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When Unethical Actions That Benefit Others Do Not Trigger Guilt

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Abstract

In three experiments, we examine whether individuals cheat more when other individuals can benefit from their cheating (they do) and when the number of beneficiaries of wrongdoing is larger (they do). Our results indicate that people use moral flexibility in justifying their self-interested actions when such actions benefit others in addition to the self. Namely, our findings suggest that when others can benefit from one's dishonesty people consider larger dishonesty as morally acceptable and thus can benefit from their cheating and simultaneously feel less guilty about it. We discuss the implications of these results for collaborations in the social realm.

***Key words*:** Cheating; Ethical Judgment; Morality; Social utility; Unethical Behavior

It seems a day doesn't go by without a revelation of unethical behavior by a politician, a movie star, a professional athlete, or a high-ranking executive. Consider the realm of sports for a moment. Over the last decade, sports fans have endured a steady diet of news about high-profile athletes who have been caught using drugs or steroids. In one recent case from Major League Baseball, pitcher Andy Pettitte was accused of using human growth hormones, a substance banned by the league. In one of his public admissions, Pettitte confessed that he did not take the drugs "to try to get an edge on anyone," nor "to try to get stronger, faster, or to throw harder." Rather, he took the substance in an effort to get off the disabled list so that he "would not let his team down." Interestingly, this is not an isolated case in which an individual has tried to explain unethical actions (e.g., cheating or lying) as being motivated by the benefits these actions accrue to others. Consider the white lies parents tell their children to prompt better outcomes for their children, such as "Santa Claus will come down the chimney" or "If you don't eat your crusts, your hair won't grow." All these examples highlight how the potential benefits to others can motivate a person's own lies. However, in many of them the lies do not only benefit others, but also bear direct benefits to the self.

These examples lead us to wonder how the presence of others who may benefit from our dishonesty influences our willingness to cross ethical boundaries.[1] This paper suggests that the potential benefits dishonesty may create for others not only help us justify our bad behavior but also serve as a (self-serving) motivator for it. We propose and find that by focusing on the social utility of others, people can more freely categorize their own actions in positive terms and avoid negative updating of their moral self-image (Baumeister 1998; Mazar, Amir & Ariely, 2008; Schweitzer & Hsee, 2002). As a result, people feel less guilty about their dishonest behavior when others (in addition to themselves) can benefit from them.

[1] Following prior research, in this paper we use the terms unethical, dishonest, and immoral as interchangeable.

Cheating Motivated by Potential Benefits to Others

The corporate scandals of the early 2000's and the financial meltdown of 2008, combined with increasing media and government scrutiny of the decisions that both organizations across industries and individuals across contexts make alert us to the importance of understanding what causes people to behave unethically. In response to the growing evidence for unethical behavior in organizations and society more broadly, there has been an increase in ethics related research from scholars in a variety of disciplines, from economics (e.g., Erat & Gneezy, 2012; Gneezy, 2005) and psychology (e.g., Haidt, 2001; Monin & Jordan, 2009) to management (e.g., Brown & Treviño, 2006; Schweitzer, Ordonez, & Douma, 2004; Tenbrunsel & Smith-Crowe, 2008) and decision making (e.g., Chugh, Bazerman, Banaji, M., 2005; Kern & Chugh, 2009; Mazar et al., 2008; Messick & Bazerman, 1996; Tenbrunsel & Messick, 2004). This research has identified several factors that lead even individuals who value honesty and believe strongly in their own morality to cross ethical boundaries (see Ayal & Gino, 2011 for a recent review).

Ethical dilemmas often involve resolving an apparent conflict: by behaving ethically, people are able to maintain their positive self-image; by behaving unethically, they can advance their self-interest (Gino, Schweitzer, Mead & Ariely, 2011; Mead, Baumeister, Gino, Schweitzer, & Ariely, 2009). People often resolve this apparent conflict through creative reassessments and self-serving rationalizations (Gino & Ariely, 2012), such that they can act dishonestly enough to profit from their unethicality, but honestly enough to maintain a positive self-concept (e.g., Gino, Ayal & Ariely, 2009; Mazar et al., 2008). Recent research has found that when individuals have the opportunity to cheat in situations where the probability of being caught and reputational costs are minimized, most people do cheat, but not as much as they possibly could (e.g., Ayal & Gino, 2011; Gino et al., 2009). They cheat enough to benefit financially from their dishonesty, but not

