

Why **good** people  
sometimes  
do **bad** things:

52 reflections on  
ethics at work

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# Introduction

*Why do even the most honest and conscientious employees sometimes go off the rails?*

*What pushes upstanding and intelligent managers over the edge?*

*What causes benevolent organizations to lead their customers, employees, and shareholders up the garden path?*

These questions of the twists and turns of right and wrong in the workplace are intriguing, frightening, and more timely than ever.

Firstly these questions are *intriguing*. How do trusted people and organizations become cheats? Not just once, but repeatedly and systematically. What motivates and possesses them? What explains these twists and turns? How come factory workers went so far as to regularly bind a colleague naked to a push cart and push it through the production room as a joke to lighten the mood? How did a manager, having skirted around environmental regulations year after year to the benefit of his employer, eventually reach a point where he was able to boast about it? How did a director come to pay a customer under the table, by way of friendly service, and still tell the tale dry-eyed? What led teachers to the point that they announced with pride that they had boosted their students' grades so that they could graduate quicker? And what inspired Jeffrey Skilling, president of American energy company Enron, bankrupted in 2001 because of the biggest case of accounting fraud in history at the time, to say shortly before its downfall: 'We are doing something special. Magical. It isn't a job – it is a mission. We are changing the world. We are doing God's work.' They did indeed change the world, as it is partly due to this fraud case that the Sarbanes-Oxley Act was introduced, an Act which had implications for the governance of companies worldwide.

These observations on the behavior of 'good' people, however, are also. If they unconsciously and unintentionally do wrong, then you and I might also dupe others without knowing it, overlook important matters, and miss the point entirely. This is scary because it means that when we think we are doing the right thing the opposite might be the case. In spite of our

good intentions, things may go wrong and we might even be forced to pack up and leave. Take, for example, the senior executive, celebrated one day and maligned the next, after it became known that he had been selling substandard products for years, in the genuine belief that he was offering customers a good deal. And what to think of the vendor who always made a big turnover, but was arrested after it became apparent that he had been fixing prices with the competition for years. He truly thought that this was normal and to the benefit of the economy. Then we have the chief financial officer who always achieved good financial figures, but had to pack his bags when it turned out he had been fiddling the books for years. He had actually been under the impression that creative bookkeeping was part and parcel of his organization's mores.

Unfortunately these questions regarding the behavior of people and organizations are *more timely than ever*. The recent financial and economic crisis has exposed the human factor in the inner workings of organizations as never before. Society thought it had organizations well in hand, with the Sarbanes-Oxley Act and various other legislation and governance codes, but fencing organizations in with procedures, systems and structures provides no guarantee that people will do the right thing. Indeed, it may well make matters worse (as we will see later in this book). Since the crisis, regulators have paid considerably closer attention to human behavior within organizations and what causes this behavior. Fields of study dealing with behavior within organizations, such as behavioral risk management, behavioral compliance, behavioral sustainability, behavioral auditing, and behavioral business ethics, have all been booming ever since. Organizations also pay more attention to behavior by investing in cultural programs, professional development, codes of conduct, and soft controls. The question underlying all these efforts and activities is what the explanations are for the behavior of people in organizations, and how we can use this knowledge and insight to protect ourselves and others from future disasters.

# This book

For all those who work in or for organizations and for anyone dependent on them, it is essential to know what explains the good and bad behavior of people within those organizations. If we can explain this, we are better placed to judge, predict and influence both our own behavior and that of others. Social psychology offers a wealth of answers to the question of why people do bad things, some of them very surprising, thereby explaining the way in which social mechanisms influence the psyche and thereby people's behavior. This book therefore examines the reasons people succeed or fail at staying on track from the perspective of social psychology.

The book draws on both classic and recent experiments. In each chapter at least one experiment will be discussed. Although there is always something artificial about experiments, they offer the advantage that, with all other factors kept constant, the relation between a limited number of factors can be studied in detail. Both laboratory experiments and field experiments come under review, and are applied to current developments, issues and challenges.

This book consists of 52 short chapters in total, each of which can be read individually, but which also complement one another. The first eight chapters lay the foundation for examining the behavior of organizations and individuals. This introductory section discusses matters such as people's moral nature and how their environment influences their behavior.

