. However, the relationship could also be valid between positive events and a positive affect like new jobs or the birth of a child. There is little evidence that a positive event will appraise SF into NA (Mor & Winquist, 2002).

Evidence suggests that public SF (the standard observed in an environment) is associated with anxiety. Wegner and Giuliano (1980) supported the assertion. Their research found that an increase in anxiety and nervousness would induce “self-focused” attention but test what
pronouns the participant selected under various stress lessons. People tended to choose first-person pronouns as their heart rate increased.

SF can explain why budget managers chose to include their self-interest as a part of the SEU. Karremans et al. (2003) argued that interpersonal conflict with negative associations induced high tension levels and reduced psychological well-being. These conflicts caused a subordinate to focus inward after repeated offenses. The superior ordering a subordinate to do something unethical is an excellent example of interpersonal conflict with a negative association that generates anxiety and increases tension. Anxiety is the emotion commonly associated with tension, a few examples of negative effects. People are motivated to protect their interests. The tension and pressure could cause the person to have strong SF and weigh their self-interests in the decision process using either system one or system two or a combination of the two to calculate the SEU associated with each alternative. In this experimental design, they have the choice to either approve or disapprove the budget request. SF will produce tension. Then, using the MUT framework, the manager’s self-interest will moderate the person’s approval intent and increases or decreases the probability of a decision to engage in unethical behavior.

Self-Benefit Judgment

Cropanzano et al. (2005) defined self-interested action as “undertaken for the sole purpose of achieving a personal benefit or benefits” (p.985). This definition of self-benefit judgment is used for this study. Self-Interest acted as an outcome of SF because people evaluate their decisions based on comparing the environment. Once SF had triggered by an outside stimulus like social pressure, the person weighed the decision based on cost-benefit analysis and then acted. If the self-interested action scores higher than other options, that will be the outcome.
Factors Other Than Social Pressure for Budgetary Slack

The survey tested other factors based on the extant literature. Most of the literature surrounding budgetary slack antecedents is from private sector examinations. Church (2012) found that subordinates and supervisors with shared interests were more likely to self-justify slack creation than when there are no shared interests. Kramer and Hartmann (2014) observed that budgets planned by top management are less susceptible to slack creation behaviors than those planned by employees. Chong and Strauss (2017) argued that managers would avoid slack creation with information asymmetry and high budget emphasis. Milani (1975) found budgetary participation to be a factor that increases budget slack, mainly when formal rewards were linked to budget execution (Brownell & McInnes, 1986). Budget managers have negotiated for more funds than what was required when they participate.

Dunk and Nouri (1998) contends that individual motivation is an underresearched topic area. The need for achievement was to do something essential to exceed a standard (Atkinson, 1977). He argued that low achievement individuals tended to make decisions in groups and created slack because of the participation factor. Individuals also controlled scarce resources and fulfilled a need for power, suggesting that even organizational departments or divisions that do not require a more significant portion of funding could still receive it due to their power status (Pfeffer & Salancik, 1974). Altenburger (2017) argued that managers would engage in slack creation behaviors because of peer pressure. Government hierarchy, with senior officers arguing for resources beyond their requirement, could be particularly troublesome. Individuals with the need for autonomy may resist rules and only perform duties that satisfy their self-interest, leading to slack creation if they are under pressure.
The extant literature found that organizational commitment is an inhibitor of budgetary slack. Taylor and Curtis (2010) found that individuals with high organizational commitment were more likely to minimize unethical behavior in their organizations. Organizational commitment also mitigates the effects of social pressure (obedience and conformity) on ethical decision-making (Clayton & van Staden, 2015; Tsunogaya et al., 2017). High organizational commitment has also reduced budgetary slack (Aprila & Hidayani, 2012). Next is an evaluation of whether public budget managers feel slack creation is an ethical question.

**Budgetary Slack – Ethics Issue**

There are conflicting opinions if budgetary slack is an ethical decision or a business decision. Douglas and Wier (2000) surveyed professional management managers and found the individual ethics predicted slack creation behavior. They argued that managers recognize slack creation behavior as unethical but lack the will or a compelling reason to stop. Daumoser & Sohn (2018) found that ethics knowledge did not dissuade slack creation behavior. Recent literature reviews on the topic indicate a lack of contributions from an ethical perspective in the field, and that direct survey questionnaires were losing importance (Daumoser, 2018). Davis (2006) specifically asked the respondents about the ethical culture within the organization before presenting the participant the vignette. Davis et al. (2006) asked this question to ascertain if the respondents felt the creation of slack was unethical. Eighty-Six percent of respondents felt that it was wrong to “pad the budget.”

There have been previous findings discussed above that budget slack is a positive development in government. Some budget managers who took the survey look at this type of budget decision as a business decision. Some of the qualitative comments from government budget managers who completed this survey are as follows: “High profile program with significant importance.
OK, to ensure a buffer even though the program has never spent to its budgeted levels. Leftover funds could be used for end-of-year sweep up” and “The actual underspending is immaterial to the total size of the budget of 1.2M. I do not see a moral/ethical dilemma by building a small slack in this scenario to guard against uncertainty. Given no other information, I would approve the budget with the caveat we adjust and report mid-year any changes.” These managers do not see a need to examine the ethical considerations in this situation. However, other budget managers used this opportunity to act as good stewards of public funds. An example of a government budget managers qualitative comments is: “I think it is important to be realistic about the true cost of any initiative. While project managers often tout coming in “under budget,” that means that sources that could have been utilized elsewhere were trapped in a program that didn’t need them. It’s wasteful. It’s inefficient.”

Most people in my study believed the creation of slack would violate their ethics and is considered cheating behavior. Next, let us discuss how slack creation would manifest itself in a public sector environment.

**Budgetary Slack in the Public Organization Environment**

There is a lack of extant literature about the budgetary slack phenomena in the public sector because it is challenging to measure slack creation in the public sector. Most government services do not have suitable private substitutes for similar services, so comparisons are rare, and the goals of each part of the organization vary (Busch, 2002). Few private companies are willing to provide a service generally provided by governments because of cost or scope. Thus, slack is used in the public sector to provide additional inducements for customers despite the lack of substitutes and a reserve for future investment (Busch 2002; Busch & Gustafsson, 2002). Laing (2008) found that leadership styles could affect whether middle managers created slack.
Bradbury and Scott (2018) argued that many municipal government organizations had little incentive to control costs, so budgetary slack is likely. Most of the accounting literature has labeled slack as a suboptimal outcome. Still, a small group of literature observes positive aspects, such as adapting to emerging conditions and strategic changes (Davila & Wouters, 2005), which adds to the complexity of the ethical question.

**Proposed Model**

The proposed decision-making model (see Figure 4) uses self-benefit judgment as a moderator between tension and approval intent. The budget manager will use their self-interest to decide if they will support the budget request. The comptroller directs the subordinate to approve the ethically questionable request. The subordinate feels the tension associated with the pressure from the comptroller. However, the subordinate weighs the personal benefits against the consequences of the action before making the decision. The model predicts that if the person has a low self-interest in approving the request, they are less likely to do so. If the subordinate has a high self-interest in approving the request, they are more likely to do so.

**Hypothesis Development**

Using MUT as a theoretical framework, it is hypothesized that there is a link between these psychological pressures and the decisions made by public sector employees. Specifically, self-interest will moderate the effect of social pressure-induced tension on budgetary slack creation.

**Hypotheses**

Social pressure has been shown to have a statistically significant correlation with an increase in stress in previous research (Brink, 2018; Davis et al., 2006). Pressure acts as the
stimulus that creates a stressor like anxiety or tension. Pressure increases individuals’ perceived stress which results in a shift in responsibility to an authority figure. Davis et al. (2006) hypothesized that obedience pressure would cause budget managers to feel an increase in stress levels and an unethical outcome. Accordingly, social pressure is hypothesized to be positively related to tension.

**Hypothesis 1**

Social pressure (compliance) has a positive effect on tension. DeZoort and Lord (1997) defined their pressure construct as a single or combination of individual characteristics that affect cognitive processes. Social pressure is antecedent to stress response and psychological strain outcomes. Wegner & Guiliano (1980) argued that people under pressure would experience tension and examine their self-interest like the self-benefit judgment construct, which could be positive or negative. Davis et al. (2006) found a direct positive correlation between social pressure and an increased propensity to create budgetary slack. The conflict of the scenario in the study creates tension. Tension results in subordinates inwardly asking themselves about the self-benefit of approving the decision. Self-interest creates a conditional effect between perceived tension and the likelihood that a budget manager will create budgetary slack. When self-benefit is high, the tension that results from social pressure induces an employee to create slack; but when self-benefit is low, that same tension induces the employee to not create slack. Accordingly, the relationship between tension and the participant’s approval intent depends on the level of self-benefit judgment.
Hypothesis 2

Self-benefit judgment moderates the indirect effect of social pressure on approval intent mediated by tension, such that tension triggered by social pressure will positively affect approval intent when self-benefit judgment is high but a negative effect on approval intent when self-benefit judgment is low.