to the point that they feel they need to negatively revise their self-image of good and honest people (Mazar & Ariely, 2006). For example, in a typical experiment (see Mazar et al., 2008) participants received a set of questions and were promised a fixed financial reward for each one they solved correctly. In the control condition, the correct answers were verified by the experimenter, and served as the baseline for performance on this task. In the experimental conditions, once they completed the task, participants were instructed to shred their answer sheets and simply report the number of questions they solved correctly. Perhaps unsurprisingly, the results showed that when given the opportunity to cheat, individuals indeed cheated. What was slightly more interesting was that respondents did not cheat by much (15-20%), and what was most interesting was that the extent of dishonest behavior was not sensitive to changes in the magnitude of payment or the probability of being caught (i.e., the external rewards), but rather it was sensitive to reflection on one's own moral standards (the internal rewards).

People can recruit a variety of reasons to justify "minor" cheating, and their creativity helps them in this process (Gino & Ariely, 2012). For instance, they could state that other people would surely cheat under the same circumstances or that a little cheating won't hurt anyone. People may make these (self-serving) justifications to convince themselves and others that their behavior is in fact ethical (Bies, 1987; Gino & Ariely, 2012; Tedeschi & Rosenfeld, 1981). For instance, in one experiment, Diekmann (1997) found that participants allocating a sum of money between their group and a competing group took a significantly greater share of the resource than did participants allocating between themselves and a competing individual. It appears that having the available justification that group members will benefit from one's selfish behavior enables people to hide their self-serving motivation (Diekmann, 1997). More recently, Wiltermuth (2011) extended these findings to the ethics context, and found that people are more likely to

engage in unethical behavior if they split the spoils of such behavior with another person than when they are the only ones benefitting from it. This is because they find it easier to discount the moral concerns associated with unethical behavior that benefits another person than to discount behavior that only benefit oneself (Wiltermuth, 2011; see also Gino & Pierce, 2010). Overall, this research suggests that people use the potential benefits for others as a way to justify their self-serving and often unethical actions. When dishonest actions only benefit the self, there is little doubt that such actions were motivated by the desire to maximize one's own outcome. Yet this clear self-serving motivation becomes clouded when there are other beneficiaries of one's cheating. In this case, the presence of others who benefit from one's dishonest actions creates ambiguity about one's motives for cheating. Perhaps, the most famous archetypical example of such reframing is Robin Hood, who in the name of justice robbed the rich to give to the poor. Clearly, in the eyes of others as well as in one's own eyes cheating that creates benefits for others is likely to be judged as more morally acceptable than cheating that creates benefits only for the self.

In addition to using others to justify selfish behavior, research shows that people truly care about improving the outcomes of their peers (e.g., Loewenstein, Thompson, & Bazerman, 1989). According to this research, the utility function that individuals gather from monetary outcomes is a composite of nonsocial utility (one's own payment) and social utility (another's payment) (Loewenstein et al., 1989; Messick & Sentis, 1985). Consistent with this explanation, prior research has found that concern for the outcome and well-being of others can lead people to behave unethically when they feel empathy toward the beneficiaries of their dishonesty (Gino & Pierce, 2009) or feel similar to them (Gino et al., 2009).

Taken together, these findings suggest two different mechanisms through which the presence of other beneficiaries of one's own dishonesty may lead to increased cheating. First, the presence of other beneficiaries simply may help people easily justify their dishonesty. Second, people may genuinely care about the potential benefits of their actions for others. We conducted three experiments to investigate how these two mechanisms interact to affect dishonesty.

Our research contributes to prior work demonstrating that the presence of beneficiaries influences one's own likelihood to behave dishonestly (e.g., Gino & Pierce, 2009; Wiltermuth, 2011) by distinguishing between different mechanisms that may explain greater cheating when the benefits are split with others. In addition, our research considers cases in which more than just one beneficiary can benefit from one's cheating. Finally, different from prior investigations, the current paper directly examines the consequences of cheating that benefit oneself only versus cheating that benefit oneself as well as others on both one's own levels of guilt and moral self-image. We predicted that although participants would be more likely to behave unethically when others in addition to themselves could benefit from their dishonesty, they would also experience less guilt after their cheating. As a result, they would be better able to preserve their moral self-image.