The remaining chapters are organized according to seven factors which influence people's behavior within organizations. I discovered these factors in the course of my doctoral research, when I analyzed 150 different derailments within organizations. Since then, these factors have been tested in various studies. In a recently published article in an international journal I show, on the basis of a survey of managers and employees, that the more prominent these factors are, the less unethical behavior takes place at work. The factors are as follows:

1. *Clarity* for directors, managers and employees as to what constitutes desirable and undesirable behavior: the clearer the expectations, the better people know what they must do and the more likely they are to do it.

2. *Role-modeling* among administrators, management or immediate supervisors: the better the examples given in an organization, the better people behave, while the worse the example, the worse the behavior.
3. *Achievability* of goals, tasks and responsibilities set: the better equipped people in an organization are, the better they are able to do what is expected of them.
4. *Commitment* on the part of directors, managers and employees in the organization: the more the organization treats its people with respect and involves them in the organization, the more these people will try to serve the interests of the organization.
5. *Transparency* of behavior: the better people observe their own and others' behavior, and its effects, the more they take this into account and the better they are able to control and adjust their behavior to the expectations of others.
6. *Openness* to discussion of viewpoints, emotions, dilemmas and transgressions: the more room people within the organization have to talk about moral issues, the more they do this, and the more they learn from one another.
7. *Enforcement* of behavior, such as appreciation or even reward for desirable behavior, sanctioning of undesirable behavior and the extent to which people learn from mistakes, near misses, incidents, and accidents: the better the enforcement, the more people tend towards what will be rewarded and avoid what will be punished.

Finally, in chapter 52 an experiment is presented which explains how people deal with ethical dilemmas by means of a combination of the above factors.

The factors are not discussed exhaustively. The experiments discussed are, however, selected so as to illustrate important points in relation to the factors listed, and more importantly, are looked at from a different perspective, so that in reading this book you will gain a broad view of the significance of these factors for your own behavior, the behavior of others and the behavior of organizations. The parts of the book which address the factors are not all of equal size, because some factors are more complex than others, and some factors have been the subject of more interesting experiments.

Enough introduction, let us begin on what I hope will be a morally stimulating journey.

# The context

The following eight chapters lay the foundation which enables us to better examine the behavior of organizations and individuals. We discuss the moral nature of people and the influence of the environment on their behavior. We shall see that concepts such as 'right' and 'wrong' are present from an early age and that the environment plays a significant role. This knowledge forms the foundation for examining in the rest of the book how organizations influence people's behavior and how we can use this for good.

Chapter 1 discusses the fundamental question of the extent to which people are good or bad by nature. Chapter 2 shows that the goodness of people depends on the price one is prepared to pay for it. The question is then not so much whether a person is honest, but rather in what situation and to what extent. There is also the question of whether people are better able to resist big or small temptations. Chapter 3 shows that this is a nuanced issue. Chapter 4 then addresses the question of the extent to which people are helpful and altruistic by nature, and thereby do good, even when it conflicts with their own interests.

How we see people affects the way we treat them. Chapter 5 is about how we can set up a 'self-fulfilling prophecy': whether people do right or wrong depends in part on how we see them. Chapter 6 looks at the way in which our image of ourselves affects our own behavior and asks to what extent people are capable of self-knowledge. In chapter 7 it will become clear that we have our own prejudices, which distort our perspective and raise all kinds of problems. Chapter 8 finally examines the extent to which people's environment influences their behavior. Here a distinction is made between 'situational' and 'systematic' influences.

# 1. Good or bad by nature?

## Empathy and sympathy

'We must stop seeing the people behind the counter as criminals.' These are not the words of a prison director or police chief. They are the words of a chairman of a big bank, and at a significant moment too: at the low point of the financial crisis in 2009. 'It's time we started trusting our employees and clients.'

What was up with this chairman? Had he completely lost the plot? Had he been living on another planet? Had the crisis not just exposed the fact that people are egotistical, and only out for themselves? Bankers had sold defective products on a grand scale to maximize their own bonuses. This was the quintessential white-collar crime, the greatest in history, according to the film *Plunder: The Crime of Our Time*. And according to United States president Barack Obama the cause of the crisis was 'excessive greed', which had been completely unjustified. Had this chairman understood nothing of the words of the American president?

