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Understanding ordinary unethical behavior: why people who value morality act immorally

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Cheating, deception, organizational misconduct, and many other forms of unethical behavior are among the greatest challenges in today's society. As regularly highlighted by the media, extreme cases and costly scams are common. Yet, even more frequent and pervasive are cases of 'ordinary' unethical behavior — unethical actions committed by people who value and care about morality but behave unethically when faced with an opportunity to cheat. In this article, I review the recent literature in behavioral ethics and moral psychology on ordinary unethical behavior.

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Cheating, deception, organizational misconduct, and many other forms of unethical behavior are among the greatest challenges in today's society. As regularly highlighted by the media, extreme cases and costly scams (e.g., Enron, Bernard Madoff) are common. Yet, even more frequent and pervasive are cases of 'ordinary' unethical behavior — unethical actions committed by people who value about morality but behave unethically when faced with an opportunity to cheat. A growing body of research in behavioral ethics and moral psychology shows that even good people (i.e., people who care about being moral) can and often do bad things [1,2^{**}].¹ Examples include cheating on taxes, deceiving in interpersonal relationships, overstating performance and contributions to teamwork, inflating business expense reports, and lying in negotiations.

When considered cumulatively, ordinary unethical behavior causes considerable societal damage. For instance, employee theft causes U.S. companies to lose approximately \$52 billion per year [4]. This empirical evidence is striking in light of social–psychological research that, for decades, has robustly shown that people typically value honesty, believe strongly in their own morality, and strive to maintain a positive self-image as moral individuals [5,6].

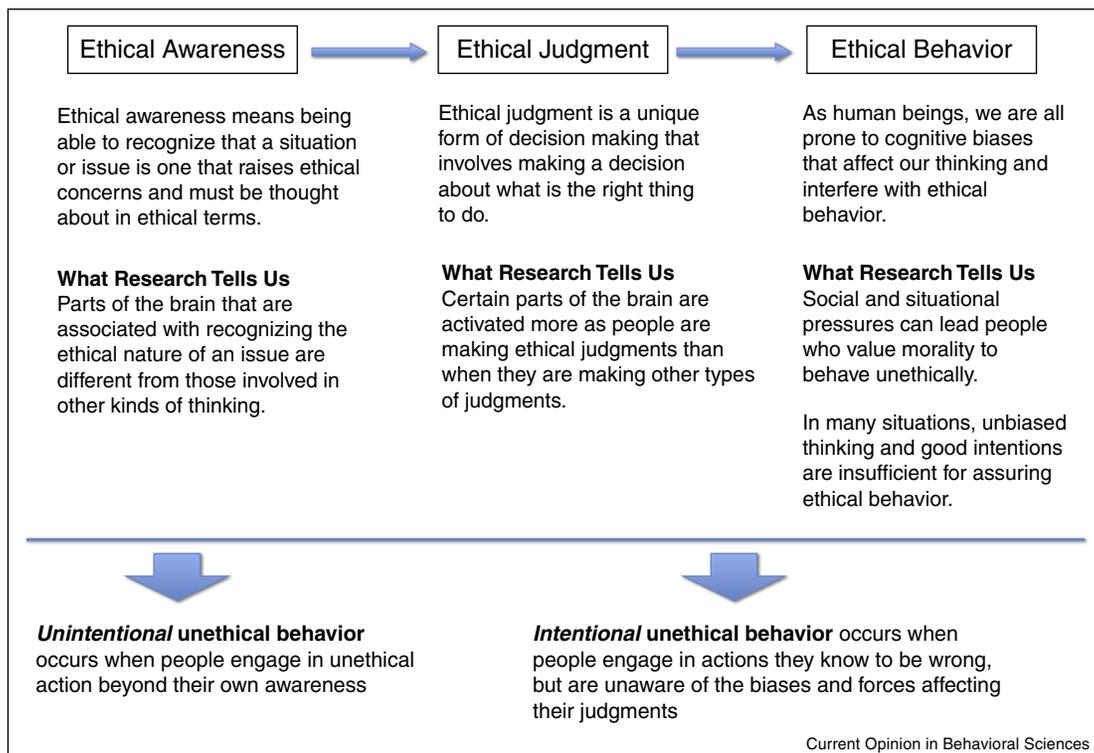
The gap between individuals' actual dishonest behavior and their desire to maintain a positive moral self-image has captured the attention of scholars across fields. In management, work on this topic began with Brief [7] and Treviño [8]. Since the 1960s, scholars have studied the determinants of ethical and unethical behavior, beginning with the assumption that even people who value morality sometimes do bad things [9].