The Present Research

We tested our main hypotheses in three experiments in which people had the opportunity to cheat by misreporting their performance on an ability-based task, and earn more money as a result of it. In the control conditions, once they finished the task they reported their performance and were paid accordingly. In the experimental conditions, once they finished the task they were asked to shred or recycle their worksheets, report their own performance, and then they were paid accordingly. Thus, the participants in the experimental conditions had the opportunity to

cheat by misreporting their performance and earning undeserved money. In the dyad (or group) conditions, performance was totaled for all members, and their individual payment was equal to the total payoff divided by the number in the dyad or group. Across the three experiments, we used different manipulations and different tasks and measured the results in terms of unethical behavior.

Experiment 1

Method

Participants and design. Participants were 193 students (105 male; M_{age} = 21, SD = 1.75). Our first study employed two between-subjects manipulations: the possibility of cheating (control vs. shredder) and the party who stands to gain from the act of cheating (individual vs. dyad vs. group).

Procedure. Participants received the entire set of instructions for the experiment, such that they knew exactly what it would involve. Each participant received a test sheet with 20 matrices and a separate collection slip on which to later write down how many of the matrices they solved correctly. Each matrix included a different set of 12 three-digit numbers (e.g., 6.18, see Mazar et al., 2008), and participants had five minutes to find two numbers per matrix that added up to 10. In all conditions, participants received $0.50 for each matrix solved correctly.

In the individual-control condition, once the five minutes had passed, participants counted the number of matrices they had solved correctly and then wrote down that number on their collection slips. They then handed both the test and the collection slip to the experimenter. The experimenter verified how many matrices were solved correctly and paid participants based on their performance.

In the individual-shredder condition, once the five minutes had passed, participants were asked to count the number of matrices they had correctly solved, to place the test sheet into a shredder, and only then to write down the number of correctly solved matrices on their collection slip. They then handed their collection slip to the experimenter and were paid based on their reported performance without any verification process. The difference in performance between the control and shredder conditions measures participants' degree of dishonesty.

In the dyad-control condition, once the five minutes had passed, participants counted the number of matrices they had solved correctly and then wrote that number on their collection slips. Participants were next asked to find their "partner"—a fellow participant with the same ID number at the top of his or her collection slip, but on a different color paper. Once a dyad was united, the two dyad members were asked to show each other their collection slips. Next, they each summed up their dyad's total performance and wrote this figure down on their own collection slips. Finally, each dyad approached the experimenter together and submitted their collection slips and worksheets, and then each dyad member was paid according to half of their joint performance, which was verified by the experimenter.

In the dyad-shredder condition, once the five minutes had passed, participants individually counted the number of matrices they had solved correctly, placed the test sheet into a shredder, and only then wrote down the number of correctly solved matrices on their collection slips. Participants were next asked to find their partner. The rest of the procedure was the same as that used in the dyad-control condition, but without any verification process.

Finally, the procedure in the three-person group condition was the same as in the dyad conditions but with three people, and each group member received one third of the total payment for the group.

Results

We first computed the average reported performance for each of the conditions (individual, dyad, and group). We then used this number as the dependent variable in a 2 (possibility of cheating) X 3 (group type) between-subjects ANOVA. This analysis revealed a significant main effect for both the possibility of cheating ($F[1, 78] = 169$, $p < .001$, $\eta^2 = .69$) and group size ($F[2, 78] = 8.06$, $p = .001$, $\eta^2 = .17$), as well as a significant interaction ($F[2, 78] = 7.52$, $p = .001$, $\eta^2 = .16$).[2]

Importantly, performance was very similar across the three control conditions ($F<1$), suggesting that group size did not increase motivation or ability to perform on the problem-solving task (see Figure 1). In contrast, when cheating was possible (i.e., in the three shredder conditions), we did observe increased "performance," which varied depending on the number of beneficiaries ($F[2, 39] = 10.93$, $p < .001$, $\eta^2 = .36$). Planned contrasts showed that participants in the dyad-shredder condition reported a higher number of correctly solved matrices ($M = 13.83$, $SD = 2.65$) than did participants in the individual-shredder condition ($M = 11.07$, $SD = 3.24$; $p < .01$). In addition, participants in the group-shredder condition reported a higher number of correctly solved matrices ($M = 15.92$, $SD = 2.07$) than did participants in either the dyad-shredder condition ($p < .05$) or the individual-shredder condition ($p < .001$).