In explaining and influencing people's behavior, we must first address a fundamental question: How do we regard 'people'? If the management of an organization see their employees and customers as criminals, then strict measures must be taken to keep them in check. Their freedom of action is restricted and supervision and control are intensified. The company quickly becomes a prison, with the management seeing themselves as the guards. The outside world, however, is bound to view the situation differently, seeing the directors as top criminals, and is therefore particularly keen to restrict their power.

As long as science has existed people have debated whether humankind is good or evil, and whether this is a matter of nature, or comes from upbringing, education and environment: the nature-nurture debate. Classical economic theories would have us believe that man is egotistical, and focused on satisfying his own needs. If we can choose, for example, between two products of the same quality, then we choose the product with the lowest price, because this is to our advantage. According to the English philosopher Thomas Hobbes (1588-1679), people are wolves: the bestial nature of man means that we are purely focused on our own interest. We are heedless of others and competitive to the core. We only behave socially

and cooperatively out of a sense of self-preservation. Without the intervention of a higher authority there would be permanent war.

At the opposite end of the spectrum from Hobbes was the French philosopher Jean-Jacques Rousseau (1712-1778). Rousseau was of the opinion that people have a preference for good: 'Man is by nature good and happy; it is society which destroys original happiness.' According to Rousseau it is the corrupting influence of the environment, of society, which incites man to do wrong and therefore makes him unhappy.

The question as to who is right is not an easy one. Recent research by Kiley Hamlin and colleagues gives us a hint at the answer. They were interested in the question of the extent to which people are naturally able to distinguish right and wrong. Only if people can make this distinction can they determine whether they want to behave accordingly. In order to establish this, research was carried out among young children, because they are not yet fully formed.

In the study babies aged six months had a large wooden board placed before them. To the left on the board was a picture of a mountain. A wooden figure with two big round eyes then moved towards the mountain. The figure was controlled by the researchers on the other side of the board, out of sight of the baby. The figure tried to climb the mountain, but fell down when it reached half way. This happened again on a second attempt. When the figure climbed the mountain for the third time, another figure was added: the helper or hinderer. The helper also came from the right and pushed the figure to the top. The hinderer came from the left, from the top of the mountain, and pushed the figure down, so that it failed to reach the top for a third time.

Both figures were then placed in front of the babies on a tray. The researchers were curious as to which figure the babies would pick up. Would it be the hinderer or the helper? And what happened? In all cases the babies picked up the helper and left the hinderer. Even when the researchers varied the colors and shapes of the helper and hinderer, the results were the same.

According to the researchers this is evidence that people are capable of distinguishing right and wrong from a very early age, even before they can speak. We are able to determine what is good and what is harmful for others. Evidently we possess empathy from a young

age. But not only that: we also have a tendency to choose the good. However limited the experiment may have been, and however primitive the distinction here between good and evil, this suggests we feel sympathy for what is good.

This positive observation is an important starting point for the rest of the book. If people feel empathy by nature, then that helps us to determine how we should set up organizations and how we can best do business and work together. It is then not just a question of imposing and enforcing (the so-called 'compliance-approach' of rules, controls and sanctions) but also, or even primarily, of cultivating what is already present in the seed (the so-called 'integrity approach' of virtues, reflection, and appreciation).

Was the chairman of the bank quoted at the start of this chapter a wolf in sheep's clothing? Did he pull the wool over everyone's eyes in pleading for management on the basis of trust? The research of Hamlin and colleagues does not provide support for this. What we can suppose is that he had not lost his childlike, positive view of the world.

## 2. What is my price?

### Integrity as supply and demand

The book started on a positive note, and that's lucky, as we have some terrible examples to get through. The fact that people can tell right from wrong from a young age, and also have a preference for right, does not mean that they always do right. Wrong can sometimes be very attractive.

