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### (Dis)honesty in individual and collaborative settings

*A behavioral ethics approach*

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## **Chapter 6**

### **General discussion**

Many situations in life place us in ethical dilemmas. If a cashier accidentally gives us too much change, we can either point out this error and give the money back or be silent and keep the change to ourselves. If our colleague breaks the rules, we can protest, distance ourselves from that colleague, and speak out, or we can play along, profit from the colleague's transgressions, and even join him and violate the rules ourselves. Whether in an individual or a group context, ethical challenges are everywhere.

When confronted with such dilemmas, people do not merely make a simple cost-benefit analysis, weighing the potential financial gains against losses (Becker, 1968). Instead, they also consider many other factors when deciding whether to be honest. This dissertation aims to explore key factors that shape ethical decision-making, specifically, (dis)honesty. Further, this dissertation starts with assessing (dis)honesty in individual settings and then moves to collaborative settings. As such, the dissertation aims to shift the focus of the behavioral ethics research toward interactive and collaborative settings.

Chapters 2 and 3 focused on individual settings, where people act alone and affect their own (chapter 2) or others' (chapter 3) financial outcomes. Chapter 2 assessed how framing incentives as potential gains and losses affects self-serving mistakes—a subtle type of dishonesty—and explored the attentional process underlying self-serving mistakes in losses and gains. Chapter 3 tested how prior experiences of (un)fair treatments affect other-helping and other-harming lies. Chapters 4 and 5 focused on collaborative settings in which two moral obligations—to be honest and collaborative—are pitted against each other. Chapter 4 explored how people choose their partners and how the ability (vs. inability) to choose a partner affects collaborative dishonesty. Lastly, chapter 5 presented the first meta-study on dishonesty in collaborative settings and set up an agenda for future research on collaborative dishonesty.

Results of the four empirical chapters revealed that various factors—framing incentive as gains versus losses, prior fair and unfair experiences, the ability to select partners, and collaborate with others—shape (dis)honesty. In contrast to prior work that assumes an intrinsic and even stable preference for honesty (Kartik, Tercieux, & Holden, 2014; Matsushima, 2008; Ashton et al., 2004), the results of this dissertation showed that honesty is rather malleable. Here, I first summarize the main findings and insights in each empirical chapter, and then discuss new, interesting questions that remain open.

### **Framing shapes self-serving mistakes (but does not alter attention)**

When the financial consequences are identical, should the way these consequences are framed affect self-serving mistakes? Chapter 2 tests this question. In experiments 2.1 and 2.2, participants could make self-serving mistakes that would either increase their gains or decrease their losses. In line with prior work on loss aversion (Baumeister, Bratslavsky, Finkenauer, & Vohs, 2001; Kahneman, Knetsch, & Thaler, 1990; Kahneman & Tversky, 1979; Tversky & Kahneman, 1981), participants made twice as many self-serving mistakes to decrease losses than to increase equal-sized gains. Clearly, framing matters.

In experiment 2.2, participants' eye movements were tracked. Employing eye-tracking methodology provides a unique opportunity to directly measure which information people attend to when making a decision, thus allowing researchers to shed light on the processes underlying these decisions. Whereas directly asking individuals about their decision-making process may lead to limited and even inaccurate answers (e.g., due to social desirability concerns, lack of awareness, or inability to be introspective), employing process-tracing techniques allows assessment of the process in a more objective manner (Rahal & Fiedler, 2019).

Results revealed that compared to non-tempting information, tempting information drew more attention, resulting in self-serving mistakes. Further, tempting information drew attention to a similar extent both in loss and gain framing. The same attention to tempting information, however, translated to more self-serving mistakes in a loss than in a gain framing. These findings suggest manipulating motivation—for instance, increasing gains instead of decreasing losses, or being accurate—is a more promising intervention for decreasing self-serving mistakes than diverting people's attention from tempting information.

