

Russell Ackoff Doctoral Research Grant Proposal 2009

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Emotional Consequences of Unethical Decision Making

Unethical behavior can have broad and serious consequences. However, the inner workings of an individual's ethical decision making process largely remain a mystery. For instance, little is known how ethical decision making interacts with one's psychological state. Traditionally, unethical decision making has been associated with negative affect, such as guilt and shame (Lewicki, 1983; Bandura 2001). Other work has suggested that committing unethical behavior is so unpalatable that individuals use various forms of self deception to shield themselves the unethical nature of some of the decisions they make (Aquino & Becker, 2005; Tenbrunsel & Messick, 2004; Batson 1999; Mazar, Amir, & Ariely, 2008). While unethical behavior often entails psychological costs, it is possible that emotional reactions to unethical decision making might be much more complex, and could span a broader range of the affective spectrum.

Recent empirical work suggests that under certain conditions, unethical behavior might actually be a source of satisfaction and happiness, and a way to mitigate negative emotional experience. In a lab study by Gino and Pierce (2008), participants scored the work of another participant. Forty percent of participants paired with someone who had earned \$20 previously in the experiment felt strong envy toward that person, and scored their work lower than they should have, presumably using dishonesty to mitigate the feelings of envy. In a study by Schweitzer & Gibson (2008), participants reported that they would actually feel better (happier, satisfied, less angry) after engaging in unethical behavior as a reaction against another party who had violated community standards of fairness. If indeed there are psychological benefits to unethical behavior, this could also help to explain empirical findings that a large proportion of people are willing to engage in unethical behavior even for rather small financial incentives (Tenbrunsel & Messick 1999; Gneezy, 2005).

We propose that in certain contexts, unethical decision making may in fact lead to positive and enjoyable psychological states. The proposed research will investigate the psychological effects of ethical decision making, as well as the circumstances under which unethical behavior leads to positive psychological consequences. In previous studies, we have found evidence of elevated positive mood states in subjects who committed unethical behavior compared to those who behaved ethically. In future research, we will vary factors such as the victim of the unethical behavior, the stochastic or deterministic nature of the outcome. With this research, we hope to shed light on the affective consequences of ethical decision making across a broad range of situations.

This question is an important one, because with the frequent use of honor codes, and the inability of monitoring systems to function perfectly, individuals are often responsible for making sure their own behavior conforms to the standards of a moral code. To the extent that unethical behavior entails a psychic cost, decision makers will be discouraged from engaging in it. However, if there are circumstances under which unethical behavior leads to positive psychological benefits, this could lead a troubling situation in which individuals are rewarded materially *and psychologically* for unethical behavior, creating powerful incentives for decision makers to behave even more unethically in the future. Identifying the factors that make unethical behavior more or less aversive will help managers and policymakers to design systems to curtail unethical behavior.

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