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"BAD DEEDS FOR GOOD FRIENDS:

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IN THE WORKPLACE"

Presented by
Lily Morse

Accepted by

Taya Cohen   5/10/16
_____   _____
Chair: Prof. Taya R. Cohen   **Date**

Approved by The Dean

Robert M. Dammon   5/11/16
_____   _____
Dean Robert M. Dammon   **Date**

DISSERTATION

Bad Deeds for Good Friends: Maintaining Independence and Objectivity in the Workplace

Lily Morse

Organizational Behavior & Theory

Tepper School of Business

Carnegie Mellon University

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Dissertation Committee:

Professor Taya R. Cohen (Chair)

Professor Mark Fichman

Professor Jack Stecher

Professor John Levine

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Abstract

In this dissertation, I investigate how and when close relationships interfere with obligations to remain objective in the workplace. By adopting a psychological point of view, I suggest that breakdowns in objectivity can be explained by a mechanism known as "psychological closeness"—that is, feeling attached and connected to another person or people. I build upon this argument by suggesting that certain individuals are less susceptible to the negative effects of psychological closeness than others. Specifically, I argue that people who do not define themselves in terms of their close relationships—otherwise known as low "relational-interdependent self-construal (RSC)"—are least vulnerable to objectivity failures that help psychologically close others.

I investigated the relation among RSC, psychological closeness, and failures to remain objective across four experimental studies. In Study 1, I tested whether psychological closeness to another person influenced objectivity failures using a laboratory experiment in which interactions between individuals who knew each other well (i.e., were psychologically close) were compared to interactions between individuals who did not know each other well (i.e., were not psychologically close). In Study 2, I examined whether induced psychological closeness to another person predicted objectivity failures. In addition, I tested whether this relationship was moderated by RSC. In Studies 3 and 4, I continued to test the theoretical model using online experiments. In Study 4, I also tested whether temporarily reduced RSC led to fewer objectivity failures to help psychologically close others. Overall, the results from these studies support the hypothesized relationship between psychological closeness and objectivity failures. Interestingly, an unexpected pattern of results emerged for RSC, suggesting that this trait is more influential in determining how individuals treat psychologically distant (vs. close) others. Together these studies offer new insights about how close relationships and RSC interact to influence ethical decision making in the workplace.

CHAPTER I

Introduction

We establish and cultivate relationships with other people, not only in our personal lives, but also in the workplace. Relationships are critical to our professional success in many ways—they determine the job offers we receive, the business opportunities we are presented with, and help us to perform better at our jobs. But developing connections with others can also cause problems. For instance, feeling close to another person may conflict with our ability to remain independent. In this dissertation, I examine how and when close relationships interfere with obligations to remain objective in the workplace. In studying this phenomenon, I seek to better understand what individuals and organizations can do to mitigate the pitfalls of close relationships.

There are many organizational contexts in which it is important to maintain objectivity and independence from other people. In hiring or promotion settings, for example, managers have a responsibility to objectively evaluate job candidates. Those who fail to remain impartial risk missing the best candidates or hiring someone for the wrong reasons, which can hurt the company's competitiveness and culture. It is also necessary for individuals to remain objective in monitoring settings. One well-known form of organizational monitoring is auditing. In auditing, auditors assess the degree to which a client's financial and operational practices comply with national laws and industry guidelines. The basic idea behind using auditors to evaluate companies is that evaluators will be more truthful and free of bias in their reports when they are not personally involved in the companies. If an auditor does become biased toward a client during the monitoring process, it can result in serious negative repercussions, such as significant financial losses for investors.

As these examples demonstrate, severe consequences can occur when individuals become biased toward other people, particularly in settings where it is necessary to remain objective. Thus, it is important to understand when individuals allow close relationships to guide their decision making. A substantial amount of empirical research in applied industrial fields, such as public accounting and human resources management, has investigated this question (e.g., Beck, Frecka, & Solomon, 1988; Bell, Causholli, & Knechel, 2015; Carcello & Nagy, 2004; Carey & Simnett, 2006; Deis & Giroux, 1992; Johnson, Khurana, & Reynolds, 2002; Kerler & Kilough, 2009; Lodato, Highouse, & Brooks, 2011; Moore, Tetlock, Tanlu, & Bazerman, 2006), however fewer studies have approached this topic from a broader psychological perspective (some exceptions include Gino & Galinsky, 2012 and Waytz, Dungan, & Young, 2013). This dissertation contributes to existing work by adopting a psychological point of view to suggest that breakdowns in objectivity can be explained by a mechanism known as "psychological closeness"—that is, feeling attached and connected to another person or people. Furthermore, this dissertation argues that individuals who chronically view close relationships as separate from who they are as a person are least susceptible to the effects of psychological closeness, which has not been studied in prior research.

Goals of this research

The goals of this dissertation are twofold. First, I aim to establish the causal relationship between psychological closeness and failures to remain objective when performing one's job. Second, I aim to explain when feeling psychologically close to another person will contribute to objectivity failures by suggesting that individuals who do not define themselves in terms of their close relationships with others—that is, individuals who are low in relational-interdependent self-construal—are least vulnerable to its effects.

I first present an organizing model illustrating the relationships between psychological closeness, relational-interdependent self-construal, and objectivity failures. Next, I review the literatures on these constructs and develop testable propositions based on prior theory. Finally, I investigate these theorized relationships in a series of laboratory and online studies.

Theoretical Development

The following model demonstrates the proposed relationships among psychological closeness, relational-interdependent self-construal, and objectivity failures. As illustrated below, psychological closeness to another person is proposed to influence failures to remain objective when performing one's job. Relational-interdependent self-construal (RSC)—that is, the tendency to view close relationships as central to one's self-concept—is proposed to moderate the relationship between psychological closeness and objectivity failures such that the relation between psychological closeness and failures to remain objective is weaker for individuals who are high (vs. low) in RSC.
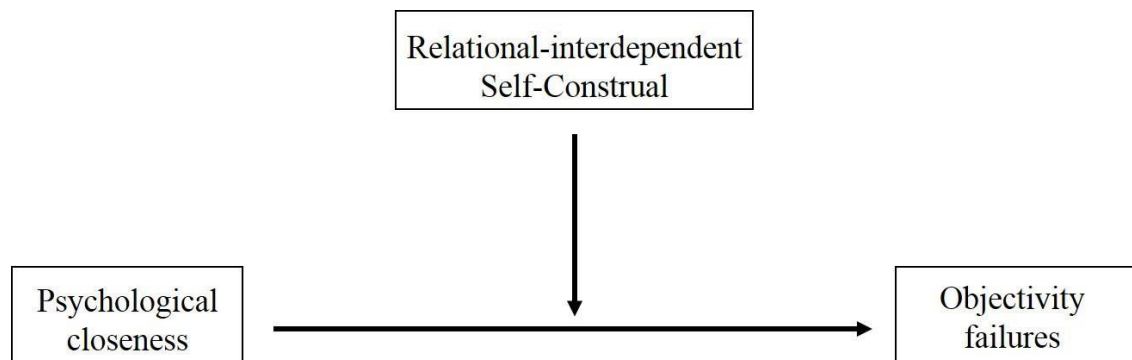

Figure 1. Conceptual model

Part I: Relationship between Psychological Closeness and Objectivity Failures

I hypothesize that people who feel psychologically close to another person are more likely to forego objectivity to promote that person compared to those who do not feel psychologically close to the individual. There is empirical evidence in the psychological literature that supports this theorized relationship. Before describing this research, I first provide a conceptual definition of psychological closeness.

Defining psychological closeness

Psychological closeness can be defined as "feelings of attachment and perceived connection toward another person or people" (Gino & Galisnky, 2012, p. 16). When people feel psychologically close to another person, they no longer think about themselves as being separate or distinct from that individual. Rather, people view that person as an integral part of their self-concept (Aron & Aron, 1986; Aron, Aron, Tudor, & Nelson, 1991; Goldstein & Cialdini, 2007). An important consequence of expanding one's sense of self to include another is that one takes on the attitudes and behaviors of the other person. That is, individuals who experience feelings of psychological closeness tend to think, feel, and act in ways consistent with the other person.

For example, Gunia, Sivanathan, & Galinsky (2009) have shown that feeling psychologically close to another person leads individuals to mirror that person's financial decisions. This study found that participants preferred to invest more money in hypothetical organizational programs that were (vs. were not) previously invested in by the psychologically close individual. Interestingly, participants chose to allocate more funding to the program chosen by the other person despite being told that the program had performed worse than the un-chosen program, making it more financially costly to the self. The findings from this study indicate that psychological closeness motivates individuals to support and replicate the behavior of those to

whom they feel connected, even when doing so can lead to bad outcomes for the self (e.g., losing money).

In a similar vein, Gino & Galinsky (2012) explored how having psychological connections to someone who behaves dishonestly influences our own ethical judgments. In this study, unethical behavior was conceptualized as behavior that violates generally accepted societal moral norms, such as cheating. Across four experiments, the researchers found that participants who felt psychologically close to a perpetrator who cheated on a laboratory task were less likely to view cheating as morally wrong and subsequently inflated their own task performance (i.e., cheated) to earn more money for themselves. These findings suggest that individuals who develop psychological connections to someone who behaves dishonestly will be more likely to see that person's wrongful behavior as acceptable, and, as a result, act dishonestly themselves. While the current research agrees with this line of reasoning, I argue that feeling psychologically close to a perpetrator who cheats for self-gain can produce a different form of unethical behavior than cheating for oneself. While I acknowledge that the self is necessarily involved in all ethical decisions, it is not of primary interest in this research. Instead, I suggest that psychological closeness to perpetrator can motivate unethical behavior that benefits that person. For example, psychological closeness may lead individuals to give biased evaluations of a dishonest co-worker in order to portray him or her in a positive light.

Previous work on morality and social relationships supports this assertion. Rai and Fiske (2011), for instance, theorize that forming close bonds with another person activates a moral desire to protect and provide for that person at the expense of the well-being of others. In such cases, actions that are generally seen as immoral (e.g., lying, stealing) may be viewed as acceptable and even ethical when they benefit the individual of concern. Janoff-Bulman and

Carnes (2013) similarly suggest that people are strongly motivated to promote another person's interests when their relationship with that person is salient. This is in contrast to when the self is salient, in which case promoting one's own interests is the focus of concern.

Together, this research supports that idea that feeling psychologically connected to another person motivates individuals to act in ways that benefit that person, including behaving unethically. In the current research, I define unethical behavior as behavior that violates widely accepted social and organizational norms, such as lying and cheating (Trevino, Weaver, & Reynolds, 2006), and specifically focus on a serious form of unethical behavior relevant to the workplace—objectivity failures. An objectivity failure occurs when an individual forms judgments and behaves in ways that directly contradict standards of neutrality and fairness. Examples of objectivity failures that can arise in the workplace include using subjective (vs. objective) methods to assess employee performance, failing to report organizational wrongdoing to a third party, and producing biased evaluations of an individual or organization, among others. Formally, I hypothesize that:

> *Hypothesis 1*: Individuals who feel psychologically close to another person are more
> likely to commit objectivity failures which benefit that person compared to individuals
> who do not feel psychologically close to that person.

Part II: The Moderating Role of Relational-Interdependent Self-Construal

Thus far I have built on existing theoretical and empirical research to suggest that forming psychological connections to another person motivates people to commit objectivity failures favoring that person. However, it is possible that not all individuals who experience feelings of psychological closeness respond in the same way. Put differently, some people may be less susceptible to committing objectivity failures as a result of psychological closeness than others. Thus, this dissertation attempts to delineate when feeling psychologically close to another

person will lead to failures to remain objective.

Who can resist the negative effects of psychological closeness? Although many factors likely affect how individuals respond to forming close psychological bonds with other people, the current research proposes that the relationship between psychological closeness and objectivity failures is determined in large part by individuals' tendency to view close relationships as central to their self-concept. Specifically, I predict that the relation between psychological closeness and objectivity failures will be moderated by individual differences in relational-interdependent self-construal.

What is relational-interdependent self-construal?

When individuals become psychologically connected to another person, they adjust their attitudes and behavior to accommodate that person (Aron & Aron, 1986; Aron et al., 1991). It follows, then, that people who chronically view themselves as independent and separate from others will be least vulnerable to changing their behavior as a result of psychological closeness. Thus, the tendency to construe the self as distinct and unique from other people should attenuate the negative effects of psychological closeness. One dispositional trait that captures this tendency is relational-interdependent self-construal (RSC).[1]

RSC refers to a general orientation toward defining the self in terms of one's close relationships (Cross & Madson, 1997; Cross, Bacon, & Morris, 2000). People who are high in RSC consider close relationships as central to their representation of the self. As such, they view close relationship partners as important reflections of who they are. Instead of promoting individual-focused values such as autonomy and the achievement of one's goals, the priority for these individuals is to consider the needs and wishes of close others and to behave in ways that promote and strengthen these relationships (Cross, Morris, & Gore, 2002). For example, a study

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[1]Multiple forms of self-construal have been conceptualized, such as the tendency to define (or not define) oneself as part of the broader social context (e.g., Markus & Kitayama, 1991; Brewer & Gardner, 1996). However, I believe RSC is most relevant to the current study given its specific focus on close interpersonal (vs. collective) relationships.

by Cross & Morris (2003) showed that people who were high in RSC were better able to understand the values and beliefs of their close relationship partners compared to those low in RSC. Additionally, Cross et al. (2000) found that individuals with a highly relational self-construal were more willing to take close others' needs and wishes into account when making decisions.

In contrast, people who are low in RSC spend little time promoting their close relationships. Instead, these individuals perceive close relationship partners as independent from who they are as a person and tend to define themselves according to their unique abilities, characteristics, and preferences (Cross, Hardin, & Gercek-Swing, 2011; Oyserman & Markus, 1990). Not surprisingly, individuals low (vs. high) in RSC prefer to promote their own goals and interests over the goals and interests of others (Gelfand, Major, Raver, Nishii, & O'Brien, 2006).

Altogether, prior work demonstrates that individual differences in RSC determine one's willingness to help close relationship partners achieve their goals. Given these findings, I believe that RSC is an ideal lens to study when people will commit objectivity failures as a result of psychological closeness. In this dissertation, I argue that RSC determines how individuals respond to developing psychological connections to another person, and specifically suggest that people who are low (vs. high) in RSC care less about promoting the interests of psychologically close others, which in turn decreases their likelihood of committing objectivity failures to help these individuals. I formally hypothesize that:

> *Hypothesis 2*: RSC will moderate the relation between psychological closeness and objectivity failures such that the relation will be weaker for individuals who are low (vs. high) in RSC.

Thus far, only one study has explored the influence of RSC on ethical behavior (Cojuharenco, Shteynberg, Gelfand, & Schminke, 2012). Results from this study revealed that people who are

high (vs. low) in RSC are less likely to behave unethically. Although it may appear that this finding is inconsistent with my hypothesis, it is important to note that the researchers specifically focused on unethical behavior for self-gain, such as scheming against or harming others. Therefore, this study does not offer insights for the relationship between RSC and objectivity failures that benefit other people (vs. oneself).

Overview of Studies

This dissertation tests the theoretical model and hypotheses described above across four studies. Chapter 2 reports Study 1, which examined the relationships among psychological closeness, RSC, and objectivity failures in the laboratory. Chapter 3 describes Study 2, which further investigated the moderating effect of RSC on psychological closeness and failures to remain objective using a laboratory experiment. In addition, Study 2 experimentally manipulated feelings of psychological closeness. Chapter 4 reports Studies 3 and 4, which were simultaneously conducted online. Due to time constraints, both studies were designed based off of the results from Study 1 (data collection for Study 2 was ongoing at the time). Across Studies 3 and 4, I investigated whether RSC moderated the relationship between psychological closeness and objectivity failures. In addition, in Study 4, I tested whether temporarily reduced RSC led to fewer objectivity failures to help psychologically close others.

CHAPTER II

Study 1

Study 1 investigated the relationship between psychological closeness to another person and objectivity failures using a laboratory experiment in which interactions between individuals who knew each other well (i.e., were psychologically close) were compared to interactions between individuals who did not know each other well (i.e., were not psychologically close). Specifically, Study 1 tested the prediction that people who are psychologically close to an individual who cheats on a laboratory task are more willing to endorse that person's unethical behavior at the expense of being accurate—thus committing an objectivity failure—to help the individual earn more money from the task. This operationalization of objectivity failures mimics objectivity failures that occur in organizational monitoring settings such as auditing.

In the audit industry, auditors commit objectivity failures when they publicly approve biased evaluations of a client's financial state to portray the client in a more favorable light. Prior work has shown that auditors often struggle to remain independent when monitoring clients (e.g., Bazerman, Lowenstein, & Moore, 2002; Gendron, Suddaby, & Lam, 2006; Goldman & Barlev, 1974; Toffler & Reingold, 2003), especially as the auditor-client relationship continues over time (e.g., Christie, Fichman, & Levinthal, 1993; Shaub, 2004). Because most auditor-client relationships tend to persist across time (Levinthal & Fichman, 1988; Seabright, Levinthal, & Fichman, 1992), auditing represents a particularly relevant setting to study psychological closeness and its influence on objectivity failures.

In addition, Study 1 examined whether RSC moderated psychological closeness and failures to remain objective. That is, Study 1 tested the prediction that the relation between

psychological closeness and objectivity failures is weaker for individuals who are low (vs. high) in RSC.

Method

Participants

Participants (N = 198 individuals/ 99 dyads) who were 18 years or older took part in a 45-minute laboratory experiment titled 'Decision Making Study' (M_{Age} = 22.86, SD_{Age} = 5.39; 107 male).[2] Two participants had missing data on gender, age, and race. All participants were recruited from university administered research participation pools in Pittsburgh, Pennsylvania. Before showing up to the study, participants were told that they were required to bring someone they knew (e.g., a friend) with them to the study session, otherwise they would not be allowed to participate. Thus, all participants were recruited in pairs.

Each participant received either a $5 show-up fee or course credit, and had the opportunity to earn up to $7 in bonus money depending on their choices in a decision making task.[3] The sample was 24.7% White, 4.0% Black, 62.1% Asian, 2.0% Hispanic, and 6.6% other (e.g., American Indian, multiracial).

On average, participants reported being well-acquainted with the person that came with them to the study (M = 4.22, SD = .84; 1 = *not very well,* and 5 = *extremely well*). In addition, participants indicated that they liked (M = 4.34, SD = .80), trusted (M = 4.36, SD = .79), and valued (M = 4.24, SD = 1.16) their relationship with this person, with possible responses ranging from 1 = *not very much* to 5 = *very much.* It should be noted that two participants indicated they did not like and did not trust their partner very much (1 = *not very much*), and that one of these two participants did not value their partner very much (1 = *not very much*); for

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[2] A total of eleven participants were excluded from the study. Eight participants were excluded due to experimenter error (i.e., failure to assign participants to the correct counterpart in the decision making task) and three participants were excluded for not understanding how to correctly perform their role in the task.
[3] Compensation type (course credit vs. payment) did not significantly influence the results.

all participants, responses on these items ranged from 2 = *slightly* to 5 = *very much*. The length of time the pair members knew one another varied from 18 days to 22 years.