### **How does (un)fair treatment affect other-helping and harming lies?**

Whereas some decisions are made in isolation, many and perhaps most of our decisions are affected by our experiences and interactions, which is the case in ethical domains as well as in other financially relevant situations. In negotiations, for instance, the asking price sellers set affects buyers' counteroffer and, ultimately, the selling price. For instance, if sellers set precise (e.g., \$249,800) instead of round (e.g., \$250,000) asking prices, buyers' counteroffers and selling prices will be closer to the asking price. For sellers, this outcome is beneficial in a buyer's market, where buyers counter below the asking price, but is

detrimental in a seller's market, where buyers counter above the asking price (Leib, Köbis, Francke, Shalvi, & Roskes, 2019).

In the ethical domain, chapter 3 tested how experiencing a fair or unfair gesture from others shapes other-helping and harming lies. People lied to help others when they were treated fairly, unfairly, or experienced no prior treatment. Lying to harm others was much less common. Only a small proportion of participants (~24% in experiment 3.2 and ~10% in experiment 3.3) lied to harm others. Other-harming lies occurred only among those who experienced unfair treatment. An interesting additional result, obtained in experiment 3.3, revealed that other-helping and other-harming lies were not driven by the motivation to reciprocate an (un)fair counterpart, but by the mere (un)fair treatment.

### **Moving toward collaborative settings**

Whereas chapters 2 and 3 focused on individual settings, chapters 4 and 5 focused on collaborative ones. Studying honesty in individual settings is both interesting and important, because people frequently make decisions alone. However, very often people interact and collaborate with others. Waiters in cafés work with other waiters in any given shift, engineers typically work in teams to find solutions for complex problems, and academics often collaborate on research projects. As such, many, if not most, important decisions are collaborative. Studying ethical decision-making in collaborative settings is interesting from a theoretical point of view, as well as crucial from a practical stand point.

Chapter 4 addressed the following questions: How do people choose their partners in collaborative settings? And what are the consequences of allowing people the freedom to choose their partners? To answer these questions, participants engaged in the dyadic die-rolling task, in which they were paired in dyads and could collaboratively lie. In the main “choice” condition, after every several rounds, participants indicated if they wanted to stay with their partner or switch to a new partner.

Not surprisingly, dishonest participants preferred to interact with dishonest others. In essence, dishonest people searched for a “partner in crime.” Perhaps more surprising, honest participants also preferred dishonest partners. Essentially, honest people engaged in “ethical free riding”—the intentional benefit from others' rule violations without violating the rules oneself. By doing so, honest people could benefit from both worlds: profit from their partner's lies while keeping their moral self-image intact.

Comparing behavior in the “choice” condition with two additional conditions in which participants had to stay or had to switch their partners revealed that forcing people to change partners helped curb the contagiousness and efficiency of lies. Both when forced to stay with the same partner, and when participants could choose their partners, lies were rather contagious and efficient. That is, if one person lied, her partner was more likely to lie as well. Further, when a participant lied, her lies were likely to pay off. When participants were forced to switch partners, however, both the contagiousness and efficiency of lies decreased.

Lastly, chapter 5 presented the first meta-study on (dis)honesty in collaborative settings, focusing specifically on behavior in the dyadic die-rolling task (Weisel & Shalvi, 2015). Aggregated results corroborated the results obtained in chapter 4 revealing that dishonesty is contagious—if one person lied, the partner was more likely to lie as well. Additional results revealed participants were more likely to lie as the task progressed and as the financial incentive to lie increased. Finally, making initial comparisons between (dis)honesty in individual and collaborative settings, drawing on thousands of observations suggested people lie more in collaborative than in individual settings.

### **Open questions and directions for future research**

The work described in this dissertation opens up intriguing directions for future research. Because one of the aims of this dissertation is to shift the focus toward (dis)honesty in collaborative settings, I especially discuss future directions regarding collaborative dishonesty.