Before becoming president of the United States, Abraham Lincoln (1809-1865) was a respected lawyer in Illinois. One day a criminal came to him. 'I would like to ask you to defend me', said the man. Lincoln, who had a sneaking suspicion of the kind of person he was dealing with, replied with the question: 'Are you guilty?' 'Of course I'm guilty. That's why I want to hire you; to get me free.' 'If you admit guilt to me', Lincoln explained, 'then I can't defend you'. The man reacted with amazement: 'But you don't understand. I'm offering you a thousand dollars for your services!' Although a thousand dollars was a large sum of money at the time, Lincoln resolutely refused. The criminal replied, 'Mr Lincoln, I'll offer you two thousand dollars if you defend me!' Again Lincoln refused. In desperation, the criminal played his trump card: 'Mr Lincoln, you're the best lawyer in the area. I can't have travelled all this way for nothing. I'll give you four thousand dollars.' At that moment Lincoln flew from his seat, grabbed the man by his collar, dragged him out of the office and threw him into the street. When the man had stood up and pulled his clothes straight, he asked Lincoln: 'Why did you throw me out when I offered four thousand dollars? Why not for one or two thousand, or when I admitted guilt in the first place?' Lincoln replied: 'You were nearing my price!'

Apparently Lincoln's integrity had a price: he was 'for sale'. For a certain price he was prepared to throw his principles overboard. The question is whether everyone has a price. In order to answer this question, as in the previous chapter, we should perhaps start by exploring our innate qualities.

Michael Lewis and colleagues researched the extent to which people have an innate ability to resist temptation. For this purpose he took children of three and five years of age as his subjects. Each time a child was led into a room and asked to go and sit at the table. The

researcher then walked behind the child's back to set up a large toy. He asked the child not to look around. They would be allowed to see the toy later. Having set up the toy, the researcher said that he needed to leave for a moment. On leaving he asked the child again not to look around. The child was now alone in the room and was exposed to the temptation of looking around. After a maximum of 5 minutes the researcher came back and asked the child whether he or she had looked.

38 percent of the three-year-olds said they had looked, even though this was not the agreement; quite a letdown. Lewis had, however, filmed the children when the researcher left the room. What did he discover? The footage showed indisputably that almost all the three-years-olds had looked. Only 10 percent had not. It turns out that most of the children who claimed not to have looked behind them were lying. Half of the children had therefore not only broken the agreement, but had also subsequently lied about it. What about the five-year-olds? They all denied looking behind them, while two-thirds had actually done so. So over time lying increases, though fortunately it seems so does the ability to resist temptation.

According to Lewis, lying begins with learning to speak. Of course the offense of looking around in the experiment and lying about it is pretty innocent in the scheme of things. No one was put at a disadvantage by it. It does, however, show that most people are unable to resist temptation by nature and that lying starts at an early age.

Lewis incidentally found that children with a high IQ lied more often. That does not bode well if it is people with a high IQ who hold positions of responsibility later in life. All the more so, since temptations also increase. At work there are countless temptations. It is quite a challenge to keep on the straight and narrow when major interests are at stake: that sorely needed contract that can only be won with a backhander, that fall in the share price that can only be avoided by slightly distorting the figures in the annual report, that mass lay-off that can only be prevented by temporarily skirting around environmental law, or the fiercely desired promotion that can only be achieved by sabotaging the other candidate.

The good thing about Lincoln was that he did not allow himself to be bribed. He knew his price and acted accordingly. When we know the price, which is established according to supply and demand, we can work out which situations we must avoid in order not to fall

prey to temptation. If money burns a hole in your pocket, it would be wise not to take on a financial role. A reckless person would do best to avoid becoming a risk manager. Those with a tendency to lash out would do better to avoid stressful jobs. These are important matters. Because the same goes for both the economic market and the market of integrity: sold out is sold out.

The question is not so much whether people are honest, as how long and under what conditions, what temptations they can resist, and at what point they relinquish their integrity. As William Shakespeare put it, 'For who so firm that cannot be seduced?' Everybody has a price; the question is what that price is. Lincoln knew his price. Do you know yours? How much can you be bought for? And what is the price of people you depend on, or for whom you are responsible? How 'price-elastic' are they?