The theory of reasoned action (TRA) stated that people’s intentions predict their behavior. The theory of planned behavior is an extension of TRA to predict behavior in a specific situation or across situations. Intentions included all the individual psychological motivations that influenced behavior (Ajzen, 1991, p. 182). These theories suggest that behaviors under a person’s control are preceded by intentions to engage in that behavior. Accordingly, there will be a direct positive correlation between approval intent and approval.

Hypothesis 3

The approval intent to create budgetary slack predicts the approval decision. People who are self-interested appraise their decisions to ascertain if making the decision is in their own best interests before taking action. Pressure causes people to focus inward. For example, if it is in the budget manager’s best interest to not, the outcome is positive. If there is a conflict between the two interests, the outcome could be harmful. Combining the logic from Hypotheses 1 to 3, Hypothesis 4 proposes the following moderated serial-mediation hypothesis to test the entire model.

Hypothesis 4

Self-benefit judgment moderates the indirect effect of social pressure on approval decision. Furthermore, it is thought that self-benefit judgement sequentially mediates tension and
approval decision, such that tension triggered by social pressure will have a positive effect on approval intent and decision when self-benefit judgment is high but a negative effect on approval intent and decision when self-benefit judgment is low.
CHAPTER THREE:
METHODOLOGY

Participants

The study surveyed 77 government accountants from federal, state, and municipal agencies and organizations. On average, participants were 50-60 years of age (SD = .96). About 70% of participants were federal employees, 29% were municipal employees, and 1% worked for a state agency. Fifty-three percent worked at the headquarters level, and all participants worked for an average of 16.13 years (SD=9.65) within their organization and 13.09 years (SD = 8.05) on average in finance. Respondents did not receive any compensation for their participation.

Experimental Procedure

The survey was segmented into three parts. The first part collected demographic information such as age, gender, and tenure. This survey section also measured the Big 5 personality traits, professional commitment, and moral disengagement using existing collection instruments. The second part of the survey introduced the experimental task and follow-on questions to measure if the participants understood the task correctly. Finally, the third part of the survey measured organizational commitment, ethics, and how realistic the experiment task was.

Part two of the survey was an experimental task (provided in Appendix F) that immersed a governmental budget manager into a potential ethical scenario that involved a budget request.
The participants assumed the role of a budget manager who reviews requests and makes recommendations to the comptroller. The budget manager is responsible for enforcing fiscal policy in the organization. Each experimental task manipulates different levels of social pressure from the comptroller. The scenario explained to participants that a specific request exceeds historical spending, and the manager must decide to allocate the amount requested or deny the request.

**Measures**

The key variables were social pressure, tension, self-benefit judgment, approval intent, and the approval decision. The study used these variables for robustness: extroversion, imagination, neuroticism, agreeableness, conscientiousness, and moral disagreement. Professional commitment and organizational commitment were measured as covariates. Data were collected for two months.

**Social Pressure Manipulation**

This variable was measured by the manipulation in the scenario. For example, in one scenario, the comptroller directed the budget manager to approve the request using the language:

> Despite the new budget policy, I want you to approve the full $1.2 million budget request. We need to protect the project against allocation cuts and to ensure the same amount of funding is available next year. Budgeting anything less than last year's budget would significantly increase the chance of us coming in over budget, putting the project at risk, and reflecting poorly on us.

This language represented the high level of social pressure in the scenario. In the low social pressure scenario, the comptroller asked the budget manager to decide using the language:
In light of the new budget policy, I leave it to you to approve as much of the $1.2 million budget request as you feel is appropriate. We would like to protect the project against allocation cuts and to ensure the same amount of funding is available next year. Budgeting anything less than last year's budget would significantly increase the chance of coming in over budget, putting the project at risk and reflecting poorly on us. However, the decision is yours to make.”

**Manipulation Check Question**

Participants were asked, “Based on what the comptroller told me at the end of the meeting (in this scenario), to what extent did the comptroller provide pressure to create an inflated budget request. Participants responded to the question on a seven-point scale (1 = none at all; 7 = a great deal).

**Key Variables Scales**

**Tension Scale**

Tension was measured with the question, “How much tension are you feeling after being asked to conform to the request from the comptroller in this scenario?” Participants responded to the question on a seven-point scale (1 = far too little; 7 = far too much).

**Self-Benefit Judgement Scale**

Self-benefit judgment was measured with the question, “To what extent do you perceive conforming to the request of creating budgetary slack as beneficial to yourself in this scenario?” Participants responded to the question on a seven-point scale (1 = far too little; 7 = far too much).
Approval Intent Scale

Participants were asked, “Based on the information presented and the fact that you report directly to the comptroller in this scenario, how likely are you to approve this budget request?” Participants indicated their approval intent on a seven-point scale (1 = extremely unlikely; 7 = extremely likely).

Approval Decision

Each participant was asked to indicate their final decision after reading the vignette (Yes/No).

Scales for Other Measures

The following measures were used for robustness checks.

Affective Organizational Commitment

Affective organization commitment was assessed using a six-item scale (α = .82) (Eisenberger et al., 2010). Participants indicated how they feel about their current organization. We defined an organization as the government agency they work for. Participants rated the items on a seven-point scale (1 = strongly disagree; 7 = strongly agree).

Professional Commitment

Professional Commitment (PC) was measured using a six-item scale previously used to measure professional commitment (α = .40) within two federal agencies: US Fish and Wildlife and US Geological Services (Lauber, 2020). Participants rated the items on a seven-point scale (1 = strongly disagree; 7 = strongly agree).
Big Five Personality Traits

The first part of the survey measured the Big Five factors of personality using the 20-item Mini-IPIP scale (Donnellan et al., 2006). The mini-IPIP is a scaled-down version of the 50-item International Personality Item Pool (Goldberg, 1999) and is proven to produce similar results. The categories include extroversion ($\alpha = .77$), agreeableness ($\alpha = .80$), conscientiousness ($\alpha = .66$), neuroticism ($\alpha = .68$) and openness ($\alpha = .02$). The score of each trait was the mean of the four responses (including two reverse-scored items) for each trait. All the measures are listed in Appendix F.

Moral Disengagement

Moral disengagement taps the likelihood that people will morally disengage and conduct unethical behavior without negatively affecting their self-image or sense of self-worth (Ungvarsky, 2019). Moral disengagement is segmented into eight categories: Moral justification, euphemistic labeling, good comparison, displacement of responsibility, diffusion of responsibility, distortion of consequences, dehumanization, and attribution of blame. Moral disengagement was measured using an eight-item scale (Moore et al., 2012). The scale assesses a single response for each of the eight antecedents ($\alpha = .79$). Participants rated the eight items on a seven-point scale. Participants rated the items on a seven-point scale (1 = strongly disagree; 7 = strongly agree).

Experimental Vignette Method (EVM)

EVM is “a way to address the dilemma of conducting experimental research that results in high levels of confidence regarding internal validity but threats to external validity…whose conclusions are ambiguous on causal relationships.” (Aguinis & Bradley, 2014, p. 351). The
authors define a vignette as “a short, carefully constructed description of a person, object or situation, representing a systematic combination of characteristics.” Aguinis and Bradley (2014) identified two types of EVM: paper people study and policy capturing/conjoint analysis. Paper people studies are when participants make explicit decisions or judgments in ethics studies. The authors point out six decision points when planning EVM.

The first point is to determine if EVM is suitable for the study. The authors point out that EVM is helpful for students who “exercise control of independent variables to gather evidence of causation” and are associated with ethical dilemmas (Aguinis & Bradley, 2014). The second decision point is choosing the type of EVM. Paper people studies are helpful because they concentrate on explicit instead of implicit responses from the participants. The vignette will especially ask the respondent to respond, and the analysis will focus only on the direct impact on the dependent variable. The third decision point is choosing the type of research design. Between-person designs require only one vignette in literature because the researcher cannot measure variation in the participant's response. A within-person design provides each person the same set of scenarios to measure the variation in the judgments of a single person. A mixed design allows the researcher to provide different sets of vignettes by the group. This study will use the mixed approach with the vignettes assigned randomly among respondents.

The next decision is to choose the level of immersion. The more realistic the vignette, the more generalizable the results. The immersion of this study will be limited to a written scenario which will provide the necessary information for a budget manager to make a decision. There are two main approaches—orthogonal, which allows the researcher to see independent effects of each factor or an approach that overlays the variables, which may be more realistic and generalizable. The last decision point for planning is the number of vignettes. Aguinis and
Bradley (2014) did not recommend a minimum number for paper people studies. This study will present a single scenario to each participant.