Most individuals reporting being friends with the person that attended the study with them (78.3%), although other kinds of relationships were represented in the sample as well, including roommates (19.2%), acquaintances (10.1%), coworkers (10.6%), dating/unmarried partners (5.1%), and relatives (2.0%). In addition, 8.1% of the sample reported other types of relationships (e.g., neighbors).[4]

Design

The experiment followed a within-subjects design in which participants interacted on the computer in a decision making task with someone to whom they were psychologically close (i.e., the person who came with them to the study) and someone to whom they were not psychologically close (i.e., a randomly-assigned counterpart who was also participating in the study). I refer to this variable as *psychological closeness* (*friend* vs. *stranger*). The order that participants interacted with each counterpart was counterbalanced, such that some participants interacted with a friend first, and others interacted with a stranger first.

Each experimental session was run with up to six participants (three dyads) and contained a minimum of four participants (two dyads) in order for the within-subject manipulation to be implemented. Each participant was seated in a cubicle with a computer in a large laboratory suite.

Procedure

The study began with a brief computerized survey in which participants read and completed a consent form and a brief demographic questionnaire assessing gender, age, and race. After the survey, participants completed a decision making task twice in which they interacted with other participants from the study and had the opportunity to earn money. Next, they

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[4]Preexisting relationship type did not significantly influence the results.

completed a post-task survey, and afterwards were individually paid by the experimenter (either

the author or a research assistant) according to their behavior in the decision making task.

Decision making task. Participants were given verbal instructions stating that they would

complete a decision making task two times: once with the person who came with them to the study

and once with someone else. In the task, each person would be assigned to a role, either a "firm

manager" or a "reviewer", and would remain in this role throughout the study. The firm manager's

role was to prepare income statements on behalf of a firm, whereas the reviewer's role was to

review the firm manager's income statements for accuracy. The experimenter informed

participants that they would prepare or review (depending on their role assignment) two income

statements per task. In other words, each task consisted of two trials. The interactions between the

participants in each task were computer mediated—they interacted via shared "Google Docs".

Although managers and reviewers could not communicate verbally, they were allowed to

communicate electronically by typing to one another on the shared document.

Following these verbal instructions, the experimenter randomly assigned participants to a

role in the task and provided each participant with a set of written instructions including general

and role-specific information.[5] Appendix A contains the complete set of written role-specific

instructions as well as the general instructions visible to both managers and reviewers. Of

particular importance, the role instructions included information about the compensation structure

in the task, which was modeled after the compensation structure of auditors and clients in the U.S.

audit industry. Reviewers earned $0.75 for each income statement they reviewed regardless of

whether they agreed or disagreed with the manager's income statement. This aspect of the payment

structure mimics the flat fee auditors charge to companies before conducting financial audits.

Managers earned $0.75 for each income statement they prepared if the reviewer agreed with it, but

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[5]The experimenter was neither blind to role assignment nor to the conditions participants were currently participating in
during the study.

did not earn any money if the reviewer disagreed with the income statement. In addition, managers could earn extra money (up to $2 per task) by overreporting the firm's income on the income statement, but only if the reviewer agreed with what they reported. Thus, managers were incentivized to prepare fraudulent income statements that benefited them financially. The fact that managers got nothing when the reviewer disagreed with the income statement is based on the notion that negative consequences befall companies when auditors publicly disapprove their financial documents. Auditor disagreement might, for example, send a negative signal to shareholders about the company's financial health, causing a drop in market capitalization for the company (Bar-Hava, Huang, Segal, & Segal, 2013).

A final aspect of the design was that of the "oversight committee". All participants learned in their role materials that there was a chance their decisions in the study would be checked for accuracy by an oversight committee. They were informed that at the end of the study, after all tasks were complete, an oversight committee (represented by the experimenter) would draw one card from a stack of ten cards for each manager-reviewer pair. There was one Jack in the stack of cards. If the Jack was drawn, the oversight committee would check all documents prepared by that manager-reviewer pair for accuracy. Each income statement found to be inaccurate would result in a $0.75 fine against the manager, and each review decision (i.e., 'agree' or 'disagree') found to be inaccurate would result in a $0.75 fine against the reviewer. If a Jack was *not* drawn, then the oversight committee would not check for accuracy for that manager-reviewer pair. The stack of cards was reshuffled after each drawing. The odds of each manager-reviewer pair being reviewed by the oversight committee was one in ten. Although these odds may not correspond to actual probabilities of financial sanctions against public companies and their auditors, they have been shown to motivate accurate performance in experimental auditing tasks (e.g., King, 2002). Importantly, the oversight committee did not

monitor any documents while the tasks were in progress and the outcomes of all investigations by the oversight committee remained private. For instance, if a participant representing the manager role was investigated by the oversight committee and received a fine, no one would know except that participant, not even the reviewer counterpart. The private aspect of the oversight committee drawings was intended to make participants feel more comfortable about their decisions in the task. At the end of the study, participants were individually shown how much they earned in the task and learned only the outcomes of oversight committee investigations against themselves, if any.

After reviewing the written role instructions for the decision making task, participants completed a brief training session on the computer to familiarize themselves with the task materials. In contrast to the actual task, participants did not interact with one another or earn money during the training. After the training was successfully completed and the experimenter answered any questions that arose, participants moved on to the decision making task in which they could earn money based on the decisions of themselves and their counterpart.

Each manager prepared a total of four income statements throughout the task—two income statements with each reviewer counterpart. All participants knew who their counterpart was before beginning each decision making task. Participants in the manager role completed each income statement on a shared "Google Doc" viewable to their reviewer counterpart. Participants in the reviewer role indicated on that document whether they agreed or disagreed with the income statement. The task instructions directed participants to complete each financial period sequentially such that the manager submits the income statement first and then the reviewer checks that income statement for accuracy; however, given that the auditor-client relationship is fluid rather than linear (Gibbins, McCracken, & Salterio, 2005), it was possible for the manager and reviewer to jointly edit and indicate agreement on an income statement before submitting the

document to the experimenter.

After participants completed and reviewed two income statements with their counterpart, the experimenter re-assigned managers and reviewers to new pairs. Each manager was paired with a different reviewer to interact with in the second iteration of the task. Participants who had interacted with a friend counterpart in the first task were now paired with a randomly assigned stranger counterpart and vice versa. Once all pairs finished the second iteration of the task with their counterpart, which involved completing or reviewing two additional income statements, the oversight committee—represented by the experimenter—conducted a drawing to determine which manager-reviewer pairs, if any, would be reviewed for accuracy. Each participant was involved in two drawings—one for each counterpart they interacted with. If a Jack was drawn for a given manager-reviewer pair, that pair was informed by the experimenter that their documents would be reviewed for accuracy.

Post-task survey. After the oversight committee drawings were completed, participants answered a post-task survey. The post-task survey began with two questions about the task: '*How well did you understand the task?*' (1 = *not at all,* 6 = *very well*), and '*What was your role when you were completing the financial tasks in today's study?*' Participants were also asked open-ended questions about their motivation during each task (i.e., '*What motivated your behavior in the first (second) task?*') and the extent to which they took the perspective of their counterpart (i.e., '*When you were working on the first (second) financial task, to what extent did you take into account the needs and wishes of the person in the role opposite you*?') with responses ranging from 1 = *not at all* to 5 = *very much.*

Next, participants answered several questions about the person they brought with them to the study. Specifically, they were asked the person's name, how well they knew the person (1 = *not very well* to 5 = *extremely well*), the nature of their relationship with the person (e.g., friend,

acquaintance), the amount of time they had known the person, and how much they trusted, liked, and valued the person (1 = *not very much* to 5 = *extremely*). Participants then completed the Relational-Interdependent Self-Construal scale developed by Cross et al. (2000). The RSC scale assesses the degree to which individuals views themselves in terms of their close relationships (Cross & Madson, 1997). A sample RSC item is '*My close relationships are an important reflection of who I am*'. Responses were made on a seven-point ratings scale ranging from 1 = *strongly disagree* to 7 = *strongly agree*. RSC was calculated by adjusting scores for reverse-scored items and then averaging all of the items. Higher scores represent higher RSC.

For exploratory purposes, participants completed the Moral Foundations Questionnaire (Graham, Nosek, Haidt, Iyer, et al., 2011). Each of the moral foundations—Harm/Care, Fairness/Reciprocity, Ingroup/Loyalty, Authority/Respect, and Purity/Sanctity—was measured with six items. A sample item from the Moral Foundations Questionnaire is, '*When the government makes laws, the number one principle should be ensuring that everyone is treated fairly*'. MFQ was scored by averaging the items within each moral foundation (Graham et al., 2011). Higher scores represent greater endorsement of that moral foundation.

After completing the post-task survey, participants were individually shown the results of the oversight committee investigations against them, if any, and learned about any fines they had received. Finally, participants were compensated for their participation and dismissed from the study.

Results

Data Structure and Treatment of Variables

The data analysis process began by creating a panel dataset such that observations of behavior in the decision making task were nested within participants over time. Given that the study was focused on examining objectivity failures, the data were organized around reviewer

behavior. The dataset included four observations per reviewer, one observation for each trial of the task. There were a total of 396 observations from 99 reviewers. Because observations of reviewer behavior in the task depend on the current managers' behavior and vice versa, the data were structured such that each observation of a reviewer also included manager variables. That is, each observation of a reviewer included the reviewer's responses as well as the manager's responses for that trial.

Next, I standardized RSC to a z-score and created variables to analyze the effects of psychological closeness (*friend vs. stranger*), order that participants took part in the study (*friend first vs. stranger first*), and trial (*1-4*). Psychological Closeness was coded as 0 = stranger condition, 1 = friend condition, and Order was coded as 0 = stranger first, 1 = friend first. I created three dummy coded contrasts for the trial categories (i.e., 'Trial 2', 'Trial 3', and 'Trial 4') with Trial 1 as the reference group.

Next, I created a variable to analyze whether managers overreported income on an income statement. This variable was referred to as 'Overreporting' and was coded as 0 = manager did not overreport income, 1 = manager overreported income for each income statement. Twenty out of 99 managers (20.2%) underreported income on an income statement at least one time during the task. Because underreporting income did not benefit managers in any way, I examined manager underreporting separately from overreporting by performing additional analyses.

I also created a variable to determine whether reviewers committed objectivity failures in response to manager overreporting. This variable was referred to as 'Objectivity Failures' and was coded as 0 = reviewer did not allow overreporting, 1 = reviewer allowed overreporting for each income statement overreported by a manager. Although it was possible for reviewers to commit an objectivity failure by disagreeing with a manager's honest income statement, this outcome did not occur in the study.

Although I did not make any predictions for the demographic characteristics, I examined their effects on psychological closeness and RSC for exploratory purposes. For the demographic characteristics, I standardized reviewer age ('Age') and manager age ('Manager Age') to z-scores. I also computed demographic variables for gender and race across reviewers and managers. Gender and Manager Gender were coded as 0 = male, 1 = female. I created dummy coded contrasts for the racial categories (White/Caucasian, Black/African American, Hispanic, Asian, and Other/Multi-racial) for reviewers and managers. Because Asians were represented more than any other racial group for each role (both > 60%), I used Asian as the reference group for all contrasts. The dummy coded variables for reviewer race were Race-White, Race-Black, Race-Hispanic, and Race-Other/Multi-racial. The dummy coded variables for manager race were Manager Race-White, Manager Race-Black, Manager Race-Hispanic, and Manager Race-Other/Multi-racial. Initial testing of the race variables revealed that the combination of the racial categories perfectly predicted Objectivity Failures, resulting in complete separation of the data. In response, I collapsed the categories that were least represented in the sample (i.e., Black/African American, Hispanic, and Other/Multi-racial) and recoded them into one category for reviewers (i.e., 'Race-Other') and one category for managers (i.e., 'Manager Race-Other'). Thus, the racial categories included in the analyses were Race-White, Race-Other, Manager Race-White and Manager Race-Other.

Descriptives

Descriptive results for overreporting and objectivity failures are summarized in Table 1. The majority of managers did not overreport in the task. As Table 1 shows, a greater amount of managers overreported when the reviewer counterpart was a friend (n = 44) compared to a stranger (n = 30). A similar pattern of results was discovered for reviewers. Of the 56 reviewers who interacted with a manager who overreported, a greater amount committed objectivity failures when the manager

was a friend (n = 39) compared to a stranger (n =16).

H1: Psychological closeness and objectivity failures

To analyze the effects of psychological closeness (*friend vs. stranger*) on objectivity failures, I reorganized the data to focus only on reviewers who had an opportunity to commit an objectivity failure. After removing observations in the data in which reviewers interacted with a manager who did not overreport (i.e., the manager reported honestly on the income statement), a total of 106 observations from 56 reviewers remained. Two reviewers had missing data on RSC.

I tested Hypothesis 1 by performing a Generalized Estimating Equations (GEE) analysis. GEE are ideal for longitudinal and other correlated data with a discrete binary outcome (Liang & Zeger, 1986; Zeger & Liang, 1992). Specifically, the GEE technique represents a population-averaged semiparametric regression model that examines the overall effect of predictors on a response while controlling for within-cluster correlation. In contrast, alternative analytical strategies, such as Hierarchical Linder Modeling (HLM), are subject-specific—that is, they examine the effect of predictors on a response for a given participant conditional on their individual characteristics. Because the current study is interested in understanding whether psychological closeness to another person influences objectivity failures over an entire population and not in the pattern of objectivity failures for a given individual, the GEE model is most appropriate. The logistic GEE procedure in SPSS was used to estimate the model and the nesting scheme was trial (level-1) nested within participants (level-2). The analysis applied an independent correlation structure. Similar results were discovered when an autoregressive correlation structure was applied.[6]

Results

The GEE (referred to as 'Model 1') included the following terms: Psychological

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[6]A strength of the GEE approach is that this method is robust to misspecification of the true correlation matrix (Hardin & Hilbe, 2008). Hence, no strong differences were found when I performed the GEE using an autoregressive correlation structure.

Closeness, Order, Trial 2, Trial 3, and Trial 4. Table 2 depicts the parameters from Model 1. As

expected, psychological closeness to the manager significantly predicted objectivity failures.

Reviewers were more likely to allow overreporting when the manager was a friend ($M = .88$, SD

$= .04$) compared to a stranger ($M = .63$, $SD = .08$). The effect of the Order that participants took

part in the study was also significant—reviewers were less likely to allow overreporting during

the task when they interacted with a stranger first ($M = .64$, $SD = .07$) compared to a friend first

($M = .89$, $SD = .04$). In addition, the effect of Trial 2 significantly predicted objectivity failures.

Reviewers were more likely to allow overreporting in the second trial ($M = .80$, $SD = .09$)

compared to the first trial ($M = .78$, $SD = .08$). The remaining variables were nonsignificant.

For exploratory purposes, I re-ran Model 1 with demographic characteristics included in

the model (referred to as 'Model 1A'). The following demographic terms were added to the

model: Gender, Age, Race-White, Race-Other, Manager Gender, Manager Age, Manager Race-

White, and Manager Race-Other. I also included interactions that could be expected to influence

the results, such as interactions between psychological closeness and reviewer demographics (i.e.,

Psychological Closeness X Gender, Psychological Closeness X Age, Psychological Closeness X

Race-White, Psychological Closeness X Race-Other), and interactions between reviewer and

manager demographic characteristics (i.e., Gender X Manager Gender, Age X Manager Age,

Race-White X Manager Race-White). As Table 3 demonstrates, none of the demographic effects

were significant when added to the model. The effects for Order and Trial 2 remained significant.

H2: Interaction between RSC and psychological closeness on objectivity failures

Next, I tested whether RSC moderated psychological closeness and objectivity failures by

performing the GEE from Model 1 with two terms added to the model: RSC and Psychological

Closeness X RSC. I refer to this GEE analysis as Model 2. As shown in Table 4, the effect of

Psychological Closeness X RSC significantly predicted objectivity failures. Figure 2 depicts this

interaction, showing that reviewers were most likely to allow overreporting when they were high in RSC and interacted with a manager who was a friend (vs. stranger). Similar to Model 1, the effects of Condition, Order, and Trial 2 emerged as significant. The effect of RSC was marginally significant— reviewers who were high in RSC were marginally more likely to commit objectivity failures than those low in this trait. The remaining variables were nonsignificant. For exploratory purposes, I further investigated the descriptive trends for Condition, Order, and RSC. As Figure 3 shows, reviewers who were high (vs. low) in RSC were least likely to commit objectivity failures when interacting with a manager who was a stranger, especially when they interacted with a friend first (vs. stranger first) in the decision making task. Unfortunately, this interaction (Condition X RSC X Order) caused completed separation of the data when included in the GEE model, therefore its significance could not be formally tested.

I also performed Model 2 with demographic characteristics included in the GEE analysis (referred to as 'Model 2A'). The following demographic terms were added to the model: Gender, Age, Race-White, Race-Other, Manager Gender, Manager Age, Manager Race-White, and Manager Race-Other. I also included interactions between RSC and reviewer demographics (i.e., RSC X Gender, RSC X Age, RSC X Race-White and RSC X Race-Other), interactions between manager and reviewer demographics (i.e., Gender X Manager Gender, Age X Manager Age, Race-White X Manager Race-White), and certain three-way interactions between RSC, Psychological Closeness, and reviewer demographics (i.e., RSC X Psychological Closeness X Gender, RSC X Psychological Closeness X Age, RSC X Psychological Closeness X Race-White, RSC X Psychological Closeness X Race-Other). After initial testing, I removed the three-way interactions from the GEE model because these variables caused complete separation of the data (most likely due to the small sample size combined with the large number of interaction terms added to this model).

As Table 5 indicates, there was a marginal effect of Race-White on objectivity failures. White reviewers were marginally less likely to allow overreporting ($M = .63$, $SD = .13$) compared to Asian reviewers ($M = .81$, $SD = .04$). The effects of Psychological Closeness, Order, Trial 2, and Psychological Closeness X RSC remained significant. The effects of Trials 3 and 4 were also significant—reviewers were more likely to allow overreporting during Trials 3 and 4 as compared to the first trial. The remaining variables were nonsignificant.

Allowing Underreporting

Twenty reviewers interacted with a manager who underreported income on an income statement. Of these reviewers, 16 responded by allowing the manager to underreport. Given the moderate level of allowing underreporting, I conducted additional analyses to test for the effects of psychological closeness and RSC on this outcome.