### 3. Bagels at work: honesty and dishonesty

Many company canteens are currently experimenting with self-service checkout systems. The classic situation forces employees, after selecting their meal, to pass a cashier before sitting down to eat. But a cashier costs money, and for that reason many businesses have converted to another system: employees must use a self-checkout system, without the involvement of a cashier. Some supermarket chains are also experimenting with this. Can people cope with the responsibility? In this case no large sums of money are involved, such as those that Lincoln was exposed to in the previous chapter.

The story of the 'bagel man', described by Steven Levitt and Stephen Dubner, is very enlightening. Out of the blue they received a call from a certain Paul Feldman offering his sales figures. Who was Paul Feldman, what did he sell and what did he have to show them?

Paul Feldman had worked for the Center for Naval Analyses in Washington since the 1960s. He had acquired the habit of buying bagels for everyone whenever his department won a new research contract. Because this proved popular with his colleagues, Feldman decided to bring some in every Friday. This quickly became a success, also attracting colleagues from other departments. Eventually Feldman was taking fifteen boxes of bagels to his office every week. To cover the costs he placed a money box with the price next to the bagels.

In the eighties, when new management took over, Feldman decided to leave and make selling bagels his profession. He went around offices in Washington with a simple proposition. Every morning he would put down one or more trays of bagels by the entrance to the canteen, and beside it a wooden box with a slot in which consumers could put money. It turned out to be a gap in the market. Within a few years he was supplying 8,400 bagels to 140 offices.

Because Feldman kept track of how much he picked up from each company, he collected interesting data and a fine experiment was created: stealing was simple, so the only thing that counted was the integrity of the consumer. In his old department takings were 95 percent. Everyone knew Feldman, so why wouldn't they pay? Feldman therefore blames the remaining

5 percent on carelessness on the part of his colleagues. But what was the yield when he made this his profession? When he began it was 91 percent, and that fell gradually over 20 years to 87 percent, although there was a 2 percent recovery after the 9/11 terrorist attacks. Only one money box was stolen each year.

The facts of the bagel man case show that, when it comes to paying for a bagel, most people act honestly. Clearly many people, once they have reached adulthood, are able to resist this small temptation. Nonetheless, one in seven people abuses the opportunity and does not pay.

It is therefore naïve to assume that everyone is always honest, even in small matters. Pinching a little piece of the pie, bending a rule once in a while, occasionally telling a white lie, just looking the other way for a moment, that's all it takes. Some companies that had decided to get rid of cashiers in their restaurants therefore changed their minds. Initially the payment behavior remained the same and in some cases even increased, but after a while standards dropped so low that the losses were greater than the cost of the cashiers. The trusted cashiers have therefore reestablished their place in these companies.

But are they really trusted? Research by Thomas Gabor and colleagues shows that cashiers too are only human. Researchers visited a shop as a customer, bought a newspaper for 30 cents, paid the cashier with a dollar bill, and walked slowly out of the shop, seemingly absent-mindedly, without waiting for the change. There was plenty of time for the cashier to call the customer back and give them their change. Still 16 percent did not, which incidentally fits in nicely with Paul Feldman's figures. Another study shows that in more than three-fifths of cases not giving change results from carelessness or sloppiness on the part of the cashiers, and in the other cases from dishonesty.

All this raises the question whether people are more prone to be dishonest when it comes to petty misdemeanors, odds and ends (where both the misdemeanor and the gain are small), or when it comes to serious transgressions (where both the damage and its fruits are significant). Is it easier to resist small or large temptations? Little research has been carried out in this area. An exception is research by Ephraim Yuchtman-Yaar and Giora Rahav. They had bus drivers in Israel give back too much change to passengers and varied the amounts involved. They found that the more change was given back, and therefore the greater the temptation for the

passenger, the more female passengers kept the money and the more male passengers gave it back. For men, as the temptation increased, so did the sense of responsibility, whereas with women the opposite was the case, according to the researchers.