**Ethics Scale**

The survey asked the participant about the perceived ethicality of the request using the two-item scale ($\alpha = .67$) (Reidenbach & Robin, 1990). These questions ask respondents, “To what extent do you feel like cheating if you conform to the request from the comptroller in this scenario?” and “To what extent do you feel like violating your professional ethics if you conform to the request from the comptroller in this scenario?” This scale uses a seven-point scale (1 = far too little; 7 = far too much).

**Realism Scale**

Realism was measured on a seven-point scale (1 = strongly disagree; 7 = strongly agree) with the following statements ($\alpha = .90$): “Realistically, I might encounter a situation like the one described in the scenario”; “At some point during my career, I am likely to encounter a situation like the one described in the scenario”; and “An encounter similar to the one described in the scenario is likely to happen to me.” The scale tapped how realistic the respondent felt the situation in the scenario was. The measure was adapted from Farh et al. (2017).

**Analytic Approach**

I performed regression analyses coupled with PROCESS macro script (Hayes, 2018) to test the relationships among the constructs of interest, particularly social pressure, tension, and approval intent. I conducted a two-tailed t-test to examine whether the pressure manipulation in the scenario was successful. PROCESS generated a bias-corrected 95% confidence interval for each indirect effect.
CHAPTER FOUR:

RESULTS

Overview

A total of 126 people responded to the survey as part of a Qualtrics panel. Seventy-seven people completed the survey and passed the attention checks. There were significant positive correlations among social pressure, tension, and approval intent. The relationship between tension and approval intent was conditional based on high or low levels of self-benefit judgment. The results also revealed no significant correlation in the model with any of the tested organizational or professional commitment variables.

Preliminary Analyses

The distribution of tension responses and self-benefit judgment are presented in Figures 6 and 7, respectively. The responses for approval intent were skewed positively as more participants were less likely to approve the request (see Figure 8). Participants for the approval decisions were also skewed positively as 74% of the participants disapproved the budget request (see Figure 9).
Figure 6. Histogram of Tension

Figure 7. Histogram of Self-Benefit Judgment
The breakdown by sex for those who approved the budget request were 45% men (n=x), 55% women (n=20), and for those who disapproved of the request was 65% were men and 35% were women. Results indicated that the scenario was realistic (M = 5.45, SD = 1.50) and that participants believed this scenario presented an ethical decision (M = 4.70, SD = 1.60). The key variable correlations are included in Table 1.

Figure 8. Histogram of Approval Intent
Figure 9. Histogram of Approval Decision

Table 1. Key Variable Descriptive Statistics and Correlations

<table>
<thead>
<tr>
<th>Variable</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Approval Intent</td>
<td>3.14</td>
<td>1.74</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Tension</td>
<td>4.55</td>
<td>1.23</td>
<td>0.05</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Self-Benefit</td>
<td>4.05</td>
<td>1.61</td>
<td>0.14</td>
<td>0.18</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Compliance Pressure</td>
<td>1.55</td>
<td>0.5</td>
<td>0.21</td>
<td>.25</td>
<td>-0.07</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2=High, 1=Low)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Level of GOVT</td>
<td>1.58</td>
<td>0.91</td>
<td>-0.15</td>
<td>0.06</td>
<td>-0.09</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Gender</td>
<td>1.63</td>
<td>0.49</td>
<td>-0.07</td>
<td>0.00</td>
<td>-0.01</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 Age</td>
<td>3.12</td>
<td>0.96</td>
<td>-0.20</td>
<td>-0.10</td>
<td>0.08</td>
<td>-0.16</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 Status</td>
<td>1.84</td>
<td>0.86</td>
<td>-0.14</td>
<td>0.07</td>
<td>0.02</td>
<td>-.48</td>
<td>.29</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 Agency Tenure</td>
<td>16.1</td>
<td>9.65</td>
<td>-0.17</td>
<td>0.06</td>
<td>0.16</td>
<td>0.13</td>
<td>.32</td>
<td>-.32</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 Position Tenure</td>
<td>13.1</td>
<td>8.05</td>
<td>-0.21</td>
<td>-0.05</td>
<td>0.12</td>
<td>-.25</td>
<td>.51</td>
<td>.51</td>
<td>.04</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 GVT and Pos Tenure</td>
<td>13.1</td>
<td>8.66</td>
<td>-.31</td>
<td>-.18</td>
<td>0.09</td>
<td>.39</td>
<td>-.12</td>
<td>.59</td>
<td>.46</td>
<td>0.12</td>
<td>.73</td>
<td></td>
</tr>
</tbody>
</table>

Note. N = 77. *p<.05; **p<.01 (two tailed)
Hypothesis Testing

Hypothesis 1 states that social pressure would increase tension. PROCESS-aided regression analysis examined the effect of social pressure on self-reported tension. Social pressure had a significant positive relationship with tension (b = .60, SE = .27, p = .032) (see Appendix A for exact output). Therefore, Hypothesis 1 is supported (see Table 2).

Table 2. Regression Analysis Summary for Variables Predicting Tension

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>SE</th>
<th>95% CI</th>
<th>β</th>
<th>t</th>
<th>p</th>
<th>F (1,75)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Pressure</td>
<td>0.60</td>
<td>0.28</td>
<td>[.085, 1.142]</td>
<td>0.25</td>
<td>0.03</td>
<td>0.03</td>
<td>4.76</td>
</tr>
</tbody>
</table>

Hypothesis 2 states that self-benefit judgment moderates the indirect effect of social pressure on approval intent mediated by tension, such that tension triggered by social pressure will positively affect approval intent when self-benefit judgment is high but a negative effect on approval intent when self-benefit judgment is low. Using PROCESS (Model 14), I found that tension does interact with self-benefit judgment to predict approval intent at both the high (+1 SD) level (effect = .51, SE = .24, p = .036) and the low (-1 SD) level of self-benefit judgment (effect = -.99, se = .34, p = .005). The index of moderated mediation was positive (Index = .24, BootSE = .14, Boot 95%CI = [.01, .54]) (see Appendix B for the exact output). However, I found that tension had only a partial indirect effect on the relationship between social pressure and approval intent. The effect of social pressure on approval intent through tension with high self-interest judgment is not significant (indirect effect = .33, BootSE = .24, Boot95%CI [-.07, .87]) whereas when self-benefit judgment is low, the indirect effect of social pressure on approval intent through tension is significant (indirect effect = -.64, BootSE = .39, Boot95%CI [-1.53, -.03]) Therefore, Hypothesis 2 is partially supported (see Table 3).
Hypothesis 3 states that approval intent has a positive relationship with the approval decision. Using PROCESS (Model 91) (see Appendix C for the exact output), I found approval intent has a positive relationship with the approval decision (b = 2.46, SE = .70, p = .001) when controlling for social pressure, tension, self-benefit judgment, and the interaction between tension and self-benefit judgment. Therefore, Hypothesis 3 is supported (see Figure 10).

**Table 3. Regression Analysis Summary for Variables Predicting Approval Intent**

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>SE</th>
<th>95% CI</th>
<th>t</th>
<th>p</th>
<th>F(4, 69)</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>10.47</td>
<td>3.02</td>
<td>[4.46, 16.50]</td>
<td>3.47</td>
<td>0.00</td>
<td>3.66</td>
<td>0.01</td>
</tr>
<tr>
<td>Social Pressure</td>
<td>0.48</td>
<td>0.40</td>
<td>[-0.32, 1.28]</td>
<td>1.19</td>
<td>0.24</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tension</td>
<td>-1.73</td>
<td>0.57</td>
<td>[-2.86, -0.60]</td>
<td>-</td>
<td>0.00</td>
<td>3.06</td>
<td>0.01</td>
</tr>
<tr>
<td>Self-Benefit Judgment</td>
<td>-1.93</td>
<td>0.63</td>
<td>[-3.06, -0.51]</td>
<td>-</td>
<td>0.01</td>
<td>2.79</td>
<td></td>
</tr>
<tr>
<td>Tension x Self-Benefit Judgment</td>
<td>0.38</td>
<td>0.12</td>
<td>[0.14, 0.61]</td>
<td>3.12</td>
<td>0.00</td>
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**Figure 10. Regression Analysis for Variables Predicting Approval Decision**
Hypothesis 4 states that self-benefit judgment moderates the indirect effect of social pressure on the approval decision mediated serially by tension and approval intent, such that tension triggered by social pressure will have a positive effect on approval intent and decision when self-benefit judgment is high but a negative effect on approval intent and decision when self-benefit judgment is low. Using PROCESS (Model 91) (see Appendix D for the exact output), self-benefit judgment moderates the entire sequential mediation model (index = .60, BootSE = 4.34, Boot95%CI [.05, 14.80]). The effect of social pressure on approval intent through tension is significant at the low level of self-benefit judgment (indirect effect = -1.31, BootSE = 9.74, Boot95CI [-31.44, -.11]) but not significant at the high level of self-benefit judgment (indirect effect = .62, BootSE = 5.04, Boot95%CI [-.38, 15.75]). The interaction effect was plotted and is displayed in Figure 11.