In chapter 5, initial comparisons between the prevalence of (dis)honesty in individual and collaborative settings revealed that second movers in the dyadic die-rolling task reported the relevant-for-pay outcome 14% more than participants in equivalent individual tasks. The first question that remains open is why participants are more likely to lie in collaborative than in individual settings? Several different processes emerge in collaborative, but not in individual settings, that might account for the effect.

First, in collaborative settings, one’s lies benefit both the self and one’s partner. Prior work found that prosocial consequences to one’s lies boost dishonesty (Gino, Ayal, & Ariely, 2013; Wiltermuth, 2011; chapter 3 in this dissertation). Second, in collaborative settings, people are exposed to the behavior of others, whereas in individual setting, they are not. Prior work found that peers’ behavior affects dishonesty—people are more likely to lie if they know others lied (e.g., Gino, Ayal, & Ariely, 2009; Köbis, Van Prooijen, Righetti, & Van

Lange, 2015; Leib & Schweitzer, 2020). Third, in collaboration, but not when acting alone, collaborators might share the responsibility for unethical outcomes (Darley & Latané, 1968), thus reducing the psychological cost of lying (Lundquist, Ellingsen, Gribbe, & Johannesson, 2009). An interesting next step can be to isolate each mechanism and assess the extent to which (i) prosocial consequences, (ii) exposure to others' behavior, and (iii) shared responsibility contribute to the higher prevalence of dishonesty in collaborative than in individual settings.

Another interesting avenue for further work can be to explore the attentional process underlying dishonesty in collaborative settings. Social motivations shape the way in which groups attend to and process information (De Dreu, Nijstad, & van Knippenberg, 2008). Whereas results of chapter 2 show that tempting information does not attract more attention when incentives are framed as a loss versus a gain, tempting information might attract more attention in collaborative than in individual settings. Employing eye-tracking methodology to the dyadic die-rolling task and equivalent individual tasks, and measuring the attentional mechanisms underlying dishonesty in both settings seems like an avenue worth exploring.

Chapter 4 reveals that many honest individuals engage in ethical free riding. Many honest individuals were willing to profit from others' intentional rule violations but not violate the rules themselves. In the experimental setup, honest participants could infer their partners were dishonest but were not explicitly informed about their partners' (dis)honesty. Thus, honest participants had moral wiggle room (Dana, Weber, & Kuang, 2007) to justify staying with their dishonest partner. But will people engage in ethical free riding when they are certain their partner lied? Will honest individuals choose dishonest partners if they need to pay to do so? Because honest people care, at least to an extent, about their own moral self-image, informing honest individuals about their partner's wrongdoings or charging a payment for interacting with dishonest others might curb ethical free riding. Identifying interventions that reduce ethical free riding and encourage honest people to interact with honest partners is both interesting and useful for organizations that want to allow employees the freedom to choose collaborators, while maintaining high levels of ethical behavior.

Lastly, prior work found that people value honesty to different extents across the globe (Gächter & Schulz, 2016; Cohn, Maréchal, Tannenbaum, & Zünd, 2019). Whereas in some countries, people are rather honest and do not violate ethical rules, in other countries, people violate the rules quite a lot. Further, whereas in some countries, people are inclined to trust and cooperate with each other, in other countries, cooperation and trust are low (Dorrrough &

Glöckner, 2016; Gächter, Herrmann, & Thöni, 2010). Assessing how people trade off honesty and collaboration across the globe, and which country-level and personal-level factors predict such trade-off, seems like another exciting avenue for future work.

### **Final remarks**

This dissertation tests key factors that shape (dis)honesty, both in individual and collaborative settings. Results obtained here reveal that honesty is rather malleable and that many factors affect it. Further, this dissertation aims to shift the focus from individual to collaborative settings when studying (dis)honesty and ethical decision-making. Interacting and collaborating with others allows individuals to complete tasks and fulfill goals they cannot fulfill alone. As such, collaboration is useful and should be encouraged. At the same time, maintaining high levels of honesty and reducing unethical behavior is important as well. Understanding how collaboration shapes our ethical decision-making is crucial in order to be able to craft environments that encourage both collaboration and honesty.