Petty misdemeanors in organizations should not be trivialized. The workplace is full of small temptations like Feldman's bagels. Figures show that, whether it's stationery (especially at the start of the school year), toilet paper, or milk and sugar sachets (especially at the start of the summer vacation), employees take them in large quantities for private purposes without permission. And the slightly larger crumbs are also almost daily fare. KPMG research among the American working population shows that over a year, 21 percent witnessed a colleague overclaiming expenses, 18 percent saw a co-worker stealing property belonging to the organization, and 15 percent were aware of unauthorized business gifts being accepted within the organization.

When a chairman was presented with such figures regarding the situation in his own organization, he waved this away with the words: 'There are big, general sins, the deadly sins, and there are daily, petty sins. We're talking about the latter here. This is *peanuts*!' But perhaps values lie precisely in those petty matters. Watch the pennies and the dollars will take care of themselves. It's the small things that matter. The criminal often begins as a petty thief. *Penny wise, pound foolish* is a criticism often directed at organizations. The opposite can be equally dangerous, however, as when the owner of a discredited construction company once said, 'An entrepreneur should think big and act small. You stumble over the threshold, not the fence.'

## 4. Egoism versus altruism: the theory of the warm glow and the helping hand

The previous chapters addressed the issue of honesty at work (the experiment with the bagels) and the extent to which people have an innate appreciation of helpfulness (the experiment with the moving figures on the wooden board). But *valuing* helpfulness is not the same as *being* helpful, helping another when needed, even when you don't get anything out of it or it comes at a cost. Does altruism really exist?

According to Abraham Lincoln, who makes his second and last appearance in this book here, pure altruism does not exist. One day Lincoln was riding in a coach, in heated discussion with a fellow passenger on the question as to whether helping another is really altruistic. Lincoln argued that helping can always be traced back to one's own interests, whereas the fellow passenger maintained that there is such a thing as true altruism. Suddenly the men were interrupted by the squeal of a pig trying to rescue her piglets from drowning. Lincoln ordered the coach to stop, jumped out, ran to the stream, grabbed the piglets and set them safely on the bank. Back in the coach his fellow passenger said, 'Well now, Abe, where's the selfishness in this incident?' 'The reason for my action is a good question,' Lincoln replied. 'That was the very essence of selfishness. I should have no peace of mind all day had I gone and left that suffering old sow worrying over those pigs. I did it for my own peace of mind. Do you understand?'

According to Lincoln, self-interest always plays a role, even when we help others. Pure altruism does not exist, only enlightened self-interest. We help one another in order to achieve peace of mind, to soothe our consciences, or to feel good about ourselves. In the literature this is called the 'warm glow theory'. Economist James Andreoni came up with this term at the end of the eighties in relation to philanthropy to emphasize, more than was thought at the time, the importance of internal motives for donating to good causes. People give money to a good cause not only to support that cause, but also because of the glow they get from the idea of being helpful. People help others to become better themselves, even if 'becoming better' is purely a warm fuzzy feeling. All kinds of studies support this hypothesis: people who help others feel better, happier, and healthier. In fact, the reverse is also the case: people who feel good are more willing to help others.

But there is more than just calculating altruism. People are spontaneously altruistic by nature. Felix Warneken and Michael Tomasello have shown this to be the case. Their experiment focused on toddlers of 1.5 years. They were confronted with different scenarios in which an unknown adult, the male researcher, had difficulty achieving a goal. The adult accidentally dropped a felt-tip pen on the floor but could not reach to pick it up, and tried and failed to open a cupboard door with his hands full. For every scenario there was a control in which the adult had no difficulty, for instance intentionally throwing the pen on the floor.

Each experiment consisted of three phases: for the first ten seconds the adult looked only towards the object, for the next ten seconds he varied between looking at the object and at the child and in the last ten seconds the adult talked about the problem and continued to look from the object to the child and back. There was no benefit to the child in helping: no reward was on offer in return for help. Furthermore, no appreciation was shown. What was the outcome? 92 percent of the children helped at least once, whereas the figure was considerably lower in the control scenarios. In the scenario with the pen alone two-thirds of the children helped, compared to only a quarter in the control. Interestingly in almost all situations in which the toddler helped (84 percent), this happened in the first ten seconds, without the adult looking at the toddler for help or asking for help. According to Warneken and Tomasello, their research shows that even very young children have a natural inclination to help others solve their problems, even when the other person is a stranger and there is nothing to be gained. They conclude that this is evidence of the existence of pure altruism.