Figure 11. Interaction Effect Plot on Approval Intent
The slope for low self-benefit judgement indicates is negative, indicating a negative relationship between tension and approval intent. The slope for high self-benefit judgment is non-significant, indicating no meaningful relationship between tension and approval intent. Therefore, Hypothesis 4 was partially supported as shown in Figure 11, for which the results were generated using PROCESS Model 91. *<.05, ** p<.01 (two tailed).

**Key Results – Robustness Checks**

I conducted analyses with PROCESS (Model 91) with each of the covariate variables (see Table 4). There were no significant changes between these variables in the main model. Findings suggest that age was negatively associated approval intent (b = -.43, se = .20, p = .038). Cheating was positively associated with tension (b = .25, se = .08, p = .004) and negatively associated with approval intent (b = -.35, se = .13, p = .008).

**Table 4. Results of Robustness Checks**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Tension B</th>
<th>SE (95% CI)</th>
<th>App Intent B</th>
<th>SE (95% CI)</th>
<th>App Decision B</th>
<th>SE (95% CI)</th>
</tr>
</thead>
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<tr>
<td>Affective Commitment</td>
<td>0.20</td>
<td>.12 [-.04, .45]</td>
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<td>.17 [-.44, .25]</td>
<td>0.08</td>
<td>.55 [-1.00, 1.17]</td>
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<td>.18 [-.19, .52]</td>
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<td>.25 [-.80, .19]</td>
<td>0.16</td>
<td>.62 [-1.05, 1.37]</td>
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<tr>
<td>Extroversion</td>
<td>-0.09</td>
<td>.13 [-.34, .16]</td>
<td>0.03</td>
<td>.17 [-.32, .37]</td>
<td>-0.48</td>
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</tr>
<tr>
<td>Agreeableness</td>
<td>0.07</td>
<td>.15 [-.22, .37]</td>
<td>-0.19</td>
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<td>-0.75</td>
<td>.70 [-2.11, .61]</td>
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<tr>
<td>Conscientiousness</td>
<td>0.19</td>
<td>.14 [-.10, .47]</td>
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<td>Neuroticism</td>
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<td>0.22</td>
<td>.19 [-.36, .22]</td>
<td>0.96</td>
<td>.65 [-.67, 1.90]</td>
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<td>.28 [-.76, .34]</td>
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<td>0.13</td>
<td>[0.42, 0.70]</td>
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CHAPTER FIVE:
DISCUSSION AND CONCLUSION

This study examined how social pressure influenced budget managers making ethical decisions in public accounting. The results indicate complex relationships among social pressure, tension, approval intent, and the approval decision than expected. This study revealed that individuals are self-interested in making an intentional, morally charged approval decision. Unlike previous studies, my experimental study revealed no relationship between organizational or professional commitment and approval intent or the approval decision.

The current study found that participants experienced tension in response to social pressure, which made them self-focused and used their self-interest judgment to guide their intentional decision to approve the requested budgetary slack. Notably, when individuals considered compliance with the requested budgetary slack to be less (vs. more), not self-beneficial, they are less (vs. more) likely to approve that request. These findings are aligned with MUT, suggesting that individuals are self-interested in making the morally charged decision to approve the requested budgetary slack.

This study looked at potential antecedents of budgetary slack in public organizations. Budgetary slack presents a problem in public budgeting because of the scarcity of resources and the cumbersome administration. Often, budget managers must decide to support a program at the expense of another, which could jeopardize future spending requirements.
Key Findings

This study shows that respondents felt tense in response to the comptroller’s pressure for approving the requested budgetary slack because there was a moral conflict. In addition, findings suggest that once the budget manager experienced tension because of the conflict, they calculated which decision was best for their self-interest. Self-benefit judgment governs how budget managers react to their experienced tension in making theory intentional approval decisions; in this sense, self-benefit judgment operates like a railroad junction switch, as previously mentioned. The switch steers the direction of the intentional decision. If the approval is not in the budget manager’s self-interest, the budget manager will be associated with a lower approval intent. However, if the approval is in the budget manager’s self-interest, the budget manager’s experienced tension does not have a meaningful effect on the approval intent. Thus, intent was the main predictor of the behavior.

This was an unexpected finding in a government environment. Experience suggests that budget managers make these decisions objectively, prioritizing requirements through an open process. However, instead the budget manager includes their interest in the decision-making process. We would also expect a government budget manager to be less susceptible to pressure but found an increase in perceived tension when the manager demanded compliance. We also found that this is a realistic scenario, so many government managers have faced a similar situation in their careers. This finding is counter to the literature on public service motivation. This SF would cause people to ask themselves how and to what extent they perceive conforming to the request of creating budgetary slack as beneficial to themselves. Budget managers evaluate the utility of each option to choose the alternative with the highest score despite the moral consequences. This result is consistent with SF and MUT.
Other Findings

Previous research suggests that a budget manager committed to the organizational goals may interpret meeting those goals as their moral obligations despite their responsibility to the public to spend funds per set priorities. Contrary to previous findings, there was no relationship between organizational or professional commitment and approval intent or the approval decision. Social pressure may have overpowered organizational commitment in shaping approval intent. This may be the primary reason why the results were different is mostly in experiment design. The study targeted government workers and not private-sector workers, which were the sample in previous studies. The experimental vignette foundations were from Davis et al. (2006) based on a private sector employee survey, but there was a key difference in the dependent variable. For this study, participants were asked the likelihood that they would create slack, whereas previous studies asked participants to assign a dollar value to the budget request. The researcher would then interpret whether those values were considered budgetary slack. There may be other factors that could have more influence over the behavior instead of organizational commitment. Collins (1978) posited that personality traits affected attitudes towards budgeting, and age, tenure, and organizational status were not correlated.

This study looked at the exploratory variables and intent to create budgetary slack. The study included the Big 5 traits of agreeableness, conscientiousness, neuroticism, imagination, and extroversion. Conscientiousness is the only trait that previous research supported a relationship with the creation of budgetary slack. Purti (2013) found evidence that people who demonstrated a high degree of conscientiousness contribute and make decisions in the budget process. There was a lack of extant literature between the other four variables and budgetary slack. This study did not find any meaningful relationship between personality traits and
budgetary slack. This finding was unexpected because there are examples in previous research of personality traits impacting decision-making in budgeting. Hartmann (2010) found that personality traits were mediating the relationship between pressure and budgetary slack creation. The lack of a similar finding in my study with a small sample size suggests further research is required.

**Discussion of Findings**

**Practical Implications**

These findings beg the question of how government accountants entangle their self-interest with the budgeting process. There could be several reasons why this phenomenon would occur. Embedded budget managers may feel a sense of responsibility to approve these requests in response to pressure and culture at the unit. Budget managers may also choose to engage in unethical conduct if they perceive a poor evaluation, affecting promotion and cash bonuses, although those sanctions are unlikely in many government environments. However, some of the respondents in this study indicated they would approve the request to avoid punishment.

MUT stresses the importance of motivation in the ethical decision-making process and suggests that motivation alone is not sufficient to avoid unethical actions. Hirsh et al. (2018) does suggest some practical strategies to fix ethical problems, which can be adapted for budget managers. The first strategy is to monitor budget managers during periods of “high-stakes performance”, such as the final month or quarter of the fiscal year. The tone the organization, sets influences directly how the managers act. Organizations need to be cautious if they define how much funding to spend by a specific date. They want to avoid budget managers approving requests with blindness towards proper stewardship of taxpayer funding. Organizations should
dedicate resources to scrutinize the process or publish job aids to assist their managers in insufficient staffing or a lack of appropriate accounting information systems.

Another strategy is to integrate ethical principles into the decision-making process to meet performance goals. Appropriation laws were briefly discussed in the introduction, which are the primary management control for governmental accountants. However, appropriation law often applies to higher-level segments and not to the daily project spending limits. Overall, flexibility is invaluable to an organization to remain nimble at the end of a fiscal year and respond to emergent needs. Budget managers need to consider both the legal limits and project requirements. An accountant should not approve a budget request unless it is legal and necessary to perform the mission.