In both psychology and behavioral ethics, many scholars have studied the factors that lead people astray in the ethics domain. Two main streams of research can be identified. The first stream of research consists in work that examines predictable situational and social forces that lead individuals to behave unethically. This body of research generally focuses on behaviors that people know to be wrong, but that they engage in because they are unaware of the forces that are leading them to cross ethical boundaries (*intentional* unethical behavior). The second stream of research is about bounded ethicality, people's tendency to engage in unethical action without even knowing that they are doing so (*unintentional* unethical behavior). [Figure 1](#) summarizes the main steps involved in ethical decision making and shows at what point in the process intentional and unintentional unethical behaviors can occur.

Though different in many ways, these streams of behavioral ethics research share two empirically supported assumptions [1]. The first one is that morality is dynamic and malleable [10^{**}], rather than being a stable trait that characterizes individuals. That is, individuals do not behave consistently across different situations, even when they strongly value morality or when they see being an ethical person as central to their self-concept. The second assumption is that most of the unethical behavior we observe in society is the result of the actions of

¹ A commonly-accepted definition of unethical behavior is the following: acts that have harmful effects on others and are 'either illegal or morally unacceptable to the larger community' ([3^{**}]: 367). Importantly, throughout this paper, I use the terms (un)ethical and (im)moral interchangeably.

Figure 1



The steps involved in ethical decision making [40].

numerous individuals who, although they value morality and want to be seen as ethical people, regularly fail to resist the temptation to act dishonestly or even fail to recognize that there is a moral issue at stake in the decision they are making.

Intentional dishonesty: ethicality is predictable

Studies on intentional unethical behavior have identified a series of situational and social forces that lead people to behave unethically. The first few demonstrations of this phenomenon come from well-known experiments by Milgram and Zimbardo. For instance, in Milgram's famous experiment [11^{*}], an experimental assistant (an accomplice) asked each study participant to play the role of a teacher and administer 'electric shocks' to another participant, 'the learner' (who, in actuality, was a confederate or experimental assistant), each time the learner made a mistake on a word-learning exercise. After each mistake, the participant was asked to administer a shock of higher voltage, which began to result in apparent audibly increasing distress from the learner. Over 60 percent of the study participants 'shocked' their participant through to the highest voltage level, which they could see was marked clearly as potentially dangerous [11^{*}]. However, only a few people predicted they would behave in

this way when asked to imagine the situation and predict their actions. These results demonstrate that the situation in which an authority demands obedience rather than a person's character causes one to harm an innocent person. The Stanford Prison Experiment Zimbardo conducted was equally shocking in the results it produced [12^{*}]. Stanford undergraduate students were randomly assigned to be either guards or prisoners in a mock prison setting for a two-week experiment. After less than a week, the experiment was stopped abruptly because the 'guards' were engaging in sadism and brutality, and the 'prisoners' were suffering from depression and extreme stress. Normal Stanford students who participated in it had been transformed due to the situation they had been put in (serving as guards in a prison).

Building on this early work, research has examined what people do when they are placed in situations in which they have the opportunity to behave unethically — for instance, by lying about their performance on a task [13^{**}]. Mazar *et al.* [13^{**}] propose that people balance two competing motivations when deciding whether to act unethically: the desire to gain some sort of personal reward (e.g., a larger monetary payoff), and the desire to maintain a positive self-concept. Using tasks where people can lie by inflating their performance for greater

pay, their studies find that people lie when it pays, but only to the extent that they can do so without violating their perception of themselves as an honest person. This research advanced an important new perspective and has spawned significant follow-up research. Some of the follow-up work slightly reframed the conflict people experience when facing the choice of whether or not to cheat by introducing an intertemporal component. Specifically, the tradeoff is between the long-term desire to be a good, ethical person and be seen as such by others to gain social acceptance, and a more short-term desire to behave in a way that would advance one's self-interest [14^{••},15]. As people try to balance these two desires, they are often inconsistent in their moral behavior across time as well as in their judgments of moral actions committed by the self versus others [10^{••},16,17].