First, I reorganized the data to focus only on reviewers who had an opportunity to allow underreporting. I removed all observations from the original dataset in which the manager did not underreport income. There were 26 observations from 20 reviewers who interacted with a manager who had underreported. Next, I created a variable for underreporting (i.e., 'Underreporting') which was coded as 0 = manager did not underreport income, 1 = manager underreported income for each income statement. I also created a variable for reviewer response to underreporting (i.e., 'Allowed Underreporting') which was coded as 0 = reviewer did not agree with underreporting, 1 = reviewer agreed with underreporting for each income statement.

To test whether psychological closeness predicted allowing underreporting, I performed the GEE from Model 1 with Allowing Underreporting as the outcome variable. The terms included in the GEE model were: Psychological Closeness, Order, Trial 2, and Trial 3. Because initial testing revealed that underreporting was constant during Trial 4 (i.e., underreporting did not occur in this trial), the Trial 4 variable was not included in the model. Results revealed that

none of the effects were significant.

Next, I performed the GEE from Model 2 with Allowing Underreporting as the outcome variable to test whether RSC moderated psychological closeness and allowing underreporting. The terms included in the GEE model were: Psychological Closeness, Order, Trial 2, Trial 3, RSC, and Psychological Closeness X RSC. As expected, all of the effects were nonsignificant.

Discussion

The goal of Study 1 was to explore the relationship between psychological closeness, RSC, and objectivity failures. The results supported Hypothesis 1 by showing that reviewers committed more objectivity failures when they were (vs. were not) psychologically close to a manager who overreported on an income statement. This finding showcases the negative effects that psychological closeness can have on ethical decision making, particularly in organizational monitoring settings. In addition, the results supported Hypothesis 2 by showing that reviewers who were psychologically close to a manager who overreported on an income statement were less likely to commit objectivity failures when they were low (vs. high) in RSC. This finding provides evidence that people who do not view themselves in terms of their close relationships are better able to resist committing objectivity failures to help psychologically close others.

Although I did not hypothesize a relationship between the order participants took part in the study and objectivity failures, the results from Study 1 showed that reviewers were more likely to commit objectivity failures when their first interaction in the decision making task was with a manager who was a friend (vs. stranger). One potential explanation for this finding is that there is a residual effect of interacting with psychologically distant individuals. Perhaps interacting with those we do not know well leads us to adopt an objective mindset, resulting in more fair and honest decision making in future interactions with others (including friends). Alternatively, there may be a residual effect of interacting with psychologically close individuals.

Perhaps being around close others activates a general desire to help (or avoid harming) other people, leading to a higher rate of objectivity failures to promote others (including strangers).

Further exploratory investigation of the effect of Order in the theoretical model revealed that reviewers who were high in RSC were least likely to allow their stranger counterpart to overreport income on an income statement when they interacted with a friend first (vs. stranger first) in the decision making task. Although no conclusions can be made at this time, examination of this relationship appears to be an interesting direction for further study.

I also did not hypothesize a relationship between the trials of the task and objectivity failures, yet the results consistently showed that objectivity failures were more likely to occur in the second trial of the decision making task compared to the first trial. One possible conclusion from this finding is that reviewers felt more comfortable allowing overreporting after interacting with the same manager for one trial.

Finally, the exploratory analyses from Study 1 indicated that Asian reviewers were more likely to commit objectivity failures than White reviewers. Given that this effect was not consistent across the exploratory analyses (i.e., Model 1A and Model 2A), interpretation of this finding is limited. However, it is possible that Asian participants were generally more willing to allow their counterpart to overreport in the task compared to White participants due to a stronger cultural desire to avoid conflict and maintain social harmony (Markus & Kitayama, 1991).

Limitations

One limitation of Study 1 is that it used preexisting friendships as a measure of psychological closeness. In Study 2, I address this limitation by invoking feelings of psychological closeness to another person in the laboratory. A second limitation of Study 1 is that it measured RSC after the decision making task, meaning that participants' responses to the RSC scale could have been influenced by whether they committed an objectivity failure in the task. Study 2 addresses this limitation by measuring RSC before participants have an opportunity to

commit objectivity failures.

CHAPTER III

Study 2

Although Study 1 investigated the proposed relationships between psychological closeness, RSC, and objectivity failures, it used preexisting relationships as a proxy for psychological closeness rather than manipulating feelings of psychological closeness directly. Study 2 aimed to address this limitation by invoking feelings of psychological closeness through a sharing game developed by Aron, Melinat, Aron, Vallone, and Bator (1997). In this study, I tested the prediction that individuals who develop (vs. do not develop) feelings of psychological closeness to another person are more willing to commit objectivity failures by allowing that person to cheat on a laboratory task.

In addition, in Study 2, I sought to replicate RSC as a moderator of psychological closeness and objectivity failures, with RSC measured before participants had an opportunity to fail to remain objective. Specifically, I tested the prediction that people who are high (vs. low) in RSC are more likely to commit objectivity failures to help psychologically close individuals.

Method

Participants

One hundred and eight participants ($M_{Age} = 22.83$, $SD_{Age} = 7.14$; 50 male) who were 18 years or older were recruited individually for a 50-minute laboratory study. The sample was 29.6% White, 9.3% Black, 50.9% Asian, 1.9% Hispanic, and 8.3% other (e.g., American Indian, multiracial).

All participants were recruited from university administered research participation pools in Pittsburgh, Pennsylvania. Each participant received either $6 or course credit for taking part in the

study.[7] In addition, all participants earned $3 in bonus money for successfully completing the decision making task from Study 1.

Design

The design included two key variables of interest. Individual differences in *Relational-Interdependent Self-Construal (RSC)* were measured in a brief online survey administered at the beginning of the study.[8] *Psychological closeness* was manipulated through a sharing game adapted from Aron, Melinat, et al. (1997), which was designed to generate high levels of psychological closeness to another person during a short period of time (i.e., 20 minutes). In the *high psychological closeness* condition, participants asked and answered a series of questions requiring a high amount of self-disclosure with a partner who was also participating in the study. Those randomly assigned to the *low psychological closeness* condition asked and answered a series of questions requiring a minimal amount of self-disclosure with a partner who was also participating in the study.

Procedure

The study began with a brief online survey in which participants completed the Relational-Interdependent Self-Construal scale (Cross et al., 2000) and basic demographic questions (i.e., gender, age, race). After the survey, participants were randomly paired with a partner who was also participating in the study.[9] Participants were told that they would interact with their partner throughout the study. Each pair met in person for 20 minutes to complete a sharing game adapted from Aron et al. (1997). The purpose of this game was to produce feelings

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[7]Compensation type (course credit vs. payment) did not significantly influence the results.

[8]The first 30 participants completed the RSC scale and demographic questions in a separate prescreen survey administered several days before the day of the study. In addition to these items, the prescreen survey included personality measures not relevant to the current study. Results revealed no significant differences between participants who completed the prescreen and participants who completed the RSC scale and demographics during the study.

[9]Two participants (who did not belong to the same pair) reporting knowing their randomly assigned partner before the study. Results were consistent when these participants (and their partners) were excluded from the analyses.

of psychological closeness to one's partner by asking and responding to a series of questions. The nature of the questions varied according to the experimental condition. In the *high psychological closeness* condition, participants asked and answered questions with their partner which required a high amount of self-disclosure and emphasized participants' relationship with their partner. Example questions are "*What is your most treasured memory?*" and "*Name three things you and your partner have in common.*" In the *low psychological closeness* condition, participants asked and answered questions with their partner which required little self-disclosure and did not discuss participants' relationship with their partner. Example questions are "*Do you prefer digital watches and clocks or the kind with hands? Why?*" and "*What is your favorite holiday? Why?*" The complete set of questions for each version of the task is provided in Appendix B.

All participants were instructed to take their time answering each question and to focus on providing thoughtful responses rather than getting through all of the questions with their partner. Whereas the original version of the sharing game was designed to take 45 minutes to complete, the study design allotted 20 minutes for participants to complete the sharing game. As a result, participants asked and answered fewer questions with their partner in the current study. Specifically, participants were presented with the last twenty questions from the original sharing game for each condition. Minor revisions were also made to the task instructions for clarification purposes. No other aspects of the sharing game were modified.

After completing the sharing game, the experimenter separated each pair and assigned participants to sit at individual cubicles. Once seated, participants were asked to answer four questions on the computer measuring feelings of psychological closeness to their partner in the sharing game (previously used by Gino & Galinsky, 2012): "*How similar do you feel to your partner?*", "*How related do you feel to your partner?*", "*How easy would it be for you to take the perspective of your partner?*", and "*How psychologically close do you feel to your partner?*" Responses to these questions ranged from 1 = *not at all* to 7 = *very much*. These items were

averaged into a single measure of psychological closeness (α = .84).

Next, participants were presented with online instructions for the decision making task from Study 1 and were "randomly" assigned to a role in the task. Participants were told that their partner from the sharing game was assigned to the role opposite them. In reality, all participants were assigned to the role of a reviewer, and did not participate in the task with their partner.

After reading the instructions for the task and learning about their role, participants answered three multiple-choice questions about the task on the computer. These questions were: "*What role have you been assigned to in the task?*", "*As a reviewer, how much money will you earn if you AGREE with the manager's income statement?*", and "*As a reviewer, how much money will you earn if you DISAGREE with the manager's income statement?*" Participants were required to correctly answer all three questions in order to move on to the next part of the study. Those who answered a question incorrectly were asked to re-answer the question until the correct answer was chosen, which sometimes took multiple attempts. Once the questions about the task were answered correctly, participants completed the training materials for the decision making task. After successfully finishing training, participants completed the decision making task.

At the beginning of the task, participants (all assigned to the reviewer role) were given instructions stating that they must wait to perform their reviewing duties until their partner prepares all of the income statements. During this waiting period, participants were asked to complete a filler task, the 60-item HEXACO personality inventory (Ashton & Lee, 2009). Upon completing the HEXACO questionnaire, participants were instructed to check their study-designated gmail inbox (which was open in a separate tab on the computer) to see if the manager had emailed them a link to the income statements (available on a shared "Google Doc"). In reality, the email and income statements were previously prepared and sent to each reviewer by the experimenter four minutes after the decision making task began.

Upon opening the "Google Doc", participants reviewed four income statements prepared by the manager. In contrast to Study 1, participants were not allowed to communicate with the manager on the shared "Google Doc" and were told that the manager was not allowed to communicate with them. The first income statement consisted of honest financial reporting by the manager whereas the subsequent three income statements consisted of dishonest financial reporting.[10] The purpose of the latter income statements was to provide participants with opportunities to commit objectivity failures. As they were told in the role instructions, approving dishonest financial statements would allow the manager to earn more money in the decision making task.

After participants reviewed all four income statements, they completed a brief survey in which they were asked about their motivation in the task, whether they previously knew their partner, and whether they had general comments about the study. Following the survey, participants were individually compensated for their participation in the study, at which point they were informed that the oversight committee drawing (described in the task instructions) would not take place. Finally, participants were debriefed and dismissed from the study.

Results

Data Structure and Treatment of Variables

As in Study 1, the data were organized as a panel data structure such that observations of behavior in the decision making task were nested within participants over time. The dataset included three observations per reviewer, one observation for each trial of the task in which reviewers had an opportunity to commit an objectivity failure. There were a total of 324 observations from 108 reviewers in the dataset. Although reviewers completed four trials in the decision making task, objectivity failures—the focus of this study—were only possible

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[10]On the second income statement, the manager overreported income by $0.1 million; on the third income statement, the manager overreported income by $0.2 million; on the fourth income statement, the manager overreported income by $0.4 million.

during the last three trials. Furthermore, all reviewers except one agreed with the manager's honest income statement in the first trial, meaning that there was little to no variance in participant behavior during this trial.

Next, I standardized RSC to a z-score and created a variable to analyze the effect of experimental condition (*high vs. low psychological closeness*). This variable was referred to as 'Condition' and was coded as 0 = low psychological closeness to one's partner, 1 = high psychological closeness to one's partner. I also created two dummy coded contrasts for the trial categories (i.e., 'Trial 3' and 'Trial 4') with Trial 2 as the reference group, and created a variable for reviewer response to overreporting (i.e., 'Objectivity Failures') in which objectivity failures were coded as 0 = reviewer did not agree with overreporting, 1 = reviewer agreed with overreporting for each income statement.

Lastly, the demographic variables were coded in the same way as Study 1. Because participants believed they were interacting with their partner from the sharing game in the decision making task, I included manager partner demographics (i.e., Manager Gender, Manager Age, and Manager Race) in my analyses. Asian was used as the reference group for all dummy coded racial contrasts because Asian participants were represented more than any other racial group (> 49%).

Descriptives

Descriptive results are summarized in Table 6. Consistent with Study 1, the majority of reviewers did not commit objectivity failures to help managers earn more money from the task. Specifically, 32.1% of reviewers committed objectivity failures in the high psychological closeness condition whereas 26.9% of reviewers committed objectivity failures in the low psychological closeness condition.

Sharing Game

Before testing the hypotheses, I first tested whether the sharing game successfully produced

feelings of psychological closeness to one's partner. I conducted an independent samples t-test to compare the effect of Condition (*high vs. low psychological closeness*) on self- reported psychological closeness after the sharing game (using the standardized averaged measure of psychological closeness; α = .84). There was a significant difference in self-reported psychological closeness among the high psychological closeness (*M* = 3.43, *SD* = .86) and low psychological closeness (*M* = 3.11, *SD* = .77) conditions; *t*(322) = -3.55, *p* < .001. Participants in the high psychological closeness condition reported feeling more similar, related, and psychologically close to their partner, and could more easily take the perspective of their partner compared to those in the low psychological closeness condition.

H1: Psychological closeness and objectivity failures

I performed GEE to examine whether psychological closeness to one's partner in the study influenced objectivity failures. The logistic GEE procedure in SPSS was used to estimate the model using an independent correlation structure. The nesting scheme was trial (level-1) nested within participants (level-2). The GEE model (referred to as 'Model 3') included the following terms: Condition, Trial 3, and Trial 4. As Table 7 shows, there was a marginal effect of Condition on objectivity failures—reviewers were marginally more likely to allow overreporting in the high psychological closeness condition (*M* = .24, *SD* = .43) compared to the low psychological closeness condition (*M* = .20, *SD* = .40). The remaining variables were nonsignificant.

Although I did not hypothesize effects for any of the demographic characteristics, I examined their influence on the hypothesized variables for exploratory purposes. I re-ran the GEE from Model 3 (referred to as 'Model 3A') including the following terms: Gender, Age, Race-White, Race-Other, Manager Gender, Manager Age, Manager Race-White, and Manager Race-Other. The model also included certain interactions that could be expected to influence the results, such as interactions between psychological closeness and reviewer demographics (i.e.,

Condition X Gender, Condition X Age, Condition X Race-White, Condition X Race-Other) and

interactions between reviewer and manager demographics (i.e., Gender X Manager Gender, Age

X Manager Age, Race-White X Manger Race-White, Race-Other X Manager Race-Other).

As shown in Table 8, there was a significant effect of Race-Other and a marginal effect of

Race-White on objectivity failures. Participants who were Black/African American, Hispanic, or

Latino were more likely to commit objectivity failures ($M = .33$, $SD = .06$) compared to Asian

participants *($M = .20$, $SD = .03$)*, and Asian participants were marginally more likely to commit

objectivity failures ($M = .24$, $SD = .03$) compared to White participants ($M = .18$, $SD = .04$). The

effects of Manager Race-White and Manager Age were also significant. Participants were more

likely to commit objectivity failures when their partner from the sharing game was White ($M =$

$.31$, $SD = .05$) compared to Asian ($M = .18$, $SD = .03$). In addition, participants were more likely

to commit objectivity failures when their partner was older (vs. younger). For the interaction

effects, Condition X Race-Other, Race-White X Manager Race-White, and Age X Manager Age

also emerged as significant. Inspection of the racial interactions revealed that Black/African

American, Hispanic or Other/Multi-racial participants were more likely to commit objectivity

failures in the high (vs. low) psychological closeness condition (Figure 4), and objectivity failures

among Asian participants were highest when their partner White compared to Asian (Figure 5).

Additionally, scatterplot diagrams indicated that older participants were more likely to commit

objectivity failures as partner age increased.

H2: Interaction between RSC and psychological closeness on objectivity failures

To examine whether RSC moderated the relationship between psychological closeness and

objectivity failures, I performed GEE (referred to as 'Model 4') using the terms from Model 3

(i.e., Condition, Trial 3, and Trial 4) plus RSC and Condition X RSC. Eleven participants were

excluded from this analysis due to missing data on RSC[11]. As Table 9 demonstrates, the effect of

the interaction between Condition and RSC was nonsignificant. I further explored this interaction to determine whether the descriptive trend was consistent with the hypothesized prediction. As illustrated in Figure 6, there were no differences in objectivity failures in the high psychological closeness condition among levels of RSC. The remaining variables were also nonsignificant.

For exploratory purposes, I conducted a second GEE (referred to as 'Model 4A') to explore the effects of demographic characteristics on RSC and psychological closeness. Model 4A included the variables from Model 4 as well as the following terms: Gender, Age, Race-White, Race-Other, Manager Gender, Manager Age, Manager Race-White, and Manager Race-Other. Additionally, the model included certain two-way and three-way interactions that were theoretically relevant (i.e., RSC X Gender, RSC X Age, RSC X Race-White, RSC X Race-Other, Gender X Manager Gender, Age X Manager Age, Race-White X Manager Race-White, Condition X RSC X Gender, Condition X RSC X Age, Condition X RSC X Race-White, and Condition X RSX Race-Other). Initial testing of Model 4A revealed that the inclusion of the Condition X RSC X Age interaction led to complete separation of the data. As a result, this variable was removed from the model.

Results from the exploratory GEE analysis are depicted in Table 10. There was a significant effect of Manager Age indicating participants were more likely to commit objectivity failures when their partner was older (vs. younger). Results also revealed marginal effects of Manager Race-White and Manager Race-Other on objectivity failures—that is, participants were marginally more likely to commit objectivity failures when their partner was White ($M = .31$, $SD = .05$) compared to Asian ($M = .18$, $SD = .03$) and marginally less likely to commit objectivity failures when their partner was Black/African American, Hispanic or Other/Multi-racial ($M = .15$ $SD = .07$) compared to Asian ($M = .23$, $SD = .02$). Among the interaction terms, significant

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[11]Eleven participants (who did not complete the prescreen survey) did not complete RSC in the study due to initial survey settings which did not require participants to complete this measure.

effects were discovered for Race-Other X Manager Race-Other and RSC X Age. As shown in Figure 7, participants who were Black/African American, Hispanic or Other/Multi-racial were more likely to commit objectivity failures when their partner identified with the same racial category. In addition, scatterplot diagrams indicated that older participants were more likely to commit objectivity failures when they were high (vs. low) in RSC. Consistent with Model 1A, there was a marginal effect for Race-White X Manager Race-White such that Asian participants were marginally more likely to commit objectivity failures when their partner was Asian (vs. White). The remaining variables were nonsignificant.

