Consequential Reflection – Unpacking Unethical Behavior

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Konstantina Tzini, INCAE Business School
Kriti Jain, IE Business School – IE University
Unethical Behavior in Organizations

Behavior that is either illegal or morally unacceptable to the larger community

(Jones, 1991)

More than 2,000 cases with estimated direct costs of $7 BN

(Association of Certified Fraud Examiners 2018 Report)
CONFLICTS OF INTEREST

Self-interest influences decisions in an automatic and unconscious manner and can override professional obligations
(Moore & Loewenstein, 2004; Moore et al., 2006; Moore et al., 2010)

EGOCENTRIC VIEWS & BOUNDED ETHICALITY

Biased self-views obstruct our ability to recognize own conflicts of interest
(Chugh et al., 2005)

Outcomes that coincide with our self-interest interpreted as morally justifiable
(Epley & Caruso, 2004)

MALLEABLE ETHICS

Exposure to unethical behavior of others
(Gino, Ayal & Ariely, 2009)

Cheating also benefits others/in-groups
(Gino, Ayal & Ariely, 2013; Thau et al, 2014)

Medium helps justify unethical behavior
(Mazar, Amir & Ariely, 2008)
### Automatic & Biased Judgment

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<tr>
<th>Automaticity prevails in moral judgment</th>
<th>We are better decision-makers, more intelligent, cooperative, fair, moral..</th>
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<td>(Haidt, 2001; Greene, 2014)</td>
<td>(Messick et al., 1985; Babcock &amp; Loewenstein, 1997; Kruger &amp; Gilovich, 2004; Epley &amp; Dunning, 2000)</td>
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<td>Judgment changes when:</td>
<td>Others are driven by self-interest and money and when incentivized they cheat</td>
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<td>Outcome by chance positive / Victims unidentifiable</td>
<td>(Miller &amp; Ratner, 1998; Tenbrunsel, 1998)</td>
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<td>(Gino, Shu &amp; Bazerman, 2010)</td>
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<td>Consequences are suffered vs. expected</td>
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<td>(Caruso, Gilbert &amp; Wilson, 2008)</td>
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<td>“Dirty job” done through an intermediary</td>
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<td>(Paharia, Cassam, Greene &amp; Bazerman, 2009)</td>
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Remedy – Consequential Reflection

Need for Designing Interventions (Moore & Gino 2013; 2015)
From Automaticity to Reflective Reasoning (Bazerman & Sezer, 2016)

CONSEQUENTIAL REFLECTION
Reflect on unpacked consequences (both positive and negative)

Honor codes
Converse & contemplate
Avoid depletion
Ten Commandments
Recall past immoral behavior

Gunia et al., 2012; Jordan et al., 2011; Mazar et al., 2008; Mead et al., 2009; Shu et al., 2011
Support Theory – Unpacking Effect

Unpacking the implicit – Support Theory
Probability assigned to events depends on degree of explicitness of their descriptions
(Rottenstreich & Tversky, 1997; Tversky & Koehler, 1994)

Evaluative judgments
(Van Boven & Epley, 2003)

Planning fallacy
(Kruger & Evans, 2004)

Overconfident forecasting
(Jain, Mukherjee, Bearden, & Gaba, 2013)

Overclaiming group effort
(Savitsky, Van Boven, Epley, & Wight, 2005)
Consequential reflection, by unpacking unethical behavior into its related consequences, results in:

Less willingness to indulge in unethical behavior

(prescribed unpacking – Study 1)
(self-generated unpacking – Study 2 & Study 3)

Harsher judgment and intention to punish others’ unethical behavior

(Study 4)

Mechanism – preliminary indication: Increased chance of negative vis-á-vis positive consequences materializing

(Study 3)
¡Gracias por su atención!
konstantina.tzini@incae.edu

Q&A