Another widely employed method by government and professional organizations is to provide ethics training for their employees. There are often annual ethics training requirements for federal agencies and for maintaining professional certifications such as the Certified Government Financial Manager (CGFM) or Certified Defense Financial Manager (CDFM) designations. Organizations should also emphasize objectivity in these training sessions. Objectivity training could minimize the conditional effects of self-benefit judgment in these situations. This training includes appropriate discussions of ethical violations in both public and private organizations. Some of the recent subjects of these discussions have been the ENRON/Author Andersen scandal, Waste Management, and WorldCom, to name a few examples. This training should also include a job aid for budget managers to consider before making budget approval decisions. An additional part of this strategy is assessing and promoting ethics-focused personnel evaluation and compensation systems (Hirsh et al., 2018). Ethics are integrated into the military officer evaluation system under the responsibility assessment. The
definition of responsibility on the evaluation form is acting ethically, courageously, and dependably and inspiring the same in others. In this study, over 74% of the budgeting personnel surveyed did not approve the unethical request, so training has been effective.

In addition, this study provides a framework for ethical decision-making for budget managers across business and government sectors. MUT can apply to any ethical decision-making, which typically has an element of pressure involved. The previous research was based on pressure and psychological traits that may influence the decision. These results present a new approach and theoretical perspective about why people make ethical decisions or refrain from unethical decisions. The study extended slack budget literature to the public sector and extended pressure literature to integrate self-focus into the decision model. Budget managers may approve a morally questionable request if doing so supports their self-interest. Tension preceded by pressure causes this inward focus in collaboration with the MUT. This study extends the literature on MUT, adding a person’s self-interest into the SEU calculation in the process of ethical decision-making.

**Contribution to Practice**

Unlike previous studies, government employees perceive themselves as less willing to approve these kinds of requests. It is difficult to reconcile the respondents’ responses with actual budget results. A large percentage of government spending occurs towards the end of the fiscal year, which could mean funds were allocated above requirement levels during the budget process. Government entities must take care of how they set up the environment and the tone during budget formulation. Supervisors of budget personnel should also observe if their personnel account for their self-interest in the budgeting process or any budget request. Supervisors of embedded employees should observe any affinity between those managers and
subordinates that would compromise their management control functions. Professional organizations like the Association of Governmental Accountants and the Institute of Management Accountants emphasize objectivity in their respective standards of behavior. The standard is vital to reduce practices like budgetary slack and champion ethical decision-making as public resource stewards.

**Limitations and Recommendations for Future Research**

**Study Limitations**

The survey did not include an equal number of respondents from the different levels of government, so it was difficult to see if there was a difference between the groups. The number and specialty of respondents also limited the statistical power among the variables, which produced small effect sizes. Variables like tension and particularly self-benefit judgment were based on a single item and not an extensive scale. Any findings of causality between tension, approval intent, and the approval decision are preliminary. Future researchers should use more extensive scales to support the construct. Another measurement error may be bias in survey responses because budget managers want to reflect their ideal self when responding to potential ethics questions or scenarios (Brenner & DeLamater, 2016). Some elements in the scenario could be changed to provoke a more vigorous response, such as the budget request amount. Some participants indicated that the dollar amount requested over the requirement was insufficient to provoke an unethical decision.
Future Research

This study supports the future paths of research. Future research should explore the effect of organizational or group affinity to find other variables that moderate or mediate the relationship between tension and approval intent. Previous research suggested that organizational commitment is a vital variable in ethical decision-making. Although this study did not support prior findings, this issue deserves further examination. This study did not account for group dynamics or interplay in the decision to approve the request. For example, suppose that the budget manager has loyalty for a smaller group. The person may approve an otherwise unethical request to align themselves with personal relationships or group goals.
REFERENCES


https://doi.org/10.1093/oxfordjournals.jpart.a024303


### Appendix A: Hypothesis 1 SPSS Output

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a. Dependent Variable: tension
Appendix B: Hypothesis 2 SPSS Output

Run MATRIX procedure:

************************** PROCESS Procedure for SPSS Version 3.5.3 ******************

Written by Andrew F. Hayes, Ph.D. www.afhayes.com

*****************************************************************************
Model : 1
  Y : Approval Intent
  X : Tension
  W : Self-Benefit Judgment

Covariates:
Social Pressure

Sample
Size: 74

*****************************************************************************
OUTCOME VARIABLE:
Q5LIKELY

Model Summary

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Product terms key:
Int_1 : tension x self-benefit

Test(s) of highest order unconditional interaction(s):

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Focal predict tension
Mod var: self-benefit judgment (W)

Conditional effects of the focal predictor at values of the moderator(s):

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Data for visualizing the conditional effect of the focal predictor:
Paste text below into a SPSS syntax window and execute to produce plot.

DATA LIST FREE/
  tension       SBJ   App Intent   .
BEGIN DATA.
  -1.2296 -1.6124     4.1456
  .0000  -1.6124     3.1371
  1.2296 -1.6124     2.1287
  -1.2296 .0000      3.2692
  .0000  .0000      3.0042
  1.2296 .0000      2.7393
  -1.2296 1.6124     2.3928
  .0000  1.6124      2.8713
  1.2296 1.6124      3.3498
END DATA.
GRAPH/SCATTERPLOT=
  Tension, approval intent, SBJ

*************** ANALYSIS NOTES AND ERRORS **********************

Level of confidence for all confidence intervals in output:
95.0000

W values in conditional tables are the mean and +/- SD from the mean.

NOTE: The following variables were mean centered prior to analysis:
SBJ tension

WARNING: Variables names longer than eight characters can produce incorrect output when some variables in the data file have the same first eight characters. Shorter variable names are recommended. By using this output, you are accepting all risk and consequences of interpreting or reporting results that may be incorrect.

------ END MATRIX ------
Appendix C: Hypothesis 2 SPSS Output

Run MATRIX procedure:

*************** PROCESS Procedure for SPSS Version 3.5.3 ***************

Written by Andrew F. Hayes, Ph.D.  www.afhayes.com

**************************************************************************
Model : 14
Y : Approval Intent
X : Social Pressure
M : Tension
W : SBJ
Sample
Size: 74
**************************************************************************
OUTCOME VARIABLE:
tension
Model Summary
R  R-sq  MSE  F  df1  df2  p
.2635  .0694  1.4266  5.3726  1.0000  72.0000  .0233

Model
coeff  se  t  p  LLCI  ULCI
constant  3.5344  .4558  7.7550  .0000  2.6258  4.4429
Social Press  .6475  .2793  2.3179  .0233  .0906  1.2043

**************************************************************************
OUTCOME VARIABLE:
Approval Intent
Model Summary
R  R-sq  MSE  F  df1  df2  p
.4183  .1750  2.6144  3.6584  4.0000  69.0000  .0092

Model
coeff  se  t  p  LLCI  ULCI
constant  10.4765  3.0171  3.4723  .0009  4.4575  16.4955
SP  .4781  .4010  1.1923  .2372  -.3218  1.2780
tension  -1.7357  .5679  -3.0564  .0032  -2.8686  -.6028
SBJ  -1.7851  .6395  -2.7914  .0068  -3.0608  -.5093
Int_1   .3750  .1201  3.1218  .0026  .1354  .6146

Product terms key:
Int_1 : tension x SBJ

Test(s) of highest order unconditional interaction(s):
R2-chng   F     df1   df2     p
M*W   .1165   9.7458  1.0000  69.0000     .0026
----------
Focal predict tension
Mod var: SBJ (W)

Conditional effects of the focal predictor at values of the moderator(s):

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*************** DIRECT AND INDIRECT EFFECTS OF X ON Y ***************

Direct effect of X on Y

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Conditional indirect effects of X on Y:

INDIRECT EFFECT:
SP -> tension -> approval intent

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Index of moderated mediation:

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<th>Index</th>
<th>BootSE</th>
<th>BootLLCI</th>
<th>BootULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBJ</td>
<td>.2428</td>
<td>.1365</td>
<td>.0144</td>
</tr>
</tbody>
</table>

*********************** ANALYSIS NOTES AND ERRORS ***********************

Level of confidence for all confidence intervals in output:
95.0000

Number of bootstrap samples for percentile bootstrap confidence intervals:
W values in conditional tables are the 16th, 50th, and 84th percentiles.

WARNING: Variables names longer than eight characters can produce incorrect output when some variables in the data file have the same first eight characters. Shorter variable names are recommended. By using this output, you are accepting all risk and consequences of interpreting or reporting results that may be incorrect.