Discussion

The main goal of Study 2 was to show that psychological closeness contributes to objectivity failures and that this relationship is weaker for those who are low (vs. high) in RSC. In addition, Study 2 aimed to invoke feelings of psychological closeness to another person in the laboratory. The results provided support for Hypothesis 1 by showing that participants were more likely to commit objectivity failures in the high (vs. low) psychological closeness condition. Although this finding was marginal, the direction of the effect was consistent with the hypothesized prediction. Contrary to expectation, RSC did not moderate the relationship between psychological closeness and objectivity failures. Thus, Hypothesis 2 was not supported.

One potential explanation for the lack of results for RSC may be due to a lack of power in the study. Although there were a comparable number of participants assigned to the reviewer role across Studies 1 and 2 (n = ~100 for each), Study 1 had the advantage of using a within-subjects design. In contrast, Study 2 applied a between-subjects design, which is considerably less powerful. The relatively small sample size in this study may have particularly influenced the findings for RSC due to the small number of participants per cell when analyzing the RSC X Psychological Closeness interaction. Alternatively, it is possible that RSC does not moderate the relationship between psychological closeness and objectivity failures. This explanation is partly

supported by inspection of the descriptive trend for RSC and psychological closeness which did

not correspond with my hypothesized prediction. Further investigation of these constructs is

necessary before definite conclusions can be drawn.

I did not hypothesize relationships between the demographic characteristics and

objectivity failures, however the exploratory analyses consistently showed that reviewers were

more likely to commit objectivity failures when their partner from the sharing game was older

(vs. younger) in age and White (vs. Asian) in ethnicity.[12] Given that these effects were not

discovered in Study 1, the generalizability of these findings are limited. However, one potential

interpretation of these results is that objectivity failures were more likely to be viewed as

acceptable when they helped older participants and White participants because these individuals

are generally attributed with high levels of social status. Indeed, research on status hierarchies

demonstrates that people are more willing to acquiesce and accept the behavior of high status

individuals compared to their lower status counterparts (e.g., Jost & Banaji, 1994; Tajfel &

Turner, 1979). Following this line of thought, it is possible that social status moderates the

relationship between psychological closeness and objectivity failures. Unfortunately, social status

was neither explored nor focused on in the current research and so conclusions about its influence

in the theoretical model cannot be made at this time.

I also discovered significant effects for several other demographic characteristics,

however these findings did not consistently emerge across the two exploratory analyses

conducted in this study. Thus, limited inferences can be drawn from these results.

Limitations

In contrast to Study 1, reviewers did not actually interact with a manager counterpart in

the decision making task. Furthermore, the pattern of overreporting by the manager was fixed

such that each reviewer reviewed one honestly prepared income statement followed by three

dishonestly prepared income statements. Due to these artificial aspects of the study design, it is possible that the findings from this study do not correspond to behavior observed in more natural settings, such as auditor-client interactions. Another limitation of the study is that the dependent measure—allowing another person to overreport income in a laboratory task—is geared specifically toward objectivity failures that occur in the organizational monitoring context. I attempt to address these limitations in the next chapter of my dissertation by investigating a different, broader form of objectivity failures.

CHAPTER IV

Studies 3 and 4

In the fourth chapter of this dissertation, I discuss two online studies (referred to as Study 3 and Study 4) which further investigated RSC as a moderator of psychological closeness and objectivity failures. Due to time constraints, I conducted Studies 3 and 4 simultaneously and designed each based on the findings from Study 1. Across both studies, I tested the prediction that people who are low (vs. high) in RSC are less willing to commit objectivity failures to promote psychologically close individuals. Whereas previous studies in this dissertation investigated objectivity failures in the form of publicly endorsing another person's dishonest financial behavior in a laboratory task, Studies 3 and 4 examined objectivity failures in a broader context— intentionally failing to report another person's wrongdoing to a third party. This operationalization is based on objectivity failures that arise when employees intentionally refrain from reporting bad or illegal behavior committed by their work colleagues. In such cases, the employee commits an objectivity failure through omission (i.e., failing to take action).

Support for using failing to report wrongdoing as a measure of objectivity failures stems from prior literature on whistleblowing. In particular, studies on this topic have shown that people are less willing to 'blow the whistle' when they are close to the perpetrator (Dyck, Morse, & Zingales, 2010; Larmer, 1992) because doing so is viewed as an act of betrayal and disloyalty (Waytz et al.; 2013). These findings align with the current hypotheses in that they both suggest that psychological closeness influences how people respond to wrongdoing committed by others. Although RSC was not examined in these studies, I expect to find that individuals who are low (vs. high) in this trait are more willing to report wrongdoing committed by psychologically close

others.

Pilot Studies

Before conducting Studies 3 and 4, I conducted five pilot studies which also explored the relationships among RSC, psychological closeness, and objectivity failures (see Appendix C for detailed information about these studies). In the first set of pilot studies (*Pilot Studies 1-3*), I tested whether RSC predicted objectivity failures using a hypothetical auditing scenario that I developed. Due to a lack of significant results, this scenario was ultimately dropped from the study design and a different form of objectivity failures (i.e., failing to blow the whistle) was adopted. In the second set of pilot studies (*Pilot Studies 4-5*), I tested new manipulations of RSC that I developed. The findings from Pilot Study 5 provided preliminary support for an experimental manipulation of RSC that I used in Study 4.

Study 3

The goal of Study 3 was to extend the current research by investigating whether individuals who are low (vs. high) in RSC are more willing to report wrongdoing committed by psychologically close individuals. I tested this prediction in an online study which first measured RSC and then presented participants with a series of whistleblowing scenarios involving hypothetical perpetrators (ranging from strangers to close family members).

Method

Participants

One hundred and thirty-eight individuals (M_{Age} = 34.54, SD_{Age} = 10.58; 84 male) participated in an eight-minute online study for a small payment on Amazon MTurk. The sample was 81.9% White, 5.8% Black, 7.2% Asian, 1.4% Hispanic, and 3.6% other (e.g., American Indian, multiracial).

Design & Procedure

Participants began the study by answering an online survey which presented them with demographic questions (i.e., gender, age, race) and the Relational-Interdependent Self-Construal scale (Cross et al., 2000). Next, participants were presented with a series of hypothetical whistleblowing scenarios previously used by Waytz et al. (2013). The scenarios depicted seven different types of wrongdoing: stealing $1 from a restaurant's tip jar, embezzling $1000 from one's work place, robbing a woman of her cell phone and wallet, cheating on a final exam in college, spraying rude graffiti on the side of a local store, using and selling illegal drugs, and fatally stabbing a convenience store owner. For each scenario, participants were asked to indicate how likely (1 = *Very unlikely,* 5 = *Very likely*) they would be to report the perpetrator's behavior to a third party if the perpetrator were: A) a total stranger you've never met, B) an acquaintance you see occasionally, C) a close friend you've known for years, and D) a family member you're very close to. Because I am interested in examining objectivity failures, I reverse coded all responses to this question so that higher scores indicated a lower likelihood of reporting wrongdoing to a third party.

After responding to the second scenario, an attention check was administered which instructed participants to write the word 'survey' in the text box provided by one of the multiple choice response items. One participant was excluded from the study for not successfully passing the attention check. After responding to all of the whistleblowing scenarios, participants had an opportunity to provide general comments before exiting the survey.

Results

Treatment of Variables

First, I computed two variables to distinguish between different levels of psychological closeness to the perpetrator. I refer to these variables as 'High Psychological Closeness' and 'Low Psychological Closeness'. I created High Psychological Closeness by averaging responses over

the seven whistleblowing scenarios when the perpetrator was a close friend and when the perpetrator was a close family member ($\alpha = .95$). Similarly, I created Low Psychological Closeness by averaging responses over all the seven whistleblowing scenarios when the perpetrator was a stranger and when the perpetrator was an acquaintance ($\alpha = .89$). For exploratory purposes, I also computed separate variables for each type of relationship to the perpetrator by averaging responses over all seven scenarios for each relationship (all $\alpha > .77$).[12] Higher scores on these variables indicate a greater willingness to commit objectivity failures.

For the demographic variables, I standardized RSC and participant age to z-scores. Participant gender (i.e., 'Gender') was coded as 0 = male, 1 = female. I created dummy coded contrasts for the racial categories (White/Caucasian, Black/African American, Hispanic, Asian, & Other/Multi-racial) with White/Caucasian—the largest racial group represented in the sample—as the reference group for all contrasts. The three race variables were: Race-Black, Race-Asian, and Race-Other. In contrast to previous studies, I treated Hispanic as part of Race-Other instead of as a separate category because there were a very small number of participants (*n* = 2) who identified as Hispanic in the sample. Although I did not make any predictions for the demographic characteristics, I examined their effects on RSC and psychological closeness for exploratory purposes.

Results

I conducted a one-way repeated measures ANCOVA to compare the effect of RSC on willingness to commit objectivity failures across high and low levels of psychological closeness to the perpetrator. The variables included in the model were Psychological Closeness (*high vs. low*), RSC, and Psychological Closeness X RSC. There was a significant interaction between RSC and Psychological Closeness on objectivity failures, $F(1,136) = 3.81$, $p = .05$. As Figure 8

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[12]Similar results were discovered when I tested the effect of each relationship type on objectivity failures.

shows, participants who were high in RSC were more willing to report wrongdoing to a third party when they were low (vs. high) in psychological closeness to the perpetrator. The effect of Psychological Closeness was also significant, $F(1,136) = 90.36$, $p < .001$. Participants were more willing to commit objectivity failures when the perpetrator was psychologically close ($M = 3.13$, $SD = 1.05$) compared to psychologically distant ($M = 2.36$, $SD = 0.90$).

For exploratory purposes, I conducted another one-way repeated measures ANCOVA to examine whether the demographic characteristics influenced the hypothesized variables. The variables included in the ANCOVA model were: Psychological Closeness (*high vs. low*), RSC, Gender, Age, Race-Black, Race-Asian, Race-Other and certain two-way and three-way interactions that might affect the results. The two-way interactions included in the model were: Psychological Closeness X RSC, Psychological Closeness X Gender, Psychological Closeness X Age, Psychological Closeness X Race-Black, Psychological Closeness X Race-Asian, and Psychological Closeness X Race-Other. The three-way interactions included in the model were: Psychological Closeness X RSC X Gender, Psychological Closeness X RSC X Age, Psychological Closeness X RSC X Race-Black, Psychological Closeness X RSC X Race-Asian, and Psychological Closeness X RSC X Race-Other.

Results revealed a marginal effect of Psychological Closeness X Asian ($F(1,126) = 3.29$, $p = .07$). Further inspection of this interaction in Figure 9 indicated that Asian (vs. White) participants were marginally more willing to commit objectivity failures when they were high (vs. low) in psychological closeness to the perpetrator. The effect of Psychological Closeness remained significant ($F(1,126) = 18.36$, $p < .001$). The remaining variables in the model were nonsignificant.

Discussion

The goal of Study 3 was to demonstrate that RSC moderates the relationship between

psychological closeness and objectivity failures. Specifically, I predicted that willingness to report wrongdoing committed by a psychologically close individual would be highest for those low (vs. high) in RSC. Contrary to expectation, the results did not support this prediction. Given that similar null findings were discovered in Study 2, it is possible that RSC does not predict objectivity failures in the direction that was previously hypothesized.

Interestingly, the results from Study 3 revealed that participants who were high in RSC were the most willing to report wrongdoing committed by a psychologically *distant* individual. One potential interpretation of this finding is that participants who were high (vs. low) in RSC treated psychologically distant individuals more objectively (by reporting their unethical behavior to a third party) as a way of indirectly promoting psychologically close individuals. This line of thought is supported by research on moral foundations (Smith, Aquino, Koleva, & Graham, 2013), which shows that people who are chronically high in Ingroup/Loyalty are motivated to harm out-groups to benefit and protect their in-group. Although no conclusions can be reached at this time, examination of the relationship between RSC and behavior toward psychologically distant others is an interesting direction for further study.

Lastly, the results from the exploratory analyses showed that Asian (vs. White) participants were marginally more willing to commit objectivity failures to promote psychologically close others compared to psychologically distant others. Given that this finding was marginal and not observed in Studies 1 and 2, it is difficult to interpret this effect. However, it is possible that Asian participants were more sensitive to perceived feelings of psychological closeness to their counterpart in the decision making task compared to Whites participants, perhaps due to their greater cultural emphasis on relationship-building (Markus & Kitayama, 1991).

Study 4

The goal of Study 4 was to further investigate the role of RSC in the theoretical model. In contrast to previous studies which focused on individual differences in (chronically accessible) RSC, Study 4 examined situations where RSC was temporarily *in*accessible. That is, I tested whether it was possible to decrease the accessibility of RSC, particularly for those possessing high levels of this trait. In doing so, I aimed to develop an intervention to mitigate the negative effects of psychological closeness on objective decision making.

Manipulating RSC

The proposition that RSC can be made temporarily inaccessible is predicated on research showing that a person's self-concept can become more or less activated across different social contexts (Kihlstrom & Cantor, 1984; Gelfand et al., 2006). According to this work, strong features of a situation can activate or deactivate certain thoughts, feelings, and behavior relevant to one's sense of self. Consider the case of a person who tends to behave competitively toward others (i.e., competitiveness is chronically accessible). Although the individual is typically competitive, he or she may not behave display competitive behavior unless cued by stimuli in the environment. Similarly speaking, if a person's chronic accessibility of RSC is not relevant to the current context, it will not become salient or acted upon. Indeed, psychological research suggests that highly relational individuals adapt to fit the demands of their current situation, becoming less concerned with the needs and desires of their close relationship partners in contexts that promote autonomy and independence—values that oppose RSC (Cross and Morris, 2003). Building on this line of thought, I tested the prediction that individuals who situationally adopt low (vs. high) levels of RSC are less willing to commit objectivity failures to benefit psychologically close others. Consistent with Study 3, objectivity failures were defined in this study as failing to report another person's wrongdoing to a third party.

Method

Participants

Ninety-six individuals (51 male, 45 female) participated in an eight-minute online study for a small payment on Amazon MTurk.

Design & Procedure

Participants began the study by completing a writing task that I developed which manipulated RSC. Prior to conducting Study 4, I conducted a pilot study which provided preliminary support for the writing task manipulation (see Pilot Study 5 for more details).

RSC Manipulation

Participants were randomly assigned to one of two experimental conditions: low RSC versus high RSC. Those in the *low RSC* condition were instructed to write an essay convincing somebody else that their close relationships (e.g., close friends, family) are not an important part of who they are. Participants in the *high RSC* condition were instructed to write an essay convincing somebody else that their close relationships are an important part of who they are.

Participants in both conditions had five minutes to complete the essay (after which they would automatically transition to the next part of the survey) and were allowed to use additional resources, such as the internet or news articles, to build their case. As an incentive to do well on the task, all participants were told that their essay and one randomly selected essay with an opposing viewpoint would be presented to future study participants, who would choose which essay was more persuasive. If their essay was chosen, the participant would be entered into a lottery for a $25 Amazon.com gift card. One participant was selected to win the $25 Amazon.com gift card.

Directly after finishing the writing task manipulation, participants responded to the seven whistleblowing scenarios from Study 3. All responses to these scenarios were reverse coded so

that higher scores indicated a lower likelihood of reporting wrongdoing to a third party. After the second scenario, an attention check was administered which instructed participants to write the word 'survey' in the text box provided by one of the multiple choice response items. Six participants were excluded from the study for not successfully passing the attention check.

Finally, participants were asked to indicate their gender (age and race were not included as demographic questions in the survey) and had an opportunity to provide general comments about the study before exiting the survey.

Results

Treatment of Variables

First, I created a variable to analyze the effect of experimental condition (*low RSC vs. high RSC*). This variable was referred to as 'Condition' and was coded as 0 = low RSC, 1 = high RSC. As in Study 3, I created two variables to represent the different levels of psychological closeness to the perpetrator. These variables were referred to as 'High Psychological Closeness' and 'Low Psychological Closeness'. I computed High Psychological Closeness by averaging responses over all of the scenarios when the perpetrator was close friend and when the perpetrator was a close family member ($\alpha = .94$). For the Low Psychological Closeness variable, I averaged responses over all seven scenarios when the perpetrator was a stranger and when the perpetrator was an acquaintance ($\alpha = .92$). For exploratory purposes, I computed separate whistleblowing scores for each type of relationship to the perpetrator by averaging responses over all seven scenarios (all $\alpha > .83$).[13] Higher scores on these variables indicate a greater willingness to commit objectivity failures.

Consistent with previous studies in the dissertation, Gender was coded as 0 = male, 1 = female.

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[13] Similar results were discovered when I tested the effect of each relationship type on objectivity failures.

Results

I performed a one-way repeated measures ANOVA to determine whether high versus low RSC predicted objectivity failures when participants were psychologically close to the perpetrator. The variables included in the model were: Condition (*high RSC vs. low RSC*), Psychological Closeness (*high vs. low*), and Condition X Psychological Closeness. Findings revealed that the effect of Psychological Closeness was significant, $F(1,94) = 151.15, p < .001$. Participants who were low in psychological closeness to the perpetrator ($M = 3.81, SD = .87$) were more likely to blow the whistle compared to those high in psychological closeness to the perpetrator ($M = 2.90, SD = .97$). The effect of Condition was nonsignificant, $F(1,94) = .58, p = .45$. As shown in Figure 10, the interaction between Condition and Psychological Closeness was also nonsignificant, $F(1,94) = .03, p = .87$.

For exploratory purposes, I conducted a one-way repeated measures ANCOVA to investigate the effect of gender on the hypothesized predictors. This analysis was identical to the ANOVA model with the exception of Gender added as a covariate. The ANCOVA results replicated the findings from the ANOVA—specifically, the effect of Psychological Closeness was significant ($F(1,93) = 88.92, p < .001$) and the remaining variables were nonsignificant.

Discussion

Study 4 aimed to demonstrate that low (vs. high) RSC reduces one's willingness to commit objectivity failures to help psychologically close individuals. In addition, Study 4 sought to temporarily decrease levels of RSC, which has not yet been attempted in the literature. The results supported the relationship between psychological closeness and objectivity failures (Hypothesis 1), however they did not support the predicted role of RSC in the theoretical model (Hypothesis 2). That is, experimentally reduced RSC did not weaken the relationship between psychological closeness and objectivity failures. A potential explanation for this null finding is that RSC does not operate in the way that was previously hypothesized. Support for this conclusion is

provided in this study by the investigation of the descriptive trends for Condition (*high vs. low RSC*) and psychological closeness (*high vs. low*), which showed that low RSC individuals were as likely to commit objectivity failures to promote psychologically close others as their high RSC counterparts.