Discussion

Replicating past research (Mazar et al., 2008; Gino et al., 2009), the results of our first experiment show that when people have the opportunity to cheat, they do so to a certain extent, although not to the maximum possible level. More interestingly, the results show that whenever cheating benefits other people (as in the dyad-shredder or in the group-shredder conditions),

[2] We report the results on the individual level. However, the nature and significance of the results did not change when we conducted our analyses by randomly aggregating individuals in groups of two or three members.

dishonesty increases, and that this increase is influenced by the number of people who stand to benefit from one's own unethical actions. The more people can benefit from an individual's unethical actions, the greater the cheating. This result is consistent with our predictions, and suggests that the presence of other beneficiaries facilitates dishonest behavior.

Experiment 2

Our second experiment examines whether focusing on the benefits one's own cheating produces for others can help people maintain a positive moral self-image. In addition, this second study allows us to test the plausibility of an alternative explanation for the results of Experiment 1. According to this explanation, an increased group size also meant lower financial benefit from cheating (Individual: one would get the full benefit of cheating; Dyad: half of it; Group: a third of it). Thus, the increase in cheating observed in Experiment 1 might be a result of the change in financial incentives participants had across conditions. Finally, to eliminate any expectation of reciprocity participants may have had in Experiment 1, we also modified the study procedure so that the potential beneficiaries of one's own cheating were randomly selected participants from another experiment instead of group members participating in the same study.

Method

Participants and design. One-hundred seven college students at a university in the United States (58 male; M_{age} = 20.64, SD = 1.56) participated in the study for pay ($3 show-up fee in addition to the opportunity to earn more money throughout the study). Participants were randomly assigned to one of three conditions: self-only high payoff condition, self-only low payoff condition, and self-and-other payoff condition.

Procedure. We used the same problem-solving task as in Experiment 1, but we modified the procedure so that we could directly track who cheated by over-reporting performance on the

task. In this study, participants did not shred their test sheet but instead put them into a recycle box without any information about their identity. All participants received the same matrices to solve in the five-minute time period, except that a single number was unique for each participant. One of the three-digit numbers in the matrix used as an example on the back of each collection slip matched the unique number on the corresponding test sheet. This allowed us to match the worksheet with the collection slip of each participant at the end of the study (without knowing the identity of the participant) and compute the difference between self-reported performance and actual performance. This difference score was our main dependent variable.

Payoff manipulation. Across conditions, we manipulated the payoff structure. In the self-only high (low) payoff condition, participants were told they would receive $2 ($1) for each correctly solved problem. In the self-and-other payoff condition, participants were told they would receive $1 for each correctly solved problem and that another participant randomly selected from a group of participants from another experiment would also receive $1 for each correctly solved problem. We included two self-only-payoff conditions (high and low) because we wanted to make sure that the differences observed in our first experiment were not driven by the perception that cheating for a larger payoff ($2 to the self instead of just $1) is more unethical.

Guilt and moral self-image. After filling out their collection slips, participants answered a short questionnaire. In addition to answering some bogus questions, participants indicated the extent to which they felt remorse, guilt, and regret ($\alpha = .90$) on a 7-point scale (0 = not at all, 7 = to a great extent). These are common emotions prior researchers have used to capture state guilt (see Marschall, Sanftner, & Tangney, 1994). In addition, participants indicated "how good of a person" they felt they were using a 7-point scale (0 = not at all, 7 = very much).

Results

Cheating. The percent of participants who cheated by over-reporting performance on the problem-solving task varied by condition, $\chi^2(2, N = 107) = 9.70$, $p < .01$ (see Table 1). Fifty-six percent of the participants (20/36) cheated in the self-and-other payoff condition, 28% of the participants (10/36) cheated in the self-only-high-payoff condition, and 23% of the participants (8/35) cheated in the self-only-low-payoff condition. Mirroring these results, the average number of matrices by which participants overstated their performance varied by condition ($F[2, 125] = 6.31$, $p < .01$, $\eta^2 = .11$). Planned contrasts showed that on average, participants cheated more in the self-and-other payoff condition as compared to both the self-only-high-payoff condition ($p<.01$) and the self-only-low-payoff condition ($p < .01$). The difference in the level of cheating between these last two conditions was not significant ($p = .79$).