------ END MATRIX ------
Appendix D: Hypothesis 3 and 4 SPSS Output

Run MATRIX procedure:

************* PROCESS Procedure for SPSS Version 3.5.3 *************

Written by Andrew F. Hayes, Ph.D.  www.afhayes.com

**************************************************************************
Model : 91
 Y : Approval Decision
 X : Social Pressure
 M1 : tension
 M2 : Approval Intent
 W : Self-Benefit Judgment

Sample
Size: 74

**************************************************************************
OUTCOME VARIABLE:
tension

Model Summary

R   R-sq    MSE    F      df1   df2      p
.2635 .0694 1.4266 5.3726  1.0000 72.0000 .0233

Model

coeff    se    t      p    LLCI    ULCI
constant -1.0062 .4558 -2.2077 .0305 -1.9147 -.0976
Social Press .6475 .2793 2.3179 .0233 .0906 1.2043

**************************************************************************
OUTCOME VARIABLE:
Approval Intent

Model Summary

R   R-sq    MSE    F      df1   df2      p
.4183 .1750 2.6144 3.6584  4.0000 69.0000 .0092

Model

coeff    se    t      p    LLCI    ULCI
constant 2.2613 .6453 3.5041 .0008 .9739 3.5487
Social   .4781 .4010 1.1923 .2372 -.3218 1.2780
tension -.2155 .1727 -1.2477 .2164 -.5600 .1291
SBJ  -.0824  .1459  -.5650  .5739  -.3735  .2087  
Int_1  .3750  .1201  3.1218  .0026  .1354  .6146

Product terms key:
Int_1 : tension x SBJ

Test(s) of highest order unconditional interaction(s):

<table>
<thead>
<tr>
<th>R2-chng</th>
<th>F</th>
<th>df1</th>
<th>df2</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>M1*W</td>
<td>.1165</td>
<td>9.7458</td>
<td>1.0000</td>
<td>69.0000</td>
</tr>
</tbody>
</table>

Focal predict: Q8_1TENS (M1)
Mod var: Q8_4SELF (W)

Conditional effects of the focal predictor at values of the moderator(s):

<table>
<thead>
<tr>
<th>SJB</th>
<th>Effect</th>
<th>se</th>
<th>t</th>
<th>p</th>
<th>LLCI</th>
<th>ULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>-1.6124</td>
<td>-.8201</td>
<td>.2990</td>
<td>-2.7424</td>
<td>.0078</td>
<td>-1.4167</td>
<td>-.2235</td>
</tr>
<tr>
<td>.0000</td>
<td>-.2155</td>
<td>.1727</td>
<td>-1.2477</td>
<td>.2164</td>
<td>-.5600</td>
<td>.1291</td>
</tr>
<tr>
<td>1.6124</td>
<td>.3892</td>
<td>.2127</td>
<td>1.8296</td>
<td>.0716</td>
<td>.8135</td>
<td>.1291</td>
</tr>
</tbody>
</table>