CHAPTER V

General Discussion

Across four studies (and five supplemental studies), I investigated the consequences of various forms of psychological closeness and RSC, both manipulated and preexisting, on objectivity failures. These studies examined multiple forms of objectivity failures, from endorsing biased evaluations of another person's financial state (Studies 1 and 2) to failing to report another person's unethical behavior to a third party (Studies 3 and 4). Findings consistently showed that people are willing to commit objectivity failures to help those to whom they are high (vs. low) in psychological closeness. The present research also demonstrated that psychological closeness to others can develop quickly. In the span of a conversation, individuals developed feelings of psychological closeness to someone they had never met.

Contrary to expectation, I failed to find reliable evidence that psychological closeness and objectivity failures was modulated by RSC. Although Study 1 showed that people low (vs. high) in RSC were less likely to commit objectivity failures to promote psychologically close others, the remaining studies discovered null findings for this relationship. Interestingly, Study 3 found that RSC influenced how people behave toward psychologically *distant* others. That is, people who were high in RSC behaved more objectively toward psychologically distant individuals compared to those low in RSC. Exploratory investigation in Study 1 corroborated this finding.

In regard to my exploration of the demographic characteristics, I did not find consistent effects for any of the demographics across the studies, which suggests that these characteristics are not relevant to the theoretical model.

Implications of the present research

The findings from the current research have important implications for organizational theory and practice. Most notably, this dissertation informs our understanding of psychological closeness and offers recommendations for promoting ethical behavior in the workplace. Prior work has identified psychological closeness as an important mechanism affecting our thoughts and behavior (e.g., Aron & Aron, 1986; Gino & Galinsky, 2012), yet it remained unclear how psychological closeness influenced our behavior toward others. The current work provides an answer to this question by showing that individuals treat others differently depending on how psychologically close they are to oneself. Specifically, the present research showed that people are motivated to forego objectivity to promote psychologically close (but not distant) others.

Because feelings of psychological closeness can develop quickly, these findings may be particularly useful for understanding behavior in the workplace, which often consists of short-term interactions with other people. Managers who are interested in creating ethical work environments should be mindful of the conflict that arises when employees must maintain objectivity yet interact with others at work. One suggestion for managers is to take proactive steps to ensure that employees are not put in such situations. For example, in hiring contexts, rules can be set in place so that people are only allowed to interview candidates whom they do not know. This solution may be particularly useful for organizations that create conflicts of interest by offering bonuses to employees for successfully recruiting their friends. By reconciling the conflict between maintaining close relationships and maintaining objectivity, managers may encourage ethical behavior in the workplace.

Limitations

It is important to note that the studies in this dissertation have limitations which potentially influence the generalizability of the findings. In Study 1, RSC was measured after

participants had an opportunity to commit objectivity failures, meaning that responses to this measure may have been influenced by whether participants committed an objectivity failure in the study. In Study 2, interactions with a manager counterpart in the decision making task were artificial. As a result, observations of behavior in this study may not correspond to behavior observed in more natural settings. For Studies 4 and 5 (as well as the pilot studies), I employed hypothetical scenarios to measure objectivity failures. A major limitation of this methodology is that the outcomes assess anticipated behavior rather than actual behavior.

For the demographic characteristics, the inconsistent findings across the studies may have been caused by the method by which participants were recruited. In Studies 1 and 2, participants were recruited from a Carnegie Mellon-administered research participation pool which is heavily represented by Asian individuals. In contrast, in Studies 3 and 4, participants were recruited from Amazon Mechanical Turk which is mainly represented by White individuals. Due to these differences between the two samples, comparison of the study results is limited. For instance, Study 3 found that Asian participants were more likely to commit objectivity failures to help psychologically close others compared to White participants. Because this relationship was not observed in Studies 1 and 2, it is unclear whether this finding is simply weak (and therefore unreliable across the studies) or whether the different sampling methods confounded the results.

Future Research

This dissertation offers several recommendations for future research. One interesting direction for future work is to continue to investigate the relationship between RSC and psychological closeness. Although my hypothesized prediction for RSC was not supported, I did find an unexpected pattern of results that merits further exploration. Specifically, the findings suggest that RSC determines how individuals behave toward psychologically *distant* others. One potential explanation for this relationship (as discussed in the fourth chapter of this

dissertation) is that people who are high (vs. low) in RSC treat psychologically distant others more objectively in order to indirectly promote psychologically close others. Alternatively, it is possible that people high (vs. low) in RSC behave objectively toward psychologically distant others as a way of compensating for not behaving objectively toward psychologically close others.

As previously mentioned, people high in RSC tend to incorporate close relationships into their personal identity (Cross & Madson, 1997; Cross et al., 2000). Therefore, high (vs. low) RSC individuals may feel personally threatened when psychologically close others behave badly (and even more so when they endorse this bad behavior through objectivity failures). As a result, those high in RSC may attempt to restore their threatened self-image by acting more objectively in subsequent interactions with psychologically distant others. This compensatory process is referred to as moral cleansing (e.g., Tetlock, Kristel, Elson, Green, & Lerner, 2000; Zhong & Liljenquist, 2006).

Although moral cleansing was not a focus of the current work, support for its relevance in the theoretical model is provided by the exploratory findings in Study 1. These findings showed that people high in RSC were least likely to commit objectivity failures to help a psychologically distant counterpart when they had previously interacted with a psychologically close counterpart. Given this preliminary evidence, future work should continue to explore the relationship between RSC and moral cleansing.

Another direction for future research is to examine the theoretical model across broader organizational contexts. In the medical field, for instance, it may be the case that doctors who develop feelings of psychological closeness to a patient are motivated to hide a patient's poor health prognosis—thus committing an objectivity failure—in order to help the patient maintain hope and optimism during treatment. Other contexts where these mechanisms can be explored

include hiring settings, performance evaluation settings, and litigation settings. For example, in litigation settings, judges may develop feelings of psychological closeness to lawyers who practice regularly before them, and, as a result, may rule in their favor more frequently than other lawyers.

Conclusion

The Roman philosopher Marcus Tullius Cicero famously stated in his treatise *On Duties*, '*Non nobis solum*'. In English, this motto translates to "Not for us alone are we born". As this expression illustrates, human beings are social by nature. Some might even say that developing meaningful relationships is vital to living a happy life. Although there are many benefits to forming psychological close bonds with others, this dissertation demonstrates that relationships also have a dark side—in particular, they threaten our ability to remain independent and objective. In studying this phenomenon, this dissertation represents a first step toward understanding how psychological closeness and relational-interdependent self-construal influence ethical decision making in the workplace.

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Table 1

Overreporting and Objectivity Failures When Counterpart Was a Friend versus Stranger

	Friend Counterpart	Stranger Counterpart
Overreporting by Manager	44.4%[a]	30.3%[b]
Objectivity Failures by Reviewer	88.6%[c]	53.3%[d]

Note: [a]*n* = 44 overreported (out of 99 managers); [b]*n* = 30 overreported (out of 99 managers); [c]*n* = 39 committed objectivity failures (out of 44 reviewers); [d]*n* = 16 committed objectivity failures (out of 30 reviewers).

Table 2

Parameters from Study 1 GEE Analysis (Model 1)

Variable	B	SE B	95% CI	Odds Ratio	p
Psychological Closeness (0 = stranger, 1 = friend)	2.99	0.76	(-4.48, -1.50)	15.45	.00
Order (0 = stranger first, 1 = friend first)	2.93	0.80	(1.37, 4.50)	13.53	.00
Trial 2	2.46	0.98	(-4.39, -0.54)	6.31	.00
Trial 3	1.41	0.94	(-3.24, 0.43)	2.27	.13
Trial 4	1.19	0.89	(-2.95, 0.56)	1.78	.18

Note: $N = 106$ observations (from 56 reviewers).

Table 3

Parameters from Study 1 GEE Exploratory Analysis (Model 1A)

Variable	B	SE B	95% CI	Odds Ratio	P
Psychological Closeness (0 = stranger, 1 = friend)	4.42	6.96	(-18.05, 9.21)	0.40	.53
Order (0 = stranger first, 1 = friend first)	3.41	0.85	(1.74, 5.07)	16.05	.00
Trial 2	2.72	1.12	(-4.93, -0.52)	5.87	.02
Trial 3	1.74	1.15	(-4.00, 0.52)	2.28	.13
Trial 4	1.79	1.10	(-3.94, 0.36)	2.65	.10
Gender	-0.14	1.04	(-2.18, 1.91)	0.02	.90
Age	1.41	1.40	(-1.34, 4.16)	1.01	.31
Race-White	0.72	2.08	(-3.34, 4.78)	0.12	.73
Race-Other	-0.28	1.46	(-3.15, 2.58)	0.04	.85
Manager Gender	-0.82	1.50	(-3.76, 2.11)	0.30	.58
Manager Age	1.50	1.35	(-1.16, 4.15)	1.22	.27
Manager Race-White	-1.16	0.99	(-3.10, 0.78)	1.38	.24
Manager Race-Other	-0.60	1.06	(-2.68, 1.47)	0.32	.57
Psychological Closeness X Gender	0.01	1.46	(-2.85, 2.86)	0.00	.99
Psychological Closeness X Age	0.05	0.29	(-0.53, 0.62)	0.02	.88
Psychological Closeness X Race-White	-0.45	2.27	(-4.90, 3.99)	0.04	.84
Psychological Closeness X Race-Other	0.40	2.33	(-4.18, 4.97)	0.03	.87
Gender X Manager Gender	0.63	2.13	(-3.55, 4.82)	0.09	.77
Age X Manager Age	-0.07	0.06	(-0.19, 0.05)	1.25	.27
Race-White X Manager Race-White	-1.46	2.44	(-6.24, 3.32)	0.36	.55

Note: $N = 106$ observations (from 56 reviewers).

Table 4

Parameters from Study 1 GEE Analysis (Model 2)

Variable	B	SE B	95% CI	Odds Ratio	p
Psychological Closeness (0 = stranger, 1 = friend)	3.09	0.82	(-4.70, -1.48)	14.11	.00
Order (0 = stranger first, 1 = friend first)	2.96	0.80	(1.38, 4.53)	13.57	.00
Trial 2	2.56	1.01	(-4.54, -0.58)	6.42	.01
Trial 3	1.44	0.98	(-3.35, 0.48)	2.16	.14
Trial 4	1.32	0.97	(-3.22, 0.57)	1.87	.17
RSC	0.95	0.57	(-0.15, 2.06)	2.85	.09
Condition X RSC	1.14	0.59	(-2.29, 0.01)	3.81	.05

Note: $N = 104$ observations (from 55 reviewers). Two observations from 1 reviewer were excluded from the model due to missing data on RSC.

Table 5

Parameters from Study 1 Exploratory GEE Analysis (Model 2A)

Variable	B	SE B	95% CI	Odds Ratio	P
Psychological Closeness (0 = stranger, 1 = friend)	3.28	1.07	(-5.37, -1.20)	9.49	.00
Order (0 = stranger first, 1 = friend first)	2.65	0.79	(1.09, 4.21)	11.13	.00
Trial 2	3.59	1.21	(-5.96, -1.21)	8.78	.00
Trial 3	2.30	1.13	(-4.51, -0.08)	4.11	.04
Trial 4	2.37	1.13	(-4.58, -0.17)	4.44	.04
RSC	0.23	2.67	(-5.47, 5.00)	0.01	.93
Gender	-0.93	1.65	(-4.16, 2.31)	0.32	.57
Age	1.12	1.24	(-1.30, 3.54)	0.82	.37
Race-White	-2.57	1.49	(-0.36, 5.49)	2.97	.09
Race-Other	-0.11	1.57	(-3.19, 2.96)	0.01	.94
Manager Gender	-2.03	1.54	(-5.05, 0.99)	1.73	.19
Manager Age	1.14	1.23	(-1.26, 3.54)	0.87	.35
Manager Race-White	-1.43	1.63	(-4.63, 1.77)	0.77	.38
Manager Race-Other	-2.00	1.47	(-4.89, 0.87)	1.86	.17
Psychological Closeness X RSC	2.10	1.09	(-4.22, 0.03)	3.72	.05
RSC X Gender	2.36	1.51	(-0.60, 5.31)	2.45	.12
RSC X Age	0.03	0.11	(-0.18, 0.25)	0.09	.77
RSC X Race-White	-0.99	1.32	(-3.58, 1.61)	0.56	.46
RSC X Race-Other	-0.52	2.06	(-4.57, 3.53)	0.06	.80
Gender X Manager Gender	2.58	2.27	(-1.86, 7.03)	1.30	.26
Age X Manager Age	-0.54	0.05	(-0.16, 0.05)	1.01	.32
Race-White X Manager Race-White	-3.31	2.10	(-7.43, 0.82)	2.47	.12

Note: $N = 104$ observations (from 55 reviewers). Two observations from 1 reviewer were excluded from the model due to missing data on RSC, Age, and Gender.

Table 6

Objectivity Failures across Psychological Closeness Condition

Condition	% Objectivity Failures within condition
High Psychological Closeness[a]	24.4%
Low Psychological Closeness[b]	19.9%

Note: [a]168 observations (from 56 reviewers), [b]156 observations from (52 reviewers).

Table 7

Parameters from Study 2 GEE analysis (Model 3)

Variable	B	SE B	95% CI	Odds Ratio	p
Condition (0 = low psych. closeness, 1 = high psych. closeness)	0.26	0.15	(-0.55, 0.02)	5.88	.07
Trial 3	0.00	0.18	(-0.35, -0.35)	0.00	1.00
Trial 4	0.00	0.18	(-0.35, 0.35)	0.00	1.00

Note: 324 observations (from 108 reviewers).

Table 8

Parameters from Study 2 Exploratory GEE analysis (Model 3A)

Variable	*B*	*SE B*	*95% CI*	*Odds Ratio*	*P*
Condition (0 = low psych. closeness, 1 = high psych. closeness)	0.40	0.52	(0.60, 1.41)	0.62	.43
Trial 3	0.00	0.35	(-0.69, 0.69)	0.00	1.00
Trial 4	0.00	0.35	(-0.69, 0.62)	0.00	1.00
Gender (0 = male, 1 = female)	-0.17	0.53	(-1.20, 0.86)	0.18	.74
Age	0.33	0.27	(-0.20, 0.86)	1.46	.23
Race-White	-1.04	0.57	(-0.08, 2.17)	3.29	.07
Race-Other	1.59	0.51	(0.60, 2.59)	9.87	.00
Manager Gender	0.05	0.45	(-0.83, 0.92)	0.01	.92
Manager Age	0.80	0.26	(0.35, 1.24)	12.46	.00
Manager Race-White	1.46	0.43	(0.62, 2.30)	11.60	.00
Manager Race-Other	0.15	0.42	(-0.68, 0.98)	0.14	.72
Condition X Gender	-0.18	0.64	(-1.43, 1.07)	0.08	.78
Condition X Age	-0.29	0.46	(-1.20, 0.61)	0.40	.53
Condition X Race-White	0.62	0.84	(-2.05, 0.82)	0.71	.40
Condition X Race-Other	2.49	0.87	(-4.19, -0.78)	8.18	.00
Gender X Manager Gender	-0.76	0.65	(-2.02, 0.51)	1.37	.24
Age X Manager Age	0.29	0.10	(-0.48, -0.09)	8.39	.00
Race-White X Manager Race-White	-2.29	0.72	(-3.70, -0.89)	10.27	.00
Race-Other X Race-Other	0.72	0.85	(-0.93, 2.38)	0.73	.39

Note: N = 324 observations (from 108 reviewers).

Table 9

Parameter from Study 2 GEE Analysis (Model 4)

Variable	B	SE B	95% CI	Odds Ratio	p
Condition (0 = low psych. closeness, 1 = high psych. closeness)	0.15	0.30	(-0.73, 0.43)	0.26	.61
Trial 3	0.00	0.36	(-0.71, 0.71)	0.00	1.00
Trial 4	0.12	0.36	(-0.58, 0.82)	0.11	.74
RSC	0.05	0.18	(-0.40, 0.31)	0.06	.80
Condition X RSC	-0.14	0.31	(-0.47, 0.75)	0.21	.65

Note: N = 291 observations (from 97 reviewers). 33 observations were excluded from the model due to missing data on RSC for 11 reviewers.

Table 10

Parameters from Exploratory GEE Analysis (Model 4A)

Variable	*B*	*SE B*	*95% CI*	*Odds Ratio*	*P*
Condition (0 = low psych. closeness, 1 = high psych. closeness)	0.03	0.36	(-0.72, 0.67)	0.01	.94
Trial 3	0.00	0.39	(-0.75, 0.75)	0.00	1.00
Trial 4	0.15	0.37	(-0.58, 0.88)	0.17	.68
RSC	0.85	0.48	(-1.79, 0.09)	2.12	.15
Gender (0 = male, 1 = female)	0.17	0.53	(-0.88, 1.22)	0.10	.75
Age	0.05	0.37	(-0.69, 0.79)	0.02	.90
Race-White	0.54	0.60	(-0.64, 1.73)	0.82	.37
Race-Other	-0.30	0.59	(-1.47, 0.86)	0.26	.61
Manager Gender	0.59	0.52	(-0.43, 1.62)	1.28	.26
Manager Age	0.98	0.27	(0.43, 1.52)	12.38	.00
Manager Race-White	0.78	0.44	(-0.08, 1.64)	3.17	.08
Manager Race-Other	-2.61	1.48	(-5.52, 0.30)	3.08	.09
Condition X RSC	0.48	0.73	(-0.95, 1.91)	0.43	.51
RSC X Gender	0.68	0.49	(-0.28, 1.64)	1.91	.17
RSC X Age	1.01	0.39	(-1.78, -0.25)	6.68	.01
RSC X Race-White	-0.14	0.60	(-1.04, 1.32)	0.06	.82
RSC X Race-Other	0.43	0.63	(-0.81, 1.67)	0.46	.50
Gender X Manager Gender	-1.17	0.75	(-2.64, 0.30)	2.44	.12
Age X Manager Age	0.07	0.20	(-0.32, 0.47)	0.13	.72
Race-White X Manager Race-White	-1.75	0.92	(-3.55, 0.05)	3.65	.06
Race-Other X Race-Other	4.69	1.68	(1.40, 7.98)	7.79	.00
Condition X RSC X Gender	-0.58	0.81	(-2.16, 1.00)	0.52	.47
Condition X RSC X Race-White	0.74	1.00	(-1.21, 2.69)	0.55	.46
Condition X RSC X Race Other	-1.29	0.95	(-3.16, 0.56)	1.84	.18

