Ethical Decision-Making:

Insights from Contemporary Behavioral Research on the Role of the Self

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Abstract

How do people decide when facing dilemmas that pit self-interested gains against ethical values? We highlight two key principles from contemporary behavioral research: (1) people are more willing to act unethically when they can convince themselves that their behavior does not reflect poorly on their moral character, and (2) people tend to be content with an "ethical enough" self-image. We examine how these principles shed light on the antecedents and consequences of ethical behavior, emphasizing situational determinants and psychological processes. We close by considering important questions that remain unanswered, and discuss how furthering our understanding the role of the self in ethical decision-making can be used to nudge people towards more ethical behavior.

Ethical Decision-Making:

Insights from Contemporary Behavioral Research on the Role of the Self

People frequently must choose between pursuing their self-interests and upholding ethical principles such as justice, fairness, or generosity. What leads people to make ethical decisions when faced with such dilemmas? A growing body of research in the fields of psychology, organizational behavior, and behavioral economics has been addressing this question using laboratory experiments and field studies. In this chapter, we describe contemporary work on the role of the self in ethical decision-making, assert the importance of considering the decision-making context when intervening to reduce unethical behavior, and conclude with recommendations for future research.

The Role of the Self

One of the most fundamental human motives is to protect a positive self-concept (Stevens & Fiske, 1995), and for many people this motive is particularly strong in the domain of ethics and morality (Aquino & Reed, 2002). Contemporary research emphasizes the key role that this motivation plays in ethical decision-making (Monin & Jordan, 2009; Zhong, Liljenquist, & Cain, 2009), in contrast to the more cognitive approach taken by earlier theorists that emphasized the importance of moral reasoning ability (e.g., Kohlberg, 1981).

We identity two key principles regarding the self in ethical decision-making:

1)   When faced with a temptation to act inconsistently with their own ethical standards, people ask themselves, in essence, "Would this decision reflect poorly on my character?" People become more willing to act unethically when they can convince themselves that the answer to this question is no.

2)   Most people are content with an "ethical enough" self-image (Nisan, 1991) – not everyone needs to feel like a saint; they just want to avoid feeling like a sinner.

Several lines of research support these two principles, illuminating when and how people tend to cheat:

- Consistent with the first principle, people will act less fairly when they can appear fair to others (Pillutla & Murnighan, 1995) or to themselves (Batson, Thompson, Seuferling, Whitney, & Strongman, 1999). For example, people cheat more in ambiguous situations that allow them to interpret cheating as accidental (Von Hippel, Lakin, & Shakarchi, 2005) or as stemming from an ethically acceptable motive such as the desire to help others (Wiltermuth, 2011).

- Consistent with the second principle, when faced with opportunities to cheat without getting caught, most people will cheat some of the time, but will not cheat to the maximum extent (Mazar, Amir, & Ariely, 2008). In other words, people act unethically enough to enjoy the relevant benefits, but restrain themselves enough to preserve a moderately moral self-image.

- Acting virtuously makes people feel licensed to subsequently act less virtuously (see Merritt, Effron, & Monin, 2010; Miller & Effron, 2010). Consistent with both principles, prior virtues

make subsequent misdeeds seem less reflective of one's moral character and allow one to maintain a "good enough" self-image despite transgressing.

Findings such as these characterize decision-making in ethical domains as a balancing act in which self-image concerns are weighed against temptations.

Psychological Consequences of Unethical Behavior

People's desire to preserve a "moral enough" self-image has important implications for the consequences of acting unethically. On the one hand, people sometimes compensate for their misdeeds in the short term by subsequently acting more prosocially or ethically (Carlsmith & Gross, 1969; Jordan, Mullen, & Murnighan, 2011; Sachdeva, Iliev, & Medin, 2009; McMillen, 1971; McMillen & Austin, 1971) – a process called "moral cleansing" (Tetlock, Kristel, Elson, Green, & Lerner, 2000). On the other hand, there is reason to worry that acting unethically may beget more unethical behavior in the long run due to the cognitive distortions that people use to convince themselves that their decisions do not reflect poorly on their moral character (Martens, Kosloff, Greenberg, Landau, & Schmader, 2007). Research on such distortions has revealed phenomena such as the following:

- People tend to apply more lenient moral standards to themselves than to others (Kruger & Gilovich, 2004; Valdesolo & DeSteno, 2007). When people need reassurance of their ethicality, they presume that their behavior will be judged against even lower moral standards (Effron, under review).