Data for visualizing the conditional effect of the focal predictor:
Paste text below into a SPSS syntax window and execute to produce plot.

```
DATA LIST FREE/
   Q8_1TENS   Q8_4SELF   Q5LIKELY   .
BEGIN DATA.
   -1.2296  -1.6124  4.1456
   .0000   -1.6124  3.1371
   1.2296  -1.6124  2.1287
   -1.2296   .0000  3.2692
   .0000   .0000  3.0042
   1.2296   .0000  2.7393
   -1.2296  1.6124  2.3928
   .0000  1.6124  2.8713
  1.2296  1.6124  3.3498
END DATA.
GRAPH/SCATTERPLOT=
   Q8_1TENS WITH Q5LIKELY BY Q8_4SELF .
**************************************************************************
OUTCOME VARIABLE:
Approval Decision

Coding of binary Y for logistic regression analysis:
Approval Intent  Analysis
   .00    .00

63
Model Summary

<table>
<thead>
<tr>
<th>-2LL</th>
<th>ModelLL</th>
<th>df</th>
<th>p</th>
<th>McFadden</th>
<th>CoxSnell</th>
<th>Nagelkrk</th>
</tr>
</thead>
<tbody>
<tr>
<td>28.3227</td>
<td>55.9836</td>
<td>3.0000</td>
<td>.0000</td>
<td>.6640</td>
<td>.5307</td>
<td>.7805</td>
</tr>
</tbody>
</table>

Model

<table>
<thead>
<tr>
<th>coeff</th>
<th>se</th>
<th>Z</th>
<th>p</th>
<th>LLCI</th>
<th>ULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>constant</td>
<td>-6.2556</td>
<td>2.1572</td>
<td>-2.8999</td>
<td>.0037</td>
<td>-10.4837</td>
</tr>
<tr>
<td>SP</td>
<td>-2.9372</td>
<td>1.4014</td>
<td>-2.0960</td>
<td>.0361</td>
<td>-5.6838</td>
</tr>
<tr>
<td>tension</td>
<td>.7005</td>
<td>.5570</td>
<td>1.2577</td>
<td>.2085</td>
<td>-.3912</td>
</tr>
<tr>
<td>Approval Intent</td>
<td>2.4627</td>
<td>.6957</td>
<td>3.5399</td>
<td>.0004</td>
<td>1.0992</td>
</tr>
</tbody>
</table>

These results are expressed in a log-odds metric.

****************** DIRECT AND INDIRECT EFFECTS OF X ON Y ******************

Direct effect of X on Y

<table>
<thead>
<tr>
<th>Effect</th>
<th>se</th>
<th>Z</th>
<th>p</th>
<th>LLCI</th>
<th>ULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>-2.9372</td>
<td>1.4014</td>
<td>-2.0960</td>
<td>.0361</td>
<td>-5.6838</td>
<td>-.1906</td>
</tr>
</tbody>
</table>

Conditional and unconditional indirect effects of X on Y:

INDIRECT EFFECT:

Social Pressure -> Approval Intent

<table>
<thead>
<tr>
<th>Effect</th>
<th>BootSE</th>
<th>BootLLCI</th>
<th>BootULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>.4536</td>
<td>5.1579</td>
<td>-.7945</td>
<td>10.3501</td>
</tr>
</tbody>
</table>

INDIRECT EFFECT:

Social Pressure -> Approval Intent -> Approval Decision

<table>
<thead>
<tr>
<th>Effect</th>
<th>BootSE</th>
<th>BootLLCI</th>
<th>BootULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1773</td>
<td>8.1516</td>
<td>-1.3430</td>
<td>23.2438</td>
</tr>
</tbody>
</table>

INDIRECT EFFECT:

Social Pressure -> tension -> Approval Intent -> Approval Decision

<table>
<thead>
<tr>
<th>SBJ</th>
<th>Effect</th>
<th>BootSE</th>
<th>BootLLCI</th>
<th>BootULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>-1.6124</td>
<td>-1.3076</td>
<td>9.7438</td>
<td>-31.4392</td>
<td>-.1081</td>
</tr>
<tr>
<td>.0000</td>
<td>-.3436</td>
<td>3.3630</td>
<td>-8.2776</td>
<td>.3060</td>
</tr>
<tr>
<td>1.6124</td>
<td>.6205</td>
<td>5.0410</td>
<td>-.3827</td>
<td>15.7513</td>
</tr>
</tbody>
</table>

Index of moderated mediation:

<table>
<thead>
<tr>
<th>Index</th>
<th>BootSE</th>
<th>BootLLCI</th>
<th>BootULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBJ</td>
<td>.5979</td>
<td>4.3355</td>
<td>.0540</td>
</tr>
</tbody>
</table>
Level of confidence for all confidence intervals in output:
95.0000

Number of bootstrap samples for percentile bootstrap confidence intervals:
5000

W values in conditional tables are the mean and +/- SD from the mean.

NOTE: The following variables were mean centered prior to analysis:
   SBJ tension

NOTE: Direct and indirect effects of X on Y are on a log-odds metric.

WARNING: Variables names longer than eight characters can produce incorrect output when some variables in the data file have the same first eight characters. Shorter variable names are recommended. By using this output, you are accepting all risk and consequences of interpreting or reporting results that may be incorrect.
Appendix E: IRB Approval

EXEMPT DETERMINATION

November 18, 2020

Ben Wroblewski
83 Division St
Groton, CT 06340

Dear Mr. Wroblewski:

On 11/17/2020, the IRB reviewed and approved the following protocol:

<table>
<thead>
<tr>
<th>Application Type:</th>
<th>Initial Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRB ID:</td>
<td>STUDY001834</td>
</tr>
<tr>
<td>Review Type:</td>
<td>Exempt 2 and 3</td>
</tr>
<tr>
<td>Title:</td>
<td>The perception of decision making in public budgeting: A federal budget experiment</td>
</tr>
<tr>
<td>Funding:</td>
<td>None</td>
</tr>
<tr>
<td>Protocol:</td>
<td>Wroblewski_Social-Behavioral Protocol.docx</td>
</tr>
</tbody>
</table>

The IRB determined that this protocol meets the criteria for exemption from IRB review.

In conducting this protocol, you are required to follow the requirements listed in the INVESTIGATOR MANUAL (HRP-103).

Please note, as per USF policy, once the exempt determination is made, the application is closed in BullsIRB. This does not limit your ability to conduct the research. Any proposed or anticipated change to the study design that was previously declared exempt from IRB oversight must be submitted to the IRB as a new study prior to initiation of the change. However, administrative changes, including changes in research personnel, do not warrant a modification or new application.

Ongoing IRB review and approval by this organization is not required. This determination applies only to the activities described in the IRB submission and does not apply should any changes be made. If changes are made and there are questions about whether these activities impact the exempt determination, please submit a new request to the IRB for a determination.

Institutional Review Boards / Research Integrity & Compliance
FWA No. 0001689
University of South Florida / 3702 Spectrum Blvd., Suite 165 / Tampa, FL 33612 / 813-974-8638

Page 1 of 2
Appendix F: Survey

Start of Block: Informed Consent

Informed Consent to Participate in Research
Title: The perception of decision making in public budgeting
Study #2027
Study Staff: This study is being led by Ben Wroblewski (bwroblewski@usf.edu) who is a doctoral student at the University of South Florida. This person is called the Principal Investigator. He is being guided in this research by Dr. Dejun Kong and Dr. Douglas Hughes.
Study Details: The purpose of the study is to find out what external influences and internal traits guide a government budget manager’s decision-making process. This survey should take less than 20 minutes to complete. Participants: You are being asked to take part because you have experience and expertise in the area of accounting and budgeting.
Voluntary Participation: Your participation is voluntary. You do not have to participate and may stop your participation at any time. There will be no penalties or loss of benefits or opportunities if you do not participate or decide to stop once you start.
Benefits, Compensation, and Risk: We do not know if you will receive any benefit from your participation. There is no cost to participate. This research is considered minimal risk.

Confidentiality: Even if we publish the findings from this study, we will keep your study information private and confidential. Anyone with the authority to look at your records must keep them confidential.
If you have questions about your rights, complaints, or issues as a person taking part in this study, call the USF IRB at (813) 974-5638 or contact the IRB by email at RSCH-IRB@usf.edu.
I freely give my consent to take part in this study. I understand that by proceeding with this survey, I am agreeing to take part in this research, and I am 18 years of age or older. Please choose "I consent" below to continue.

☐ I consent (11)

☐ I do not consent (12)

Skip To: End of Survey If Informed Consent to Participate in Research  Title: The perception of decision making in public... = I do not consent

End of Block: Informed Consent

Start of Block: Demographics
GVT Level What level of government do you or did you work for?

- Federal (1)
- State (2)
- Local/Municipal/County (3)
- N/A - Have not worked in Government (4)
- Other - Please specify below (5)

Gatekeeper Question Did you or are you serving in a finance/budget/accounting position?

- Yes (1)
- No (2)

Federal Level What level of government are you or did you serve in if applicable?

- Headquarters (4)
- Service Center (5)
- Field Unit/Office (6)
- Not Applicable (7)

Agency What federal agency, state agency or municipal organization are you or did you work for?

________________________________________________________________________
Gender Do you identify as male, female, or other?

- Male (1)
- Female (2)
- Non-binary (3)
- Prefer not to say (4)

Age Please indicate your age range.

- 20-30 (1)
- 30-40 (2)
- 40-50 (3)
- 50-60 (4)
- 60+ (5)

Status Are you or were you a member of the uniformed services or civilian employee if applicable?

- Uniformed Service Member (1)
- Federal Civilian Employee (2)
- Other (3)
- I worked both in uniform and civilian service (4)
Agency Tenure How many years have you been with your current agency?

________________________________________________________________

Position Tenure How many years have you served in a budget or finance position?

________________________________________________________________

GVT and Pos Tenure How many years have you served in a budget or finance position within the government?

________________________________________________________________

End of Block: Demographics

Start of Block: Pre-Scenario Questions
Q1 When thinking of yourself in general, please indicate your level of agreement for the following statements from "strongly disagree" to "strongly agree".
<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree (1)</th>
<th>Disagree (2)</th>
<th>Somewhat disagree (3)</th>
<th>Neither agree nor disagree (4)</th>
<th>Somewhat agree (5)</th>
<th>Agree (6)</th>
<th>Strongly agree (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am the life of the party.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I sympathize with others’ feelings.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I get chores done right away.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have frequent mood swings.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have a vivid imagination.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I don’t talk a lot.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(6)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am not interested in other people’s problems.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(7)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I often forget to put things back in their proper place.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(8)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am relaxed most of the time.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(9)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am not interested in abstract ideas.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(10)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statement</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>I talk to a lot of different people at parties. (11)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I feel others’ emotions. (12)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I like order. (13)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I get upset easily. (14)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have difficulty understanding abstract ideas. (15)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I keep in the background. (16)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am not really interested in others. (17)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I make a mess of things. (18)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I seldom feel blue. (19)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I do not have a good imagination. (20)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Q2 Please indicate your level of agreement for the following statements from "strongly disagree" to "strongly agree".
<table>
<thead>
<tr>
<th>I definitely want to continue my career in this profession. (1)</th>
<th>Strongly Disagree (1)</th>
<th>Disagree (2)</th>
<th>Somewhat disagree (3)</th>
<th>Neither agree nor disagree (4)</th>
<th>Somewhat agree (5)</th>
<th>Agree (6)</th>
<th>Strongly agree (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>If I could do it all over again, I would not choose to work in this profession. (2)</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
</tr>
<tr>
<td>If I had all the money, I needed without working, I would probably still continue to work in this profession. (3)</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
</tr>
<tr>
<td>I like this profession too well to give it up. (4)</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
</tr>
<tr>
<td>This is the ideal profession for my life’s work. (5)</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
</tr>
</tbody>
</table>
I am disappointed that I ever entered this profession.
Q3 Please indicate your level of agreement for the following statements from "strongly disagree" to "strongly agree".
<table>
<thead>
<tr>
<th>Strongly Disagree (8)</th>
<th>Disagree (9)</th>
<th>Somewhat disagree (10)</th>
<th>Neither agree nor disagree (11)</th>
<th>Somewhat agree (12)</th>
<th>Agree (13)</th>
<th>Strongly agree (14)</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is okay to spread rumors to defend those you care about. (1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Taking something without the owner’s permission is okay as long as you’re just borrowing it. (2)</td>
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<tr>
<td>Considering the ways people grossly misrepresent themselves, it’s hardly a sin to inflate your own credentials a bit. (3)</td>
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</tbody>
</table>