Note: N = 291 observations (from 97 reviewers). 33 observations were excluded from the model due to missing data on RSC for 11 reviewers.
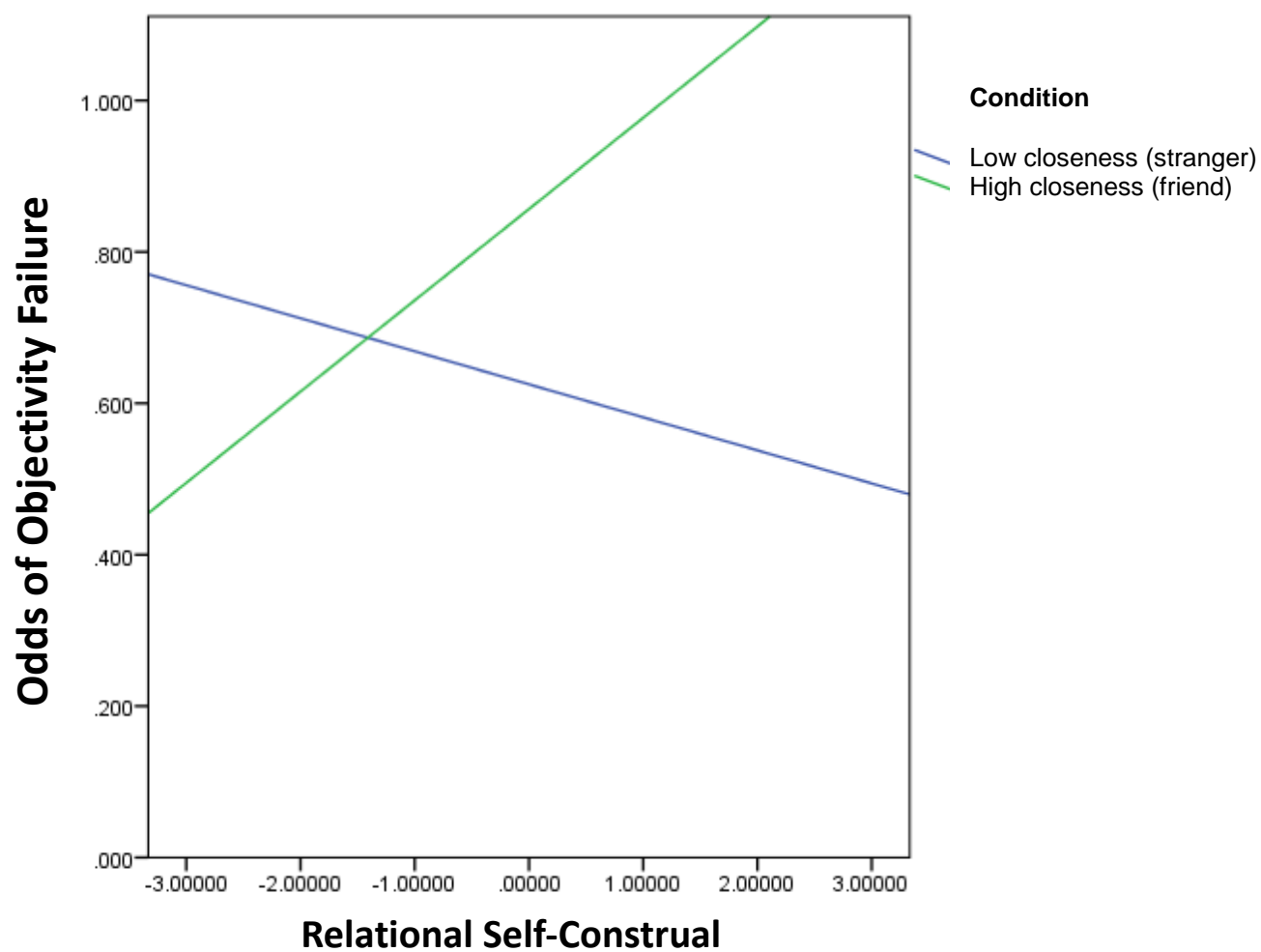
Figure Captions

Figure 1. Conceptual model.

Figure 2. Predicted odds of objectivity failures for RSC X Psychological Closeness (Study 1)

Figure 3. Predicted odds of objectivity failures for RSC X Psychological Closeness across Order participants took part in the study (Study 2).

Figure 4. Predicted odds of objectivity failures for Race-Other X Psychological Closeness Condition (Study 2).

Figure 5. Predicted odds of objectivity failures for Race-White X Manager Race-White (Study 2).

Figure 6. Predicted odds of objectivity failures for RSC X Psychological Closeness (Study 2).

Figure 7. Predicted odds of objectivity failures for Race-Other X Manager Race-Other (Study 2).

Figure 8. Mean likelihood of objectivity failures for RSC X Psychological Closeness (Study 3).

Figure 9. Mean likelihood of objectivity failures for Psychological Closeness X Race-Asian (Study 3).

Figure 10. Mean likelihood of objectivity failures for RSC X Psychological Closeness (Study 4).

Figure 2

Figure 2. Predicted odds of objectivity failures using RSC X Psychological Closeness (Study
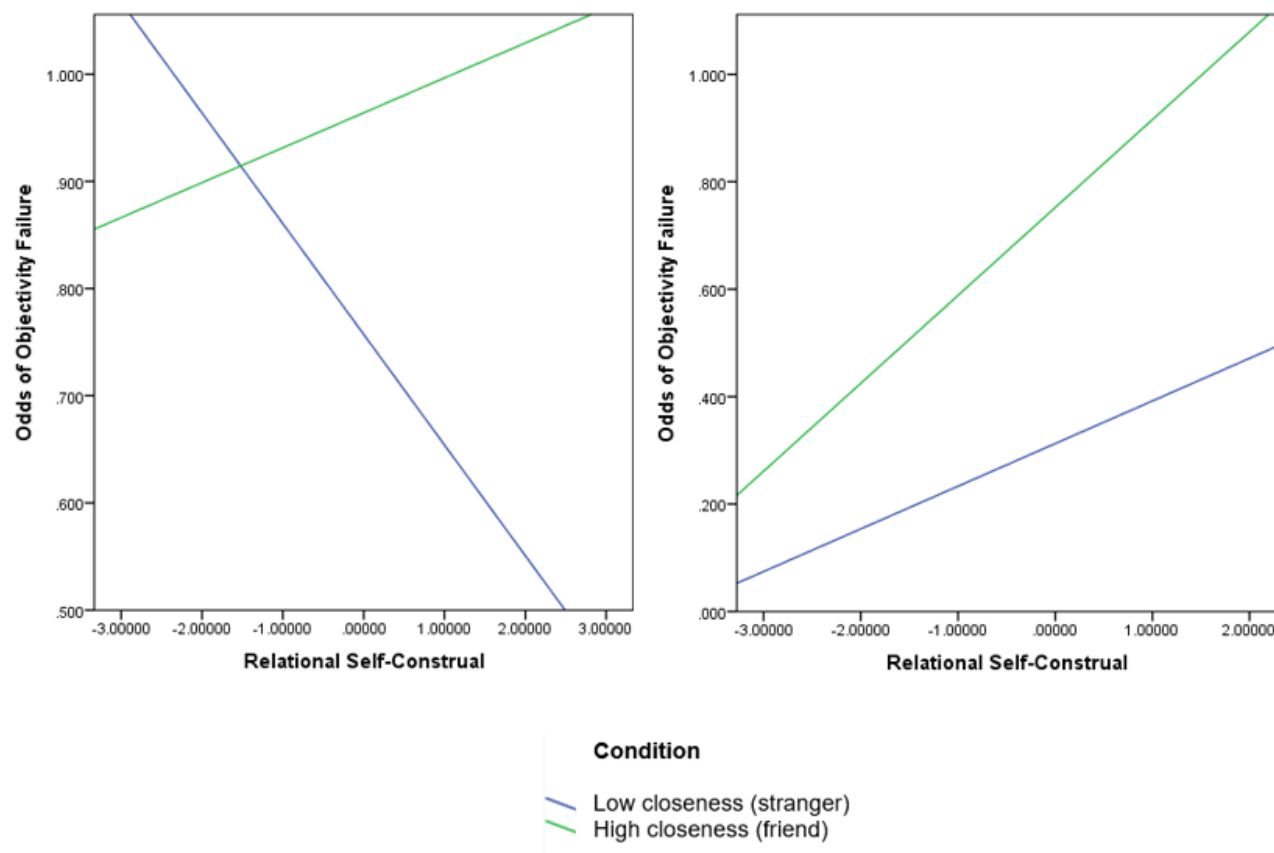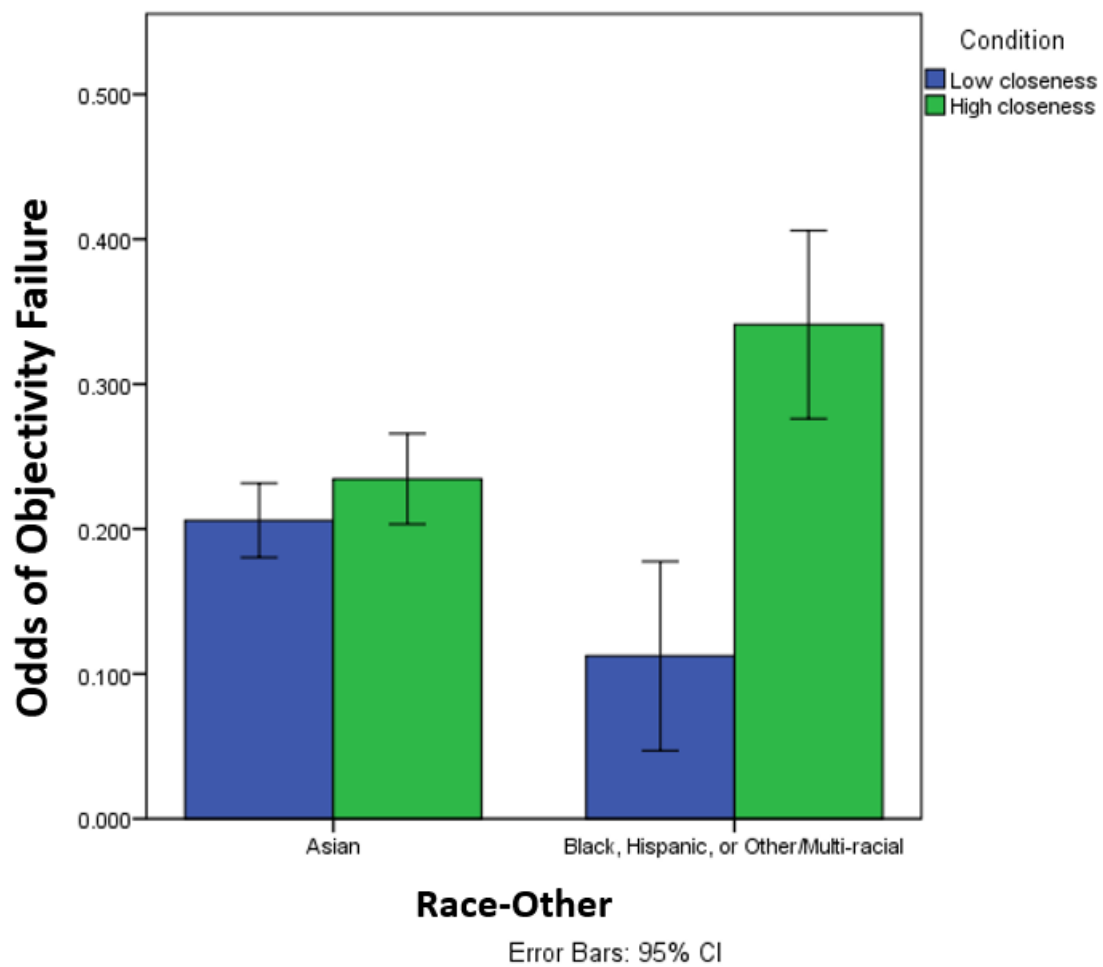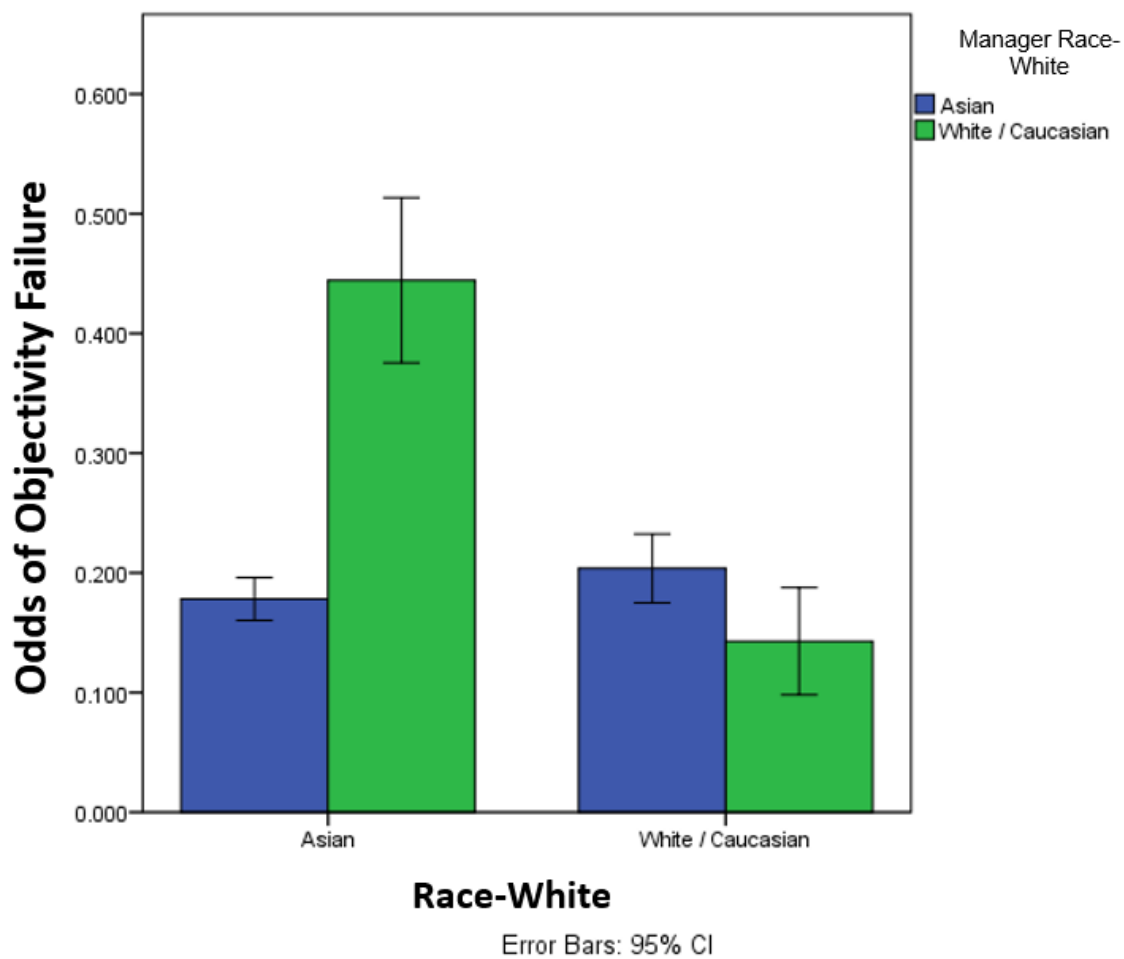
1)

Figure 3

Condition

— Low closeness (stranger)
— High closeness (friend)

Figure 3. Predicted odds of objectivity failures for RSC X Psychological Closeness across

Order participants took part in the study (Study 1).

Figure 4

Figure 4. Predicted odds of objectivity failures using Race-Other X Psychological Closeness

Condition (Study 2).

Figure 5

Figure 5. Predicted odds of objectivity failures for Race-White X Manager Race-White
(Study 2).
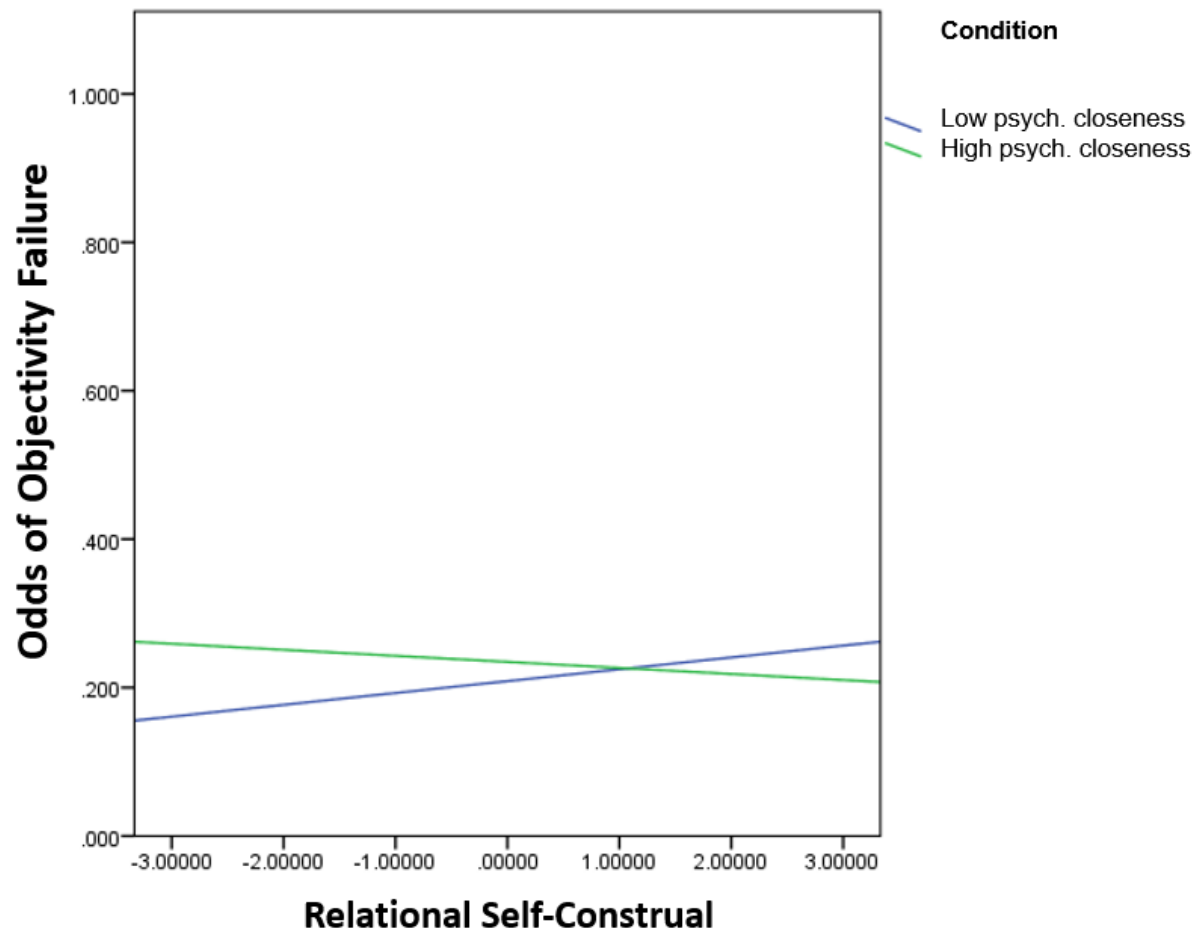
Figure 6