Guilt and moral self-image. We then examined the extent to which participants felt guilty and perceived themselves as moral after cheating across conditions. For these analyses, we only considered people who cheated. Participants reported less guilt in the self-and-other payoff condition as compared to both the self-only-high-payoff condition ($p<.01$) and the self-only-low-payoff condition ($p < .02$), $F(2,35) = 6.29$, $p < .01$, $\eta^2 = .26$. The difference in the level of guilt between these last two conditions was not significant ($p = .72$). Similarly, participants rated themselves as being better people in the self-and-other payoff condition as compared to both the self-only-high-payoff condition ($p = .05$) and the self-only-low-payoff condition ($p < .03$), $F(2,35) = 3.54$, $p = .04$, $\eta^2 = .17$.[3]

Mediation analysis. Using mediation analysis (Baron & Kenny, 1986; Preacher and Hayes, 2004)), we next tested whether participants who cheated on the problem-solving task in

[3] We found no significant differences in guilt across conditions for participants who did not cheat on the problem-solving task, $F(2, 66) = 1.04$, $p = .36$, $\eta^2 = .03$. Similarly, we found no significant differences in moral self-image across conditions, $F(2, 66) < 1$.

the self-and-other payoff condition were better able to maintain a moral self-image because they experienced lower levels of guilt compared to those who cheated in the other two conditions. Once again, we only considered participants who cheated in this analysis. The effect of the self-and-other payoff condition on perceived moral-self image was reduced to non-significance (from $\beta = .41$, $p = .011$, to $\beta = -0.04$, $p = .71$) when experienced guilt was included in the equation, and experienced guilt was a significant predictor of participants' perceived moral self-image ($\beta = -0.87$, $p < .001$). A bootstrap analysis showed that the 95% bias-corrected confidence interval for the size of the indirect effect excluded zero ([0.45, 1.49]), suggesting a significant indirect effect (MacKinnon, Fairchild, & Fritz, 2007). These results demonstrate that because their cheating benefitted others, participants in the self-and-other payoff condition experienced less guilt and were consequently better able to maintain a moral self-image compared to participants in the self-only-payoff conditions. Importantly, these results also help to rule out the possibility that participants are not automatically bolstering their moral self-image after cheating by telling themselves that normally they are good, ethical people.

Correlation analyses. To further explore the data, we conducted correlation analyses considering all participants (those who cheated and those who did not cheat). We found that guilt was negatively and significantly correlated with ratings of participants' perceived moral self-image ($r = -0.88$, $p < .001$) and positively and significantly correlated with participants' extent of cheating ($r = 0.64$, $p < .001$). The extent of cheating was negatively and significantly correlated with participants' perceived moral self-image ($r = -0.54$, $p < .001$).

Discussion

The results of Experiment 2 indicate that although participants cheated more they also experienced less guilt after their cheating when others could benefit from their dishonesty. As a

result, they more easily preserved their moral self-image as compared to the case in which their cheating only benefited the self. In addition, the lack of significant difference in the level of cheating (as well as in guilt and in perceived moral self-image) between the self-only-high-payoff condition and the self-only-low-payoff condition suggests that the amount of financial incentive is not the main driver of participants' decision to cheat, nor of the consequent guilt and perceived moral self-image.

Experiment 3

So far, we found that when other individuals benefit from one's own dishonesty, cheating increases but one's own moral self-image is not impacted as much as in the case in which only the self benefits. What drives this increased willingness to behave unethically in such situations? One possibility is that when others can also benefit from one's own dishonesty, individuals more easily categorize their own bad actions (cheating) in positive terms (creating financial benefits for others) and therefore cheat to a larger degree. Alternatively, it is possible that people truly care about such benefits and social utility.

In Experiment 3, we further varied the payoff structure to test whether the increased cheating we observed in Experiments 1 and 2 is more likely to be attributed to an increased ability to justify dishonest behavior or to truly care for potential benefits to others.