People shouldn’t be held accountable for doing questionable things when they were just doing what an authority figure told them to do. (4)

People can’t be blamed for doing things that are technically wrong when all their friends are doing it too. (5)

Taking personal credit for ideas that were not your own is no big deal. (6)

Some people have to be treated roughly because they lack feelings that can be hurt. (7)
People who get mistreated have usually done something to bring it on themselves. (8)
Q4 Please indicate your agreement with the following statements using the following scale. Note: Organization is defined as the agency you are working for.
<table>
<thead>
<tr>
<th>Strongly disagree (1)</th>
<th>Disagree (2)</th>
<th>Somewhat disagree (3)</th>
<th>Neither agree nor disagree (4)</th>
<th>Somewhat agree (5)</th>
<th>Agree (6)</th>
<th>Strongly agree (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>This organization has a great deal of personal meaning for me.</strong> (1)</td>
<td>[ ]</td>
<td>[ ]</td>
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<td>[ ]</td>
</tr>
<tr>
<td><strong>I do not feel &quot;emotionally attached&quot; to this organization.</strong> (2)</td>
<td>[ ]</td>
<td>[ ]</td>
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<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td><strong>I do not feel a strong sense of &quot;belonging&quot; to my organization.</strong> (3)</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
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<td>[ ]</td>
</tr>
<tr>
<td><strong>I feel that I have too few options to consider leaving this organization.</strong> (4)</td>
<td>[ ]</td>
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</tr>
<tr>
<td><strong>One of the few serious consequences of leaving this organization would be the scarcity of available alternatives.</strong> (5)</td>
<td>[ ]</td>
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<td>[ ]</td>
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</tr>
</tbody>
</table>
Right now, staying with my organization is a matter of necessity as much as desire. (6)

I think that people these days move from company to company too often. (7)

Jumping from organization to organization does not seem at all unethical to me. (8)

One of the major reasons I continue to work for this organization is that I believe that loyalty is important and therefore feel a sense of moral obligation to remain. (9)
I do not feel like 'part of the family' at my organization (10)

It would be very hard for me to leave my organization right now, even if I wanted to. (11)

Things were better in the days when people stayed with one organization for most of their careers. (12)

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QX Please select Extremely happy as the answer to this question.

- Extremely unhappy (14)
- Somewhat unhappy (15)
- Neither happy nor unhappy (16)
- Somewhat happy (17)
- Extremely happy (18)
Experimental Task Budget Request Approval
Please assume you are a budget manager in your level of a government budget approval process. You report directly to the comptroller, who evaluates your performance and determines your annual raises and promotions. Your current responsibilities are to provide ad hoc reporting, analyses, and budget recommendations. Also, you are responsible for enforcing organization-wide fiscal policies. It is common knowledge in your division that budget estimations reflect accurate costs from previous years. There is a mentality within the organization to scrutinize budget requests to properly steward taxpayer funds and preserve the integrity of the budget process. Meeting budgeted spending goals is considered necessary for two reasons. First, the chances of additional funding during the fiscal year are low. Second, the division is responsible for maintaining a service level to the client and ultimately serve the public.

This year there is a budget request for $1.2 million to provide maintenance on a current radio system. This project has spent an average of 90% of the funds allocated in the last few years and does not denote on the request the reason for the additional funds. $1.2 million was the amount appropriated to the project three years ago, and the project team has consistently requested the full amount despite fund reductions in the total budget base. The project has the support of the program manager and the client in the maximum amount.

Just after the start of this year’s budgeting process, the budget director called a teleconference to discuss a new budget policy. During the teleconference, the Budget Director discussed a newly issued memorandum stating that, because of a recent allocation cut, spending budgets must be as accurate as possible, and project managers should expect to take a high-risk position with funding. Specifically, the director stated the budgeted spending levels should represent “a fair and equitable estimate to meet organizational goals.”

At the end of the meeting, the comptroller pulls you aside and says: “In light of the new budget policy, I leave it to you to approve as much of the $1.2 million budget request as you feel is appropriate. We would like to protect the project against allocation cuts and to ensure the same amount of funding is available next year. Budgeting anything less than last year’s budget would significantly increase the chance of us coming in over budget, putting the project at risk, and reflecting poorly on us. However, the decision is yours to make.”

Actual versus Budgeted Spending
Project Spending               2017    2018    2019
Budgeted Spending      1,200,000 1,200,000 1,200,000
Actual Spending       1,068,000 1,092,000 1,080,000
% under (over) budget 11%    9%    10%
Experimental Task  Budget Request Approval

Please assume you are a budget manager in your level of a government budget approval process. You report directly to the comptroller, who evaluates your performance and determines your annual raises and promotions. Your current responsibilities are to provide ad hoc reporting, analyses, and budget recommendations. Also, you are responsible for enforcing organizational-wide fiscal policies.

It is common knowledge in your division that budget estimations have not changed significantly from year to year and have routinely exceeded 10 percent of the actual cost. There is a mentality within the division and in other divisions to ask for additional funds to protect the projects against allocation cuts and to protect future allocations. Meeting budgeted spending goals is considered necessary for two reasons. First, the chances of additional funding during the fiscal year are low. Second, the division is responsible for maintaining a service level to the client and ultimately serve the public.

This year there is a budget request for $1.2 million to provide maintenance on a current radio system. This project has an average spend down the rate of 90% of the budget in the last few years and does not denote on the request the reason for the additional funds. $1.2 million was the amount appropriated to the project three years ago, and the project team has consistently requested the full amount despite fund reductions in the total budget base. The project has the support of the program manager and the client in the maximum amount.

Just after the start of this year’s budgeting process, the budget director called a teleconference to discuss a new budget policy. During the teleconference, the division officer discussed a newly issued memorandum from the organization’s director stating that, because of recent allocation cuts, spending budgets must be as accurate as possible. There will be a risk that emerging issues cannot be addressed. Specifically, the director’s memorandum stated that the budgeted spending levels should represent “a fair and equitable estimate to meet organizational goals.”

At the end of the meeting, the comptroller pulls you aside and says: “Despite the new budget policy, I want you to approve the full $1.2 million budget request. We need to protect the project against allocation cuts and to ensure the same amount of funding is available next year. Budgeting anything less than last year’s budget would significantly increase the chance of us coming in over budget, putting the project at risk, and reflecting poorly on us.”

<table>
<thead>
<tr>
<th>Actual versus Budgeted Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Spending</td>
</tr>
<tr>
<td>Budgeted Spending</td>
</tr>
<tr>
<td>Actual Spending</td>
</tr>
<tr>
<td>% under (over) budget</td>
</tr>
</tbody>
</table>

End of Block: Scenario 2

Start of Block: Post Scenario Questions
Q5 Based on the information presented, and the fact that you report directly to the comptroller in this scenario, how likely are you to approve this budget request?

- Extremely unlikely (58)
- Moderately unlikely (59)
- Slightly unlikely (60)
- Neither likely nor unlikely (61)
- Slightly likely (62)
- Moderately likely (63)
- Extremely likely (64)

Q6 What is your decision on this budget request in this scenario?

- Disapprove (1)
- Approve (2)

Q7 What were some important factors for your decision in this scenario? (Please describe your thoughts in necessary detail.)

Q8 Please answer the following questions regarding the budget recommendation scenario.
<table>
<thead>
<tr>
<th>Far too little (1)</th>
<th>Moderately too little (2)</th>
<th>Slightly too little (3)</th>
<th>Neither too much nor too little (4)</th>
<th>Slightly too much (5)</th>
<th>Moderately too much (6)</th>
<th>Far too much (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>How much tension are you feeling after being asked to conform to the request from the comptroller in this scenario? (1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How much stress are you feeling after being asked to conform to the request from the comptroller in this scenario? (4)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>To what extent do you perceive conforming to the request of creating budgetary slack as beneficial to the organization in this scenario? (5)</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

88
To what extent do you perceive conforming to the request of creating budgetary slack as beneficial to yourself in this scenario? (13)

To what extent do you perceive conforming to the request of creating budgetary slack as detrimental to the organization in this scenario? (6)

To what extent do you perceive conforming to the request of creating budgetary slack as detrimental to yourself in this scenario? (9)
To what extent do you feel like cheating if you conform to the request from the comptroller in this scenario? (10)

To what extent do you feel like violating your professional ethics if you conform to the request from the comptroller in this scenario? (7)

To what extent do you feel like being loyal to the organization if you conform to the request from the comptroller in this scenario? (8)
To what extent do you feel like being obedient to the organization's authority if you conform to the request from the comptroller in this scenario? (11)

To what extent do you feel like following the organization's tradition or convention if you conform to the request from the comptroller in this scenario? (12)
Q9 Please answer the following questions regarding the budget recommendation scenario.

<table>
<thead>
<tr>
<th>Far too little (25)</th>
<th>Moderately too little (26)</th>
<th>Slightly too little (27)</th>
<th>Neither too much nor too little (28)</th>
<th>Slightly too much (29)</th>
<th>Moderately too much (30)</th>
<th>Far too much (31)</th>
</tr>
</thead>
</table>

To what extent would the comptroller's pressure to create budgetary slack negatively affect your confidence in your judgment of the appropriateness of approving such a request? (1)

To what extent would the comptroller's pressure to create budgetary slack negatively affect your confidence in your understanding of an appropriate response to such a request? (2)
Q10 Based on what the comptroller told me at the end of the meeting (in this scenario), to what extent did the comptroller provide pressure to create an inflated budget request

- None at all (20)
- A little (21)
- A moderate amount (22)
- A lot (23)
- A great deal (24)
Q11 Please indicate your agreement with the following statements using the following scale. Note: Organization is defined the agency you are working for.

<table>
<thead>
<tr>
<th>Strongly disagree (1)</th>
<th>Disagree (2)</th>
<th>Somewhat disagree (3)</th>
<th>Neither agree nor disagree (4)</th>
<th>Somewhat agree (5)</th>
<th>Agree (6)</th>
<th>Strongly agree (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The comptroller is characteristic of this organization. (1)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>The comptroller and this organization have a lot in common. (2)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>This comptroller is representative of this organization. (3)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>This comptroller is typical of this organization. (4)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>
Q12 Please indicate your agreement with the following statements using the following scale:

<table>
<thead>
<tr>
<th>Strongly disagree (1)</th>
<th>Disagree (2)</th>
<th>Somewhat disagree (3)</th>
<th>Neither agree nor disagree (4)</th>
<th>Somewhat agree (5)</th>
<th>Agree (6)</th>
<th>Strongly agree (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is realistic that I might encounter a situation like the one described in the scenario. (1)</td>
<td></td>
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<tr>
<td>At some point during my career, I am likely to encounter a situation like the one described in the scenario. (2)</td>
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</tr>
<tr>
<td>An encounter similar to the one described in the scenario is likely to happen to me. (3)</td>
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</tbody>
</table>

Please write down any comments you might have regarding this survey (if you had difficulty understanding the questions, any issues related to the content or the format of the study, etc.). Thank you for your participation.