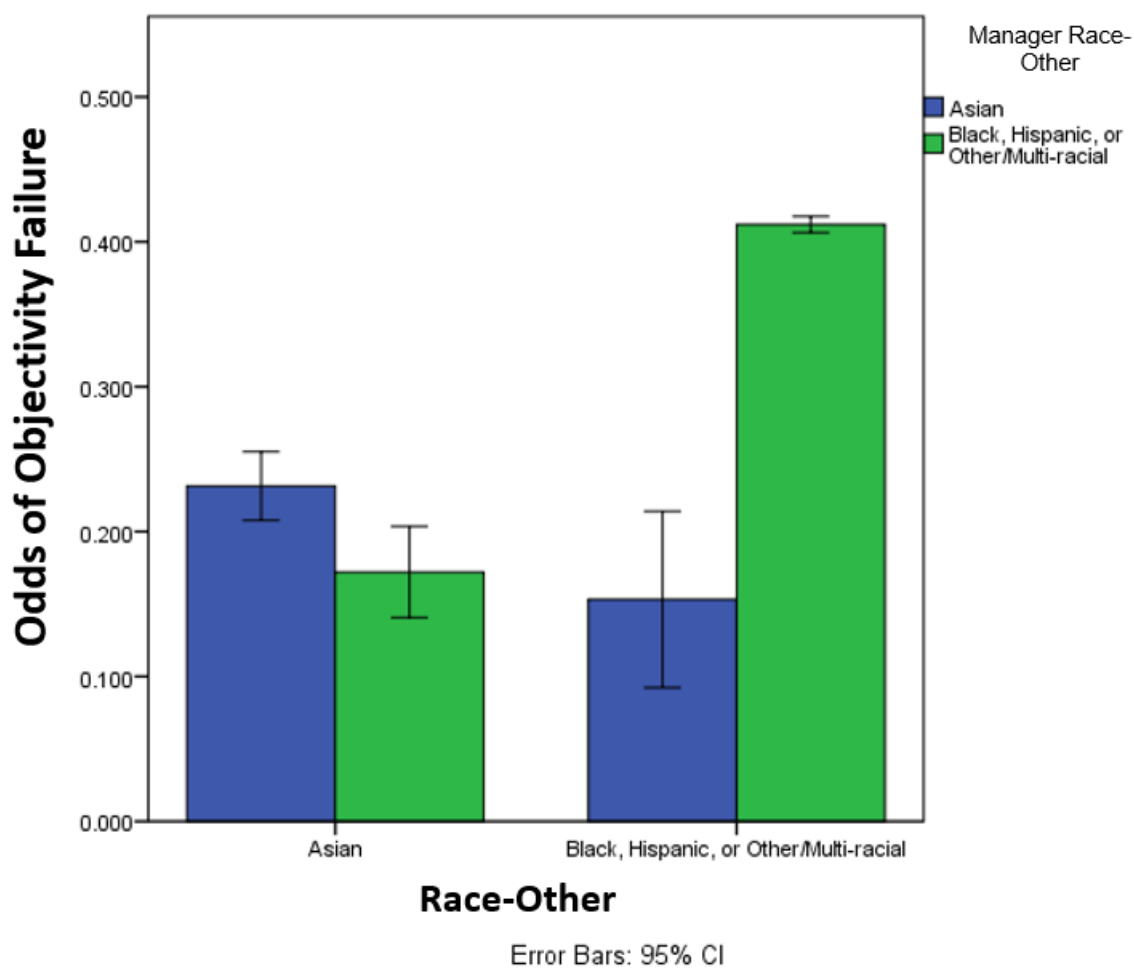**Figure 6.** Predicted odds of objectivity failures for RSC X Psychological Closeness (Study 2).

Figure 7

Figure 7. Predicted odds of objectivity failures for Race-Other X Manager Race-Other (Study
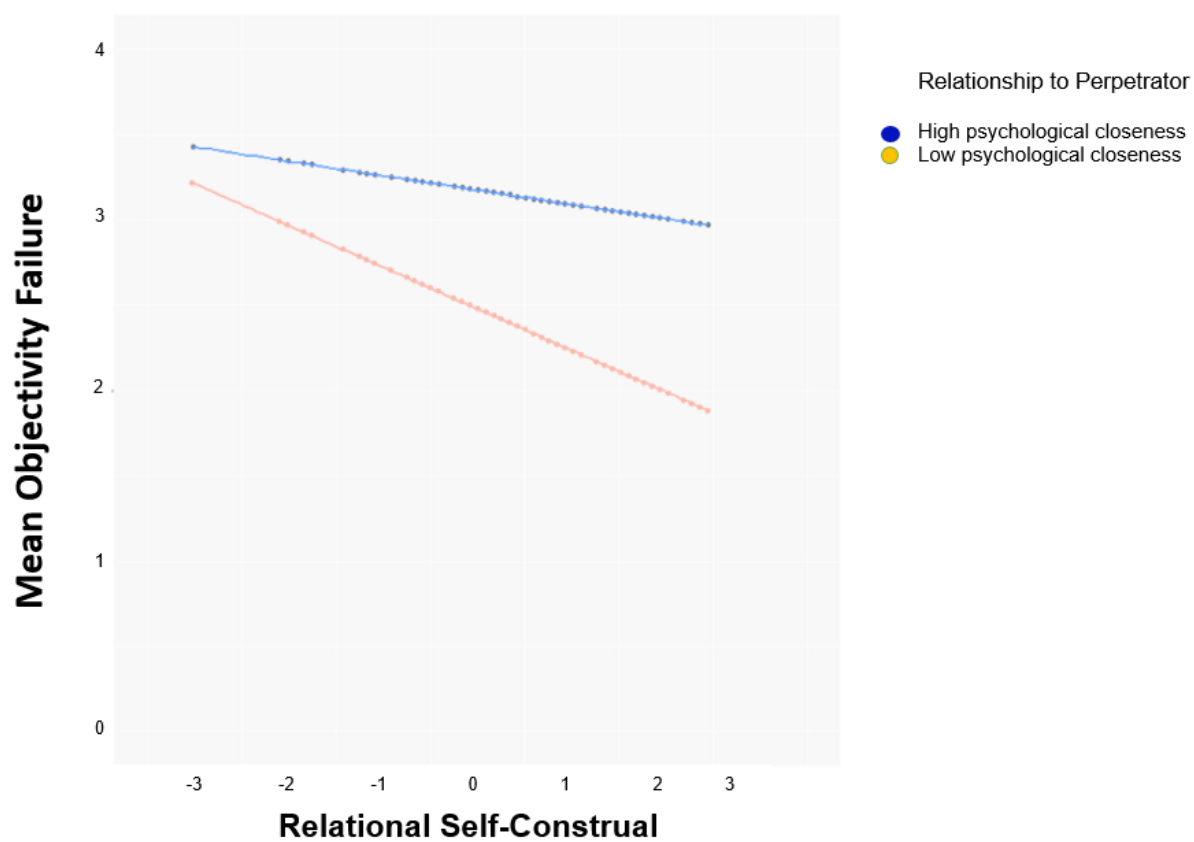
2).

Figure 8

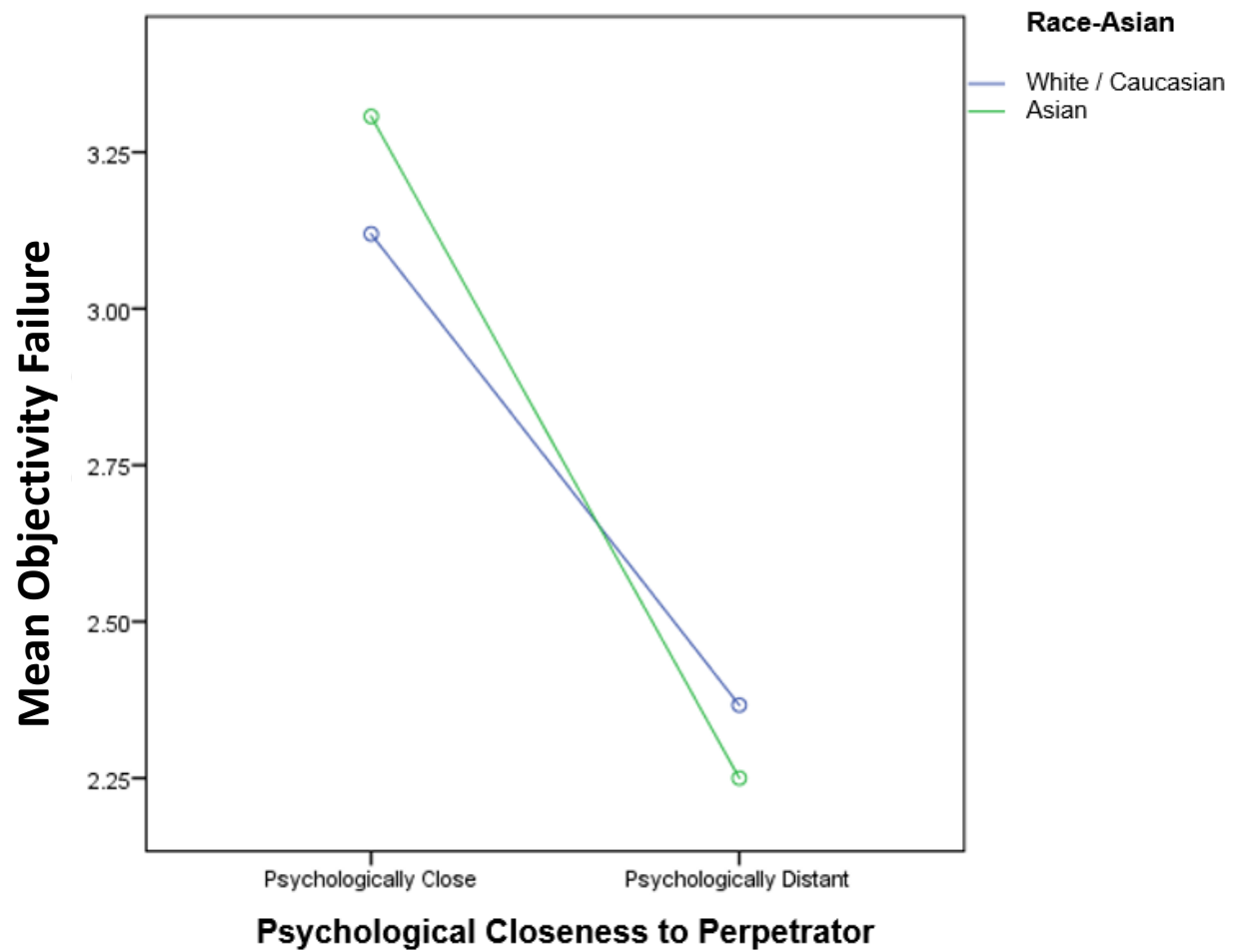**Figure 8.** Mean likelihood of objectivity failures for RSC X Psychological Closeness (Study 3).

Figure 9

Figure 9. Mean likelihood of objectivity failures for Psychological Closeness X Race-Asian
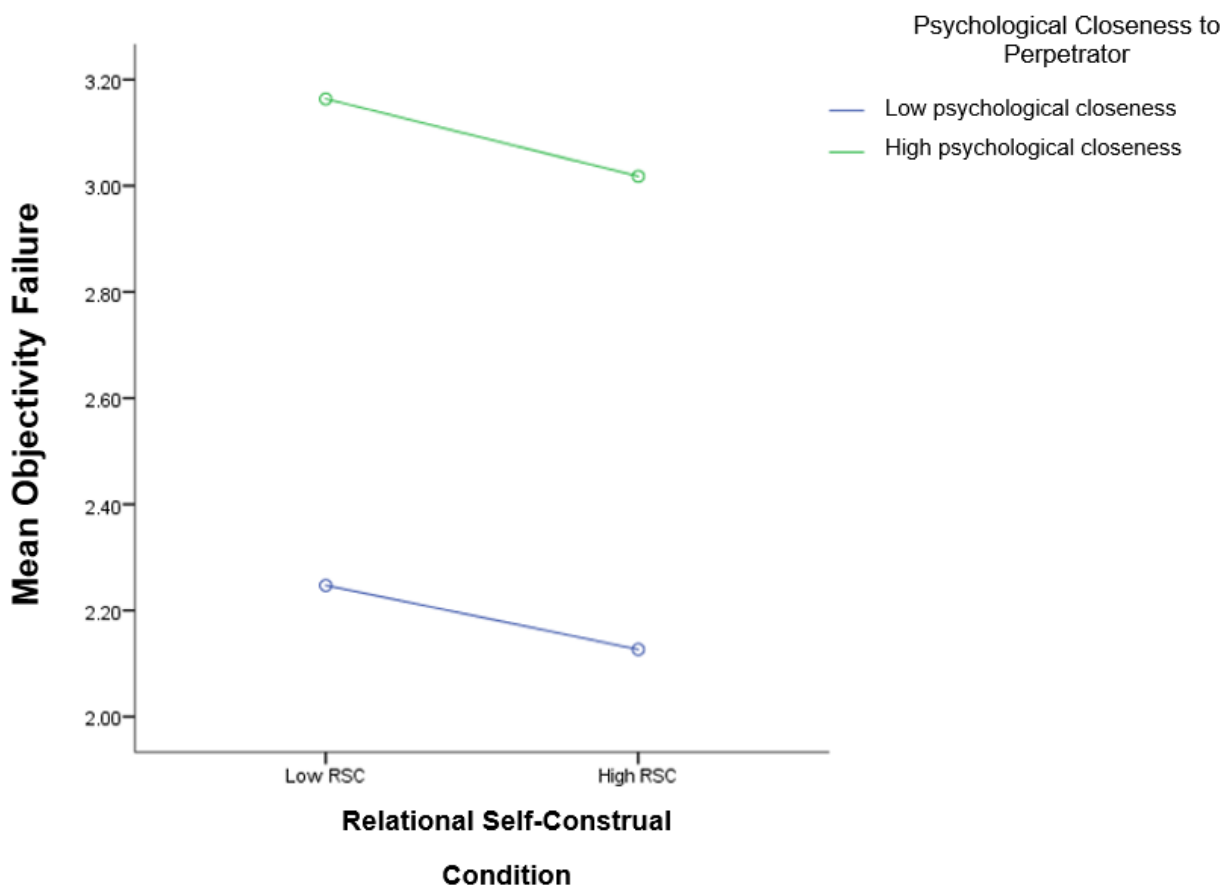
(Study 3).

Figure 10

Figure 10. Mean likelihood of objectivity failures for RSC Condition X Psychological

Closeness (Study 4).

Appendix A

Role Instructions - Reviewer

You have been assigned to the role of a reviewer. As the reviewer, your job is to examine whether a firm manager's income statements are accurate. Specifically, you will be asked to indicate whether you AGREE or DISAGREE with the income statements. You will receive a transaction analysis of the firm's earnings and expenses to help you prepare each income statement. You may use a calculator for this task. An example is provided below.

Example Transaction Analysis:

Transaction Analysis
Period 1

Earnings
      Earnings: a*pproximately* $121.4 million
Expenses
      Costs of sales: *approximately* $46.3 million
      Marketing expenses: *approximately* $11.7 million
      Other expenses: *approximately* $3.2 million
      Interest: *approximately* $2.6 million
      Tax: *approximately* $1.1 million
      Total Expenses (add expenses): $___million
Net Income = Earnings – Total Expenses

Example Income Statement Prepared by the Manager:

Income Statement:
Period 1

	(In millions of $)
(+) Earnings	121.4
(-) Expenses	
Costs of sales	46.3
Marketing expenses	11.7
Other expenses	3.2
Interest	2.6
Tax	1.1
Total Expenses (add up expenses)	64.9
NET INCOME (Earnings-Total Expenses)	121.4 - 64.9 = **56.5**

Manager:

You will interact in the task twice—once with the person who came with you to the study and once with someone else. The two people you interact with in the task represent firm managers. The firm manager's job is to report the firm's earnings and expenses by preparing income statements. You must either AGREE or DISAGREE with each income statement the manager prepares.

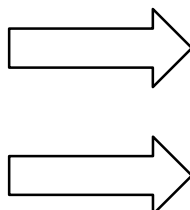Your decisions in each task will be visible to the manager you are currently interacting with.

Payment:

You will earn $0.75 for each income statement you review regardless of whether you AGREE or DISAGREE with the income statement. Managers will earn money for each income statement they prepare, but only if you **AGREE** with the income statement. If you **DISAGREE** with the income statement, **managers will not earn money for preparing that income statement (i.e., the manager will earn $0 for preparing that income statement). The manager may earn additional money by over-reporting income on an income statement,** but only if you **AGREE** with the income statement**.**

Oversight Committee:

Your decisions in each task may or may not be checked for accuracy by an oversight committee. **At the end of the study, after *all* tasks are complete**, the oversight committee will draw one card from a stack of ten cards for each manager-reviewer pair. There is one Jack in the stack of ten cards. The card drawn will determine whether the financial documents prepared by that pair will be checked for accuracy:

Income statement and review decision **WILL NOT** be checked
Income statement and review decision **WILL** be checked:
For each income statement that is inaccurate, the manager will be fined $0.75. For each review decision that is inaccurate, the reviewer will be fined $0.75.
There are no consequences for accurate performance.

Role Instructions – Firm Manager

You have been assigned to the role of a firm manager. As the manager, your job is to report your firm's earnings and expenses by preparing income statements. You will receive a transaction analysis of the firm's earnings and expenses to help you prepare each income statement. You may use a calculator for this task. An example is provided below.

Example Transaction Analysis:

Transaction Analysis
Period 1

Earnings

     Earnings: a*pproximately* $121.4 million

Expenses

     Costs of sales: *approximately* $46.3 million

     Marketing expenses: *approximately* $11.7 million

     Other expenses: *approximately* $3.2 million

     Interest: *approximately* $2.6 million

     Tax: *approximately* $1.1 million

     Total Expenses (add expenses): $___million

Net Income = Earnings – Total Expenses

Example Income Statement Prepared by the Manager:

Income Statement:
Period 1

	(In millions of $)
(+) Earnings	121.4
(-) Expenses	
Costs of sales	46.3
Marketing expenses	11.7
Other expenses	3.2
Interest	2.6
Tax	1.1
Total Expenses (add up expenses)	64.9
NET INCOME (Earnings-Total Expenses)	121.4 - 64.9 = **56.5**

Reviewer:
You will interact in the task twice—once with the person who came with you to the study and once with someone else. The two people you interact with in the task represent reviewers. The reviewer's job is to check the income statements you prepare for accuracy. The reviewer will either AGREE or DISAGREE with each income statement.
Your decisions in each task will be visible to the reviewer you are currently interacting with.
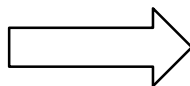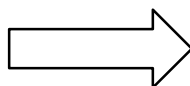
Payment:
You will earn $0.75 for each income statement you prepare, but only if the reviewer AGREES with the income statement. If the reviewer **DISAGREES** with the income statement, you **will not earn money for preparing that income statement (i.e., you will earn $0 for preparing that income statement).**

You may earn an additional $0.25 for every $0.1 million in income that you over-report on the income statement, but only if the reviewer **AGREES** with the income statement. You may earn up $2.00 through over-reporting on each task.