Method

Participants and design. One-hundred twenty-eight students from local universities (65 male; M_{age} = 21.35, SD = 2.89) participated in the study for pay ($3 show-up fee and the opportunity to earn additional money throughout the study). Participants were randomly assigned to one of three conditions: self-only payoff, self-and-other payoff, and other-only payoff.

Procedure. The study included two tasks: a math task (used to assess cheating) and a final questionnaire with questions regarding perceived unethicality of acts of cheating.

Cheating task. Participants engaged in a computer-based mental-arithmetic task in which they had to calculate the answers to 20 different problems (e.g., 2+5+23-17+13-8+11-5+9-3 = ?), presented individually (adapted from von Hippel, Lakin, & Shakarchi, 2005; see also Vohs & Schooler, 2008). The experimenter informed participants that the computer had a special feature: As they were working on each problem, the correct answer would appear on the screen unless they stopped it from being displayed by pressing the space bar right after the problem appeared. The experimenter also informed participants that although during the task she would not monitor whether they had pressed the space bar or not, they should try to solve the problems on their own (thus being honest). Although the experimenter did not monitor participants' actions during the task, the program automatically recorded their number of space-bar presses. Following prior research (Jordan et al., 2011; Shu & Gino, 2012; von Hippel et al., 2005; Vohs & Schooler, 2008), we used the number of times participants did not press the space bar to prevent the answer from appearing as our measure of cheating. By allowing the answers to appear on the screen, in fact, participants did not follow the rules specified by the experimenter (i.e., try to solve the problems on their own) and walked away with greater payment compared to what they would have earned by solving the problems on their own. That is, they received more money than they actually deserved (Shu & Gino, 2012).

Payoff manipulation. Across the three conditions, we implemented different allocations of the total payoff. In the self-only payoff condition, participants were told they would receive $2 for each correctly solved problem. In the self-and-other payoff condition, participants were told they would receive $1 for each correctly solved problem. In addition, they were told that another

participant randomly selected from a group of participants from another experiment would also receive $1 for each correctly solved problem. Finally, in the other-only payoff condition, participants were told that their performance on the task would not influence their payment in the study, but that another participant randomly selected from a group of participants from another experiment would receive $2 for each correctly solved problem.[4]

Perceived unethicality. After being paid for the task, participants received a one-page questionnaire. The instructions informed them that because of the programming feature, "some participants may intentionally decide not to press the space bar so that they can see the correct answer and successfully solve the problem." Using 7-point scales, participants then indicated how unethical, wrong, and morally unacceptable it would be for a participant not to press the space bar in two different instances: 1) when participants were paid $2 for every correctly solved problem ($\alpha = .78$), and 2) when the participant solving the task and another randomly chosen participant from another study were both paid $1 for every correctly solved problem ($\alpha = .80$).

Predictions

The payoff manipulation enables us to juxtapose the effects of the ability to justify unethical behavior as appropriate and truly caring about others benefits. Specifically, while both mechanisms predict an increase in cheating in the self-and-other-payoff condition compared to the self-only-payoff condition, they make different predictions about the level of cheating in the other-only-payoff condition. In fact, as compared to the self-and-other-payoff condition, there is no direct self-interest (money or justification) at play in the other-only-payoff condition, but only an increased potential benefit to another person from one's own cheating.

[4] In this study, participants in the other-only payoff condition received $5 in addition to their show-up fee as compensation. We conducted another study using the same design and procedure in which participants in the other-only payoff condition received either $2 or $8 in addition to their show-up fee as compensation. The nature and significance of the results did not change with different levels of fixed pay.

Thus, if individuals use the potential benefits for others merely to justify their unethical actions, then we would expect the level of cheating to be eliminated in the other-only-payoff condition, as any cheating in the other-only-payoff condition would not benefit the self and thus eliminate a need for self-justification.

In contrast, if individuals only care about others' utility, then we would expect the level of social utility to be higher in the other-only-payoff condition (when others benefit 100% from an individual's cheating) than in the self-and-other-payoff condition (when others benefit 50%).

Finally, if these two factors work in concert to promote dishonesty we should expect that cheating will be highest in the self-and-other payoff condition and will be diminished but not eliminated in the other two conditions.