- People are adept at re-construing their questionable behavior as ethically permissible – a process of "moral disengagement" (Bandura et al., 1996; Bem & Connell, 1970; Shu et al., 2011; Tsang, 2002). Methods of moral disengagement include distorting the consequences of one's unethical behavior and displacing blame onto others (Bandura, 1999).

- People distort their memories to preserve a moral self-image. They overestimate how virtuously they acted in the past (Ross, McFarland, & Fletcher, 1981), how unethically they *could have* acted if they had wanted to (Effron, Miller, & Monin, 2012), and they strategically forget ethical rules that would highlight their own ethical failings (Shu & Gino, 2012).

Once people succumb to ethical temptations, they potentially start down a path of greater moral disengagement, more lenient moral standards, more distorted evaluations of their moral history, and decreased attention to moral rules that would otherwise curb dishonesty – a path that turns into a slippery slope (Gino & Bazerman, 2009; Martens, et al., 2007). This price of preserving a virtuous self-image highlights the need to intervene before unethical behavior is committed.

Reducing Unethical Behavior

In the view of neoclassical economics, the major strategies for curbing unethical behavior are to increase punishment, the likelihood of detection, or both (Becker, 2001). Although these strategies can be effective, they often require tremendous resources to implement, and neglect the dramatic effect that small changes in the decision-making context can have on unethical behavior.

The principles we identified regarding the role of self-concept in ethical decision-making suggest that unethical behavior can be curbed by making such behavior seem more reflective of a person's underlying moral character. For example, recent research suggests that people cheat less when told, "Don't be a cheater," compared to when told, "Don't cheat" (Bryan, Adams, & Monin, 2013). The former injunction more effectively connects cheating to the self-concept. As another example, consider a study in which customers of an automobile insurance company filled out a form that required them to report they mileage they drove last year. Because higher mileage means higher premiums, customers had an incentive to underreport. All participants were requested to sign a statement saying, **"**I promise that the information I am providing is true," but the researchers varied whether this statement came at the top of the form versus the bottom.

Signing at the top led the customers to admit to driving more than 10% more miles (Shu et al., 2012). Simply moving the signature line to the top of the form seems to have made participants' ethical standards more salient, which decreased dishonesty. Studies like these reveal how small changes to the decision-making context can "nudge" people towards making more ethical decisions (Thaler & Sunstein, 2009), particularly if such changes lead people to reflect on how these behaviors reflect on their values and self-concepts.

Future Directions

While much progress has been made in behavioral study of ethical decision-making in recent years, we highlight some areas that need greater attention.

- Research has documented a variety of strategies that people use to convince themselves that their behavior does not reflect on their moral character— such as rationalization, moral disengagement, cognitive distortions, and forgetting relevant rules. Most research tests a single strategy without giving participants the option to select among different strategies. What determines the efficacy of each strategy, and how do these strategies interact with one another? When do people spontaneously use which strategies? If a preferred strategy is blocked, will people simply use an alternative one?

- When does (un)ethical behavior beget more (un)ethical behavior (consistency), and when does it lead to the opposite (contrast)? Some research has begun to identify some key moderators (e.g., Conway & Peetz, 2012; Cornellissen, Bashshur, & Rode, 2013; Gneezy, Imas, Brown, Nelson, & Norton, 2012), but a comprehensive theory is still lacking. Examining ethical behavior across longer periods of time may shed light on this question.

- How do we bundle existing means of managing moral decisions (such as increasing punishment or surveillance) with recent behavioral evidence—and in what domains will they be most effective? Will public knowledge of such behavioral interventions mute their effectiveness?

Conclusion

Extant research has highlighted the key role that the self-image plays in ethical decision-making. Understanding this role reveals how small tweaks to the decision-making context can reduce unethical behavior. We close with the following recommendations: continued study of how people strive to

maintain a "good enough" self-image despite acting unethically; greater theoretical integration of previously documented phenomena; and increased efforts to design theoretically and empirically grounded interventions. Scholarly attention to these issues will help practitioners leverage the insights from behavioral research to promote more ethical decision-making.

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