Since the publication of Mazar and colleagues' work, research has investigated the situational and social forces that lead people to behave unethically. One of main findings of this body of work is that the more room a situation provides for people to be able to justify their behavior, the more likely they are to behave unethically [18,19,20[•]]. People seem to stretch the truth [19], to the point that still allows them to rationalize their behavior [18,20[•],21]. In one clever demonstration, participants were asked to roll a die anonymously and then report the outcome of the roll, knowing that they would gain money according to their reports [20[•]]. Participants who were instructed to roll multiple times but report the outcome of the first roll only lied more than those who were instructed to roll the die only once. Likely, when participants rolled multiple times, they obtained high numbers on the non-relevant for pay rolls (second roll, third roll) but felt justified to use them.

In addition to providing more or less room for justifying one's own unethical actions, the environment in which people operate activates explicit or implicit norms. The amount of litter in an environment, for instance, has been found to activate norms prescribing appropriate or inappropriate littering behavior in a given setting and, as a result, regulate littering behavior [22]. Related research has found that the presence of graffiti leads not only to more littering but also to more theft [23], abundance of resources leads to increased unethical behavior [24], and darkness in a room increases dishonesty [25]. Taken together, these studies suggest that the physical features of an environment or the implied presence of other people can produce profound changes in behavior surrounding ethical and social norms.

In addition to situational factors, social forces have been identified as antecedents to unethical behavior. In fact, a person's moral behavior can be affected by the moral actions of just one other person. Gino *et al.* [26] found that when an in-group member behaves unethically and the

behavior is visible to others, people follow suit: they behave unethically themselves. Others' behavior can influence our own even when the bond we share is quite labile or subtle. For instance, sharing the same birthday of a person who cheated leads us to cheat as well [27]. This is because people perceive questionable behaviors exhibited by in-group members or people similar to them to be more acceptable than those exhibited by out-group members or people they view as dissimilar. Importantly, the same social forces can be used to encourage ethical behavior. For instance, in one study, hotel guests who learned that other guests staying in the same hotel or room re-used their towels on their first night of stay were more likely to follow the same environmentally-responsible behavior [28].

Together, this body of work highlights the inconsistencies between people's desire to be moral and their actual unethical behavior, and provides compelling evidence for the argument that morality is malleable.

Unintentional dishonesty: ethicality is bounded

Ethical decision making is often defined to include intentional deliberation. As the first step in Rest's [29[•]] model of moral development, moral awareness is assumed to exist for an ethical problem to exist (see Figure 1). But, the assumption that people are making explicit tradeoffs between behaving ethically and behaving in their self-interest is not always supported, even when unethical behavior clearly has occurred [30].

In fact, many studies have found that people act unethically without their own awareness and fail to notice the unethical behavior around them [31,32^{••},33]. That is, people are boundedly ethical: they act in ways that they would condemn and consider unethical upon further reflection or awareness. Several behaviors are forms of bounded ethicality. Examples are: overclaiming credit for group work without being aware of it, engaging in implicit discrimination and conflicts of interests, favoring in-groups without awareness of the impact of our behavior on out-groups or acting in racist and sexist ways without being aware that they are doing so [32^{••},34]. As this research shows, our ethicality is sometimes bounded when we ourselves face ethical choices. However, it is also bounded when we evaluate or judge the behaviors of others from a moral standpoint. For example, while we recognize others' conflicts of interest, we fail to recognize conflicts of interest that we ourselves face that corrupt our behavior [35]. When we have a motivation not to see the unethical actions of others, we won't see it, even without our own awareness. Similarly, people are more likely to ignore the unethical behavior of others when their behavior degrades slowly rather than in one abrupt shift [36] or in the presence of intermediaries [37]. People are also

far more likely to condemn someone's unethical behavior when it leads to a bad rather than a good outcome [38,39].

Together, this research on bounded ethicality shows how we, as human beings, often do not recognize the ethical issues involved in the decisions we are facing and the judgments we make about the behavior of others.

Conclusions

Topical stories in the media exposing unethical practices in business and broader society have highlighted the gap between the decisions people actually make versus the decisions they believe they should make. In recent decades, a large body of work across many disciplines — from social psychology and philosophy to management and neuroscience — has tried to tease out why people behave in ways inconsistent with their own ethical standards or moral principles. Antecedents of unethical behavior range from individual differences to situational forces that are so strong that they make individual choice all but irrelevant.

Here, I reviewed recent findings from the moral psychology and behavioral ethics literatures and discussed how they can help us better understand why ethical behavior can seem so elusive in today's society. As these streams of research suggest, the study of individuals' psychology and the influences of their environment on them may prove particularly valuable as we try to understand ordinary unethical behavior.

Conflict of interest statement

Nothing declared.

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