Results

Cheating. We first examined the number of times participants did not press the space bar across conditions, our measure of cheating. This number varied significantly depending on our payoff manipulation ($F[2, 125] = 4.23$, $p < .02$, $\eta^2 = .06$). Participants cheated more frequently in the self-and-other payoff condition ($M = 11.29$, $SD = 4.92$) as compared to both the self-only-payoff condition ($M = 8.40$, $SD = 5.83$, $p < .02$) and the other-only-payoff condition ($M = 8.16$, $SD = 5.71$, $p = .01$). The amount of cheating did not significantly differ in these last two conditions ($p = .85$).

Since with this task cheating occurs by omission rather than commission, and since the task occurs on multiple rounds (in each of which participants can cheat), most participants cheat at least in a few rounds when this task is used (see Shu & Gino, 2012). With this caveat in mind, we next examined the percentage of participants who cheated by condition, and found significant differences, $\chi^2(2, N = 128) = 7.07$, $p = .029$. Ninety-eight percent of the participants (41/42)

cheated in the self-and-other payoff condition, 79% of the participants (34/43) cheated in the self-only-payoff condition, and 88% of the participants (38/43) cheated in the other-only-payoff condition.

Perceived unethicality. Next, we examined the responses to the follow-up questions regarding perceived unethicality to test whether participants considered dishonest behavior to be less morally problematic when it benefitted other people in addition to the self rather than the self only. A within-subjects analysis revealed that participants rated cheating on the task as more unethical when they were told that only they themselves would benefit ($M = 5.17$, $SD = 0.74$) rather than when they were told that others would also benefit ($M = 4.51$, $SD = 1.07$), $F(1, 127) = 38.84$, $p < .001$, $\eta^2 = .23$. (We note that when we also included condition as between-subject factor in this analysis, the effect of condition was not significant, nor was the interaction between condition and the within-subject factor.)

We conducted the same within-subjects ANOVA, but this time we included whether or not the participant cheated as a control variable. We did so since participants who cheated are likely motivated to report that cheating is not that morally wrong (Shu, Gino, & Bazerman, 2010). Given that more participants cheated in the self-and-other payoff condition than in the other two conditions, this motivation to justify their behavior may have produced the result for perceived unethicality we just discussed. This analysis revealed a significant within-subject effect, $F(1, 126) = 9.57$, $p = .002$, $\eta^2 = .07$. In these two analyses, we considered all participants. Finally, we conducted an additional within-subjects analysis by considering only participants who cheated on the task (i.e., a subsample of the participants). We again found a significant within-subject effect, $F(1, 112) = 39.26$, $p < .001$, $\eta^2 = .26$ ($M_{only\_self} = 5.18$, $SD = 0.74$ vs. $M_{other} = 4.47$, $SD = 1.06$). Together, these results suggest that participants who cheated rated their own

behavior (i.e., cheating on the computer-based mental-arithmetic task) as more unethical when they were told that only they themselves would benefit rather than when they were told that others would also benefit.

Discussion

These results show that participants cheated the most in the condition that included the opportunity to favor another participant in addition to the self, even if this beneficiary was an anonymous stranger. In the other-only-payoff condition, where there was no benefit to the self from behaving dishonestly, we still observed some cheating but it was significantly lower than in the self-and-other-payoff condition and a bit lower from the self-only-payoff condition.

This finding suggests that people do care about the benefits that their actions create for others. However, this caring has much larger effect on their dishonesty when such actions also accrue benefits to the self. In other words, the presence of beneficiaries encourages individuals to maximize their social utility but simultaneously allows them to boost their own utility and more easily justify their unethical behavior. Indeed, participants in all the three conditions also rated their unethical actions as more morally acceptable when others could benefit from them as compared to when they created benefits only for the self.

General Discussion

We are all familiar with the many stories that wrongdoers, ranging from Martha Stewart to Bernard Madoff, provide for their transgressions. People often highlight the benefits their actions accrue to others, such as their clients, shareholders, or the companies for which they work. In this paper, we tested whether such claims are only justifications, or whether they could also reflect genuine concern about the benefits their actions may produce for others. The results presented here demonstrate that when the outcome of an individual's dishonesty can benefit