Oversight Committee:
Your decisions in each task may or may not be checked for accuracy by an oversight committee. **At the end of the study, after *all* tasks are complete**, the oversight committee will draw one card from a stack of ten cards for each manager-reviewer pair. There is one Jack in the stack of ten cards. The card drawn will determine whether the financial documents prepared by that pair will be checked for accuracy:

Income statement and review decision **WILL NOT** be checked
Income statement and review decision **WILL** be checked: For each income statement that is inaccurate, the manager will be fined $0.75. For each review decision that is inaccurate, the reviewer will be fined $0.75.   There are no consequences for accurate performance.

Task Instructions

In this task, a firm manager will prepare two income statements. A reviewer will examine these income statements for accuracy. If you wish to communicate, please do so on the computer. You may not communicate verbally. You will earn money based on your decisions in this task. This is in addition to either the credit or $5 you will receive for participating.

Step 1 - Parts of the task relevant to the MANAGER will be marked in blue.
Step 2 - Parts of the task relevant to the REVIEWER will be marked in yellow.
Step 3 - The manager will begin by preparing an income statement. After the manager is FINISHED preparing the income statement, the reviewer will examine the income statement for accuracy.
Step 4 - After the reviewer is FINISHED examining the income statement for accuracy, the manager and the reviewer should move on to the second financial period.
Step 5- When the manager and the reviewer have finished both periods, please raise your hands.
When you are ready, you may begin the task by clicking on the excel sheet titled, 'Period 1' at the bottom of the screen.

Appendix B

Sharing Game

Instructions (please both read carefully before continuing):
This is a study of interpersonal closeness, and your task, which we think will be quite enjoyable, is simply to get close to your partner. We believe that the best way for you to get close to your partner is for you to share with them and for them to share with you. Of course, when we advise you about getting close to your partner, we are giving advice regarding your behavior in this study session only, we are not advising you about your behavior outside of this study session.
In order to help you get close, we've arranged for the two of you to engage in a kind of sharing game. You're sharing time will be for about twenty minutes, after which time we will ask you to answer questions concerning your experience of getting close to your partner.
You have been given a set of questions. As soon as you both finish reading these instructions, you should begin with the first question. One of you should read aloud the first question and then **BOTH** do what it asks, starting with the person who read the question aloud. When you are both done, go on to the second question—one of you reading it aloud and both doing what it asks.
As you go through the questions, one at a time, please don't skip any questions—do each in order. Alternate who reads the question aloud (and thus goes first).
You will be informed when to move on to the next part of the study. It is not important to finish all the questions within the 20 minute time period. Take plenty of time with each question, doing what it asks thoroughly and thoughtfully.
You may begin!

Questions for High Psychological Closeness Condition

1. What do you value most in a friendship?
2. What is your most treasured memory?
3. What is your most terrible memory?
4. If you knew that in one year you would die suddenly, would you change anything about the way you are now living? Why?
5. What does friendship mean to you?
6. What roles do love and affection play in your life?
7. Alternate sharing something you consider a positive characteristic of your partner. Share a total of 5 items.
8. How close and warm is your family? Do you feel your childhood was happier than most other people's?
9. How do you feel about your relationship with your mother?
10. Make 3 true "we" statements each. For instance, "We are both in this room feeling…"
11. Complete this sentence: "I wish I had someone with whom I could share…"
12. If you were going to become close with your partner, please share what would be important for him or her to know.

13. Tell your partner what you like about them; be very honest this time saying things that you might not say to someone you've just met.
14. Share with your partner an embarrassing moment in your life.
15. When did you last cry in front of another person? By yourself?
16. What, if anything, is too serious to be joked about?
17. If you were to die this evening with no opportunity to communicate with anyone, what would you most regret not having told someone? Why haven't you told them yet?
18. Your house, containing everything you own, catches fire. After saving your loved ones and pets, you have time to safely make a final dash to save any one item. What would it be? Why?
19. Of all the people in your family, whose death would you find most disturbing? Why?
20. Share a personal problem and ask your partner's advice on how he or she might handle it. Also, ask your partner to reflect back to you how you seem to be feeling about the problem you have chosen.

Questions for Low Psychological Closeness Condition

1. Tell the names and ages of your family members, including grandparents, aunts and uncles, and where they were born (to the extent you know this information).
2. One of you say a word, the next say a word that starts with the last letter of the word just said. Do this until you have said 25 words. Any words will do—you aren't making a sentence.
3. Do you like to get up early or stay up late? Is there anything funny that has resulted from this?
4. Where are you from? Name all of the places you've lived.
5. What did you do this summer?
6. Who is your favorite actor of your own gender? Describe a favorite scene in which this person has acted.
7. What is the best TV show you've seen in the last month that your partner hasn't seen? Tell your partner about it.
8. What is your favorite holiday? Why?
9. Where did you go to high school? What was your high school like?
10. What is the best book you've read in the last three months that your partner hasn't read? Tell your partner about it.
11. What foreign country would you most like to visit? What attracts you to this place?
12. Do you prefer digital watches and clocks or the kind with hands? Why?
13. Describe your mother's best friend.
14. What are the advantages and disadvantages of artificial Christmas trees?
15. How often do you get your hair cut? Where do you go? Have you ever had a really bad haircut experience?
16. Did you have a class pet when you were in elementary school? Do you remember the pet's name?

17. Do you think left-handed people are more creative than right-handed people?
18. What is the last concert you saw? How many of that band's albums do you own? Had you seen the before? Where?
19. Do you subscribe to any magazines? Which ones? What have you subscribed to in the past?
20. Were you ever in a school play? What was your role? What was the plot of the play? Did anything funny ever happen when you were on stage?

Appendix C

Pilot Studies

Pilot Study 1

Pilot Study 1 tested whether RSC significantly influenced the relationship between psychological closeness and objectivity failures. I operationalized objectivity failures in this study as hypothetically allowing a client to overreport income on a financial statement.

Method

Participants

One hundred and eleven individuals ($M_{age} = 24.34$, $SD_{age} = 10.93$; 47 male) participated in a two-part online study for either course credit or entry into a lottery for a \$25 Amazon.com gift card. Participants' chosen form of compensation was not related to their behavior in the study.

The sample was 45.9% White, 3.6% Black, 45.0% Asian, 0.9% Hispanic, and 1.8% other (e.g., American Indian, multiracial). Three participants (2.7%) were missing information for race (as well as for gender and age).

Design and Procedure

Part I. The first part of the study began with an online survey in which participants completed a 20 minute personality questionnaire including Relational-Interdependent Self-Construal (Cross et al., 2000), basic demographics (i.e., gender, age, race), and additional personality measures and questions not relevant to the current study. Based on the survey responses, those participants with an RSC score below the interquartile range (low RSC; 4.64 or

less) or an RSC score above the interquartile range (high RSC; 5.80 or greater) were invited to participate in separate online survey.

Part II. In the second part of the study, participants completed a separate online survey consisting of a hypothetical audit scenario in which they discovered that a client with whom they were close had overreported on an income statement (see, Saad, Hoos, & Lesage, 2013 for a similar auditing vignette). The audit scenario read:

> "Imagine that you are an auditor who has performed auditing services for a firm manager, Mr. Smith. As the auditor, your job is to examine whether Mr. Smith's income statements are accurate. You view Mr. Smith as your most important client. You have been providing auditing services for his firm and have been working with him for two years. You interact with Mr. Smith at work and outside of work, and you are very close.
>
> One day, as you are reviewing the income statement for Mr. Smith's firm, you realize that he has significantly overstated the firm's income. In particular, Mr. Smith fully accounted for revenue from a customer that should have been spread across several years instead of all at once during the current pay period. This is the first time that you have reviewed a questionable financial statement from Mr. Smith. You approach him about the error, but after discussion, Mr. Smith insists the misstatement is non-material. Additionally, he tells you that the misstatement, although minor, will help his firm look more attractive in the financial market and would help him personally."

After reading the scenario, participants were asked to choose between one of two hypothetical responses to the scenario: 1) agree with Mr. Smith's income statement, or 2) disagree with Mr. Smith's income statement. After indicating their choice, participants explained the rationale behind their decision in a comment box. Finally, participants had the opportunity to provide general comments about the study before exiting the survey.

Results and Discussion

Participants' decision in the audit scenario ('Decision') was coded as 0 = disagree with

Mr. Smith's income statement, 1 = agree with Mr. Smith's income statement. Contrary to the

hypothesis, Decision was not related to RSC, $r(111) = -.10$, $p = .28$. Further inspection of the

audit scenario revealed that twenty participants (18.0%) disagreed with Mr. Smith whereas

ninety-one participants (82.0%) agreed with Mr. Smith. Due to the lack of response variability,

modifications were made to the audit scenario in the next pilot study.

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Pilot Study 2

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In this pilot study, I tested a modified version of the audit scenario to examine whether

RSC moderated psychological closeness and objectivity failures.

<div align="center">

Method

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Participants

Eighty-seven individuals participated in a five minute online survey for a small payment

on Amazon MTurk. No demographic information was collected in this study. Unlike the

previous pilot study, which was completed in two parts, this study was completed in one online

survey.

Design and Procedure

The survey began by assessing participants' Relational-Interdependent Self-Construal

(Cross et al., 2000). Next, participants were presented with a modified version of the audit

scenario from Pilot Study 1. The modified scenario read:

> "Imagine that you are an auditor whose job is to examine whether a client's financial
> statements are accurate. You currently perform auditing services for a firm manager, Mr.
> Smith. A picture of him is below.

You view Mr. Smith as your most important client. A large portion of your business stems from working with him. You frequently interact with Mr. Smith at work. In addition, you go out for drinks or golf with him at least once a month. The two of you are very close.

One day, as you are reviewing a financial statement for Mr. Smith's firm, you realize that he has overstated the firm's revenue. In particular, Mr. Smith fully accounted for revenue from a customer that should have been spread across several years instead of all at once during the current pay period. Out of the many years that you have worked with Mr. Smith, this is the first time you have encountered a questionable financial statement. You approach him about the issue, but after discussion, Mr. Smith insists that the misstatement is not material and does not significantly influence the financial statement as a whole. You know that overstating revenue is inappropriate, however you also respect Mr. Smith's opinion and value the good relationship you have with him and his firm."

After reading the scenario, participants were asked to indicate whether they disagreed or agreed with Mr. Smith's income statement. After indicating their choice, participants explained the rationale behind their decision in a comment box and had an opportunity to provide general comments before leaving the survey.

Results and Discussion

Participants' decision in the audit scenario ('Decision') was coded as 0 = disagree with Mr. Smith's income statement, 1 = agree with Mr. Smith's income statement. Contrary to the

hypothesis, participants' response to the audit scenario was not related to RSC, $r(87) = -.10$, $p = .37$. Further investigation revealed that seventy-nine participants (90.8%) disagreed with Mr. Smith whereas eight participants (9.2%) agreed with Mr. Smith. Due to the lack of response variability in the audit scenario, further modifications were made to the scenario in the next pilot study.

Pilot Study 3

This pilot study tested a modified version of the audit scenario from Pilot Study 2 in order to examine the relationship between RSC, psychological closeness, and objectivity failures.

Method

Participants

One-hundred and forty-five individuals ($M_{age} = 32.68$, $SD_{age} = 10.84$; 93 male) participated in a five-minute online survey for a small payment on Amazon MTurk. The sample was 67.6% White, 7.6% Black, 13.1% Asian, 5.5% Hispanic, and 6.2% other (e.g., American Indian, multiracial).

Design and Procedure

Participants began the survey by completing the Relational-Interdependent Self-Construal scale (Cross et al., 2000). After the personality measure, participants answered demographic questions (i.e., gender, age, race) and one attention check. Next, participants were presented with a modified version of the audit scenario from Pilot Study 2. The modified scenario read:

> "Imagine that you are an auditor who has performed auditing services for a firm manager, Mr. Smith. As the auditor, your job is to examine whether Mr. Smith's income statements are accurate.

You view Mr. Smith as your most important client. A large portion of your business stems from working with him. You frequently interact with Mr. Smith at work and take him golfing and out for drinks every few months. The two of you are very close. A picture of Mr. Smith is below.

One day, as you are reviewing an income statement for Mr. Smith's firm, you realize that he has overstated the firm's revenue. In particular, Mr. Smith fully accounted for revenue from a customer that should have been spread across several years instead of all at once during the current pay period. You have heard from other auditors that clients sometimes overstate revenues in order to earn extra money for themselves and make the firm appear more profitable that it actually is. This is the first time you have come across this issue.

You approach Mr. Smith about the overstatement of revenue, and he insists that it is not material. He argues that the overstatement of revenue is inconsequential to the audit, even though he acknowledges it could help him personally. You wish to maintain a good relationship with Mr. Smith and his firm. After all, it is Mr. Smith who is paying you for the audit.

You must make a decision about whether to approve or reject the income statement. **If you approve the statement**, Mr. Smith and the firm will be viewed favorably, and it would help you maintain your positive relationship with Mr. Smith and the firm. **If you reject the statement**, shareholders will be made aware of the decision and it could negatively affect Mr. Smith and the firm. Rejecting the statement would damage the close friendship that you and Mr. Smith have developed, and would also harm your working relationship with him and his firm."

After reading the scenario, participants were asked to indicate the extent to which they disapproved or approved Mr. Smith's income statement on a five-point bipolar scale (1 = *Definitely disapprove*, 5 = *Definitely approve*). After indicating their decision, participants had an opportunity to provide general comments about the study before exiting the survey.

Results and Discussion

Contrary to the hypothesis, participants' decision the audit scenario was not related to RSC, $r(145) = .04$, $p = .67$. Further inspection of the audit scenario revealed that seventy-four participants (51.1%) definitely disagreed or probably disagreed with Mr. Smith, 57 participants (39.3%) definitely agreed or probably agreed with Mr. Smith, and 14 participants (9.7%) were undecided. Although the response variability in the audit scenario improved compared to prior versions (i.e., Pilot Studies 1 and 2), the lack of significant results led to a change in the study design. Specifically, I adopted a different measure of objectivity failures in future studies (i.e., Studies 3 and 4).

Pilot Study 4

In Pilot Study 4, I tested a new manipulation of RSC that I developed. Specifically, I tested whether temporarily reduced RSC influenced the relationship between psychological closeness and objectivity failures.

Method

Participants

Ninety-eight individuals ($M_{age} = 33.89$, $SD_{age} = 11.53$; 55 male) participated in a six-minute online study for a small payment on Amazon MTurk. The sample was 50.0% White, 3.1% Black, 37.8% Asian, 3.1% Hispanic, and 6.1% other (e.g., American Indian, multiracial).

Design & Procedure

To begin, participants completed a brief writing task that I developed to experimentally manipulate RSC. Directly after the writing task manipulation, participants answered questions assessing Relational-Interdependent Self-Construal (Cross et al., 2000) and basic demographics (i.e., gender, age, race).

RSC Manipulation

Participants were randomly assigned to one of two experimental conditions: high RSC versus low RSC. The RSC manipulation was based on a writing task by Goncalo and Staw (2005) in which participants were primed to adopt individualistic or collectivistic attitudes. In the original task, participants were asked to write about specific instances when they behaved in ways consistent with values underlying individualism (such as being independent) or collectivism (such as collaborating with others). Because the current study focused on activating high and low levels of RSC, I modified the writing task so that participants wrote about specific instances when they behaved in ways consistent with or not consistent with values underlying RSC. Specifically, participants in the *high RSC* condition were instructed to write 1) three statements describing the people they feel close to, such as close friends or family, 2) three statements describing how they are similar to the people they feel close to, and 3) three statements describing why the people they feel close to are an important part of who they are. Those in the *low RSC* were asked to write 1) three statements describing themselves, 2) three statements describing how they are different from the people they feel close to, such as close friends or family, and 3) three statements describing why standing out and being their own person is an important part of who they are.

After finishing the writing task, participants completed the Relational-Interdependent Self-Construal scale (Cross et al., 2000). Next, participants were asked to indicate their gender, age, and race. Lastly, participants had the opportunity to provide general comments about the

study.

Results and Discussion

Contrary to the hypothesis, participants in the low RSC condition did not report significantly lower levels of RSC ($M = 4.70$, $SD = 1.33$) compared to participants in the high RSC condition ($M = 5.07$, $SD = 1.00$), $t(96) = -1.50$, $p = .14$. Due to the lack of significant results, the manipulation of RSC was dropped from the research and a different manipulation was developed and used.

Pilot Study 5

This pilot study tested a new manipulation of RSC and examined whether temporarily reduced RSC moderated psychological closeness and objectivity failures.

Method

Participants

One hundred and twenty-two individuals ($M_{age} = 33.89$, $SD_{age} = 11.53$; 67 male) participated in an online study for a small payment on Amazon MTurk.

Design & Procedure

Participants began the study by completing a newly developed writing task which manipulated RSC; next, they were presented with the Relational-Interdependent Self-Construal scale (Cross et al., 2000).

RSC Manipulation

Participants were randomly assigned to one of two experimental conditions: high RSC versus low RSC. Similar to Pilot Study 4, the goal of this experimental manipulation was to prime participants to uphold attitudes consistent with or inconsistent with RSC. Specifically, those in the *high RSC* condition were instructed to write an essay convincing somebody else that their close relationships are an important part of who they are. Participants in the *low RSC* condition were instructed to write an essay convincing somebody else that their close

relationships (e.g., close friends, family) are not an important part of who they are.

Participants in both conditions were instructed to work on the survey for five minutes (after which they would automatically transition to the next part of the survey) and were allowed to use additional resources, such as the internet or news articles, to build their case. As an incentive to do well on the task, all participants were told that their essay, and one randomly selected essay with an opposing viewpoint would be presented to future study participants, who would choose which essay was more persuasive. If their essay was chosen, participants entered into a lottery for a $25 Amazon.com gift card. One participant won the $25 Amazon.com gift card.

After completing the writing task, participants answered the Relational-Interdependent Self-Construal (Cross et al., 2000). Finally, participants were asked to indicate their gender and age.

Results and Discussion

As predicted, participants in the high RSC condition reported significantly higher levels of RSC ($M = 5.22$, $SD = 1.09$) than those in the low RSC condition ($M = 4.35$, $SD = 1.26$), $t(120) = -4.08$, $p < .001$. In sum, individuals who were primed to adopt attitudes consistent with RSC reported higher levels of RSC and individuals who were primed to adopt attitudes inconsistent with RSC reported lower levels of RSC. This finding provides preliminary support for the experimental manipulation of RSC that I developed.