another person, the level of individual cheating increases. More specifically, dishonest behavior further increases as the number of people benefiting from this dishonesty rises (Experiment 1). Cheating motivated by potential benefits to others in addition to the self helps wrongdoers feel less guilty about their actions and preserve their moral self-image (Experiment 2). Indeed, when there are other beneficiaries for people's dishonest actions in addition to themselves, they perceive their unethical behavior to be morally acceptable (Experiment 3). Finally, the results of Experiment 3 demonstrate that even when cheating did not create any benefit to the self but only created benefits to another person (i.e., the other-only-payoff condition) some cheating was still present. The fact that cheating was not eliminated in this condition indicates that people really care for the social utility of others. However, individuals were more likely to behave unethically when dishonesty benefited others in addition to the self (i.e., the self-and-other payoff condition). These results suggest that social utility and justification work in concert and each factor has an additive effect in promoting individuals' dishonesty.

This research contributes to the literature on ethical decision making by suggesting that dishonesty should be studied not only at the individual level but also at the group level, where members can influence one another in their ethical as well as unethical behavior. Previous work has shown that both demographic factors (e.g., gender,, age, religion, and ethnicity) and personal characteristics (e.g., ethical values, stage of moral development, and individual's concern for self-presentation) influence ethical behavior (Ford & Richardson, 1994; Loe, Ferrell & Mansfield, 2000). Previous studies have also identified a number of contextual factors that affect intentional unethical behavior, such as the social norms (Cialdini, Reno, & Kallgren, 1990; Reno, Cialdini, & Kallgren, 1993), the use of incentives (Flannery & May, 2000; Schweitzer & Croson, 1999) and the use of codes of ethics (Mazar et al, 2008; Weaver, Trevino, & Cochran, 1999).

The present research points to a different set of variables that drive dishonesty and it emphasizes not only individual characteristic or contextual factors but also the nature of our collaborations with other people who may benefit from our unethical behavior.

Taken together, our findings may have serious implications for the study of collaborative work in the social realm. Self-managed or empowered teams are one of the most prevalent groups in modern corporations (Lawler, Mohrman, & Ledford, 1995). In these teams, decision-making authority is delegated to individual members, who are in charge of making decisions with consequences for their peers and their organization. Our findings suggest that the upside of monitoring and empowerment can be overwhelmed by the downsides of the increased moral flexibility induced by the presence of others. Thus, one implication can be that some members of teams should not be a part of the social circle of the group, and another is the recognition that good people who care about their coworkers can in fact end up cheating more.

Our findings also speak to the choice of most business schools of having students work in teams on various assignments. The results presented here suggest that such team settings might be conducive of dishonest behavior among group members, and thus might not be ideal to foster learning. In addition, and to the extent that higher emphasis on group-based learning can foster a higher level of dishonesty, it is important to ask whether such increased cheating in dyad and team settings might spill over to tasks students work on individually, and whether it would also influence the students' long-term approach to cheating after they leave school and join the workforce.

In addition to these "spillage" questions, our findings suggest a few additional research questions. For instance, further research could explore the relationship between the allocation of financial incentives (which were evenly distributed in our case) and dishonesty. Similarly, it is

important to examine the power position within a hierarchy (boss or employee) and their effects on unethical behavior. Future research could also explore the boundary conditions of the effects demonstrated in our studies. For instance, one could examine the influence of being part of larger groups or the impact of friendship and familiarity among group members on individuals' levels of dishonesty. A more nuanced and detailed understanding of cheating within groups could suggest a promising path for future research that may examine the best "choice architecture" (Thaler & Sunstein, 2008) and identify techniques for gaining the benefits of collaboration without paying the cost of dishonesty growth.

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Tables

Table 1

Means (and standard deviations) for the main variables measured in Experiment 2

	Percent of participants who cheated by over-reporting performance on the problem-solving task	Number of matrices by which participants overstated their performance (considering all participants)	Self-reported guilt (considering only participants who cheated)	Moral self-image (considering only participants who cheated)
Self-and-other payoff condition	56%	3.47 (3.42)	3.90 (0.97)	4.10 (1.02)
Self-only-high-payoff condition	28%	1.44 (2.55)	5.03 (0.92)	3.30 (0.95)
Self-only-low-payoff condition	23%	1.26 (2.74)	4.88 (0.82)	3.13 (1.13)

Figures

Figure 1. Reported and actual number of correctly identified pairs by experimental condition (Experiment 1). Error bars represent standard errors.