Helpfulness is apparently in our genes, at least for most people. Not only are we able to tell when others need help at an early age, we are also prepared to help, even if the help offered in the experimental scenario did not take much effort and the children did not have to sacrifice much.

Daniel Batson and his team have carried out a great deal of research into the situations in which adults are altruistic. Their experiments show that people help others when they feel empathy for them, even when the costs are greater than the rewards. This empathy is generated when people see that the other needs help, when they value the well-being of the person in need, and when they are able to put themselves in the position of the other and to understand what the help means for them.

But do terms such as *altruism*, *empathy* and *helping* have any implications for the workplace? Surely business is business? Certainly, but at the same time helping and serving often form the core of the work, the *raison d'être* of the organization. We see it, for example, in a company's mission statement, the formal statement of the company's ultimate higher goal. The pharmaceutical company GlaxoSmithKline, for instance, describes its mission as 'to improve the quality of human life by enabling people to do more, feel better and live longer'; Microsoft's mission is 'to help people realize their full potential'; and that of Phillips to 'improve the quality of people's lives through the timely introduction of meaningful innovations'. There's a good reason why the fundamental meaning of the term *economy* breaks down into 'household (*eco-*) management (*-nomy*)'. In this respect the chief executive of a bank hit the nail on the head when he described the function of banks as 'serving the real economy'.

This does not mean that working and doing business are purely altruistic, in the sense of 'helping at any price and at all cost'. If they were, businesses would soon go under. The art of working and doing business is creating win-win situations, in which people help one another while also helping themselves, and this should occur in the order of serving followed by earning. Serving may not necessarily lead *directly* to earning. Helpfulness resides precisely in those situations where a cost or sacrifice is involved. No ethics without pain. The fact that this pain leads to a warm glow is a bonus. In fact, it is something that should be cherished. It clearly comes from the heart and goes to the heart.

How do these great missions of helping and serving work out in practice? A bank director gave an example: 'Our local banks are close to the community and the customer, so we have been customer-oriented for more than one hundred years. Once we throw in our lot with a customer, sometimes from father to son, then we support them for a long time. Even through the hard times. Then we try to reduce or postpone interest payments, for instance.' That way you get customers for life.

## 5. What you expect is what you get: the Pygmalion and Golem effects

I once gave a workshop about integrity at work. The participants were members of the management team of a manufacturing company. Two of the managers were highly critical from the start: 'It's all very well talking about norms and values, but the staff will fleece us given half a chance. Let me tell you what's gone on over the past year. If that's no proof of people's wickedness...' A catalogue of reprehensible practices followed, such as theft, neglect, sabotage and intimidation. Two managers remained aloof. Cautiously, I asked them whether they recognized these practices within their own divisions. To everyone's surprise they said that they had experienced very few incidents. 'Of course the shit occasionally hits the fan, but it's more the exception than the rule. As a rule I find my people pretty honest,' said one of the two managers, rather proudly.

During the follow-up sessions elsewhere in the organization it became apparent that all of these managers were right. They got what they expected. The 'Pygmalion effect' was at play: the way people are seen influences the way they are treated, consequently prompting them to act accordingly, and thus confirm the original view of them. In this way people set up a self-fulfilling prophecy, resulting in widely differing behavior within divisions of the same company.

The Pygmalion effect is named after the myth recounted by the Roman poet Ovid. He tells the story of Prince Pygmalion of Cyprus, who cannot find a woman he wants to marry. He therefore makes an ivory statue of his ideal woman. When he falls head over heels in love with this statue, he prays to Venus to bring it to life. Venus grants the prayer, and the prince and his wife live a long and happy life. Pygmalion's fantasy therefore becomes reality. This story inspired George Bernhard Shaw to write his 1913 play *Pygmalion*, the basis for the later musical *My Fair Lady*, in which professor Higgins teaches an uneducated girl to speak and act like a true lady. What was seen as impossible was made possible by believing in it.

The Pygmalion effect was first researched by Robert Rosenthal and Lenore Jacobson. They carried out research at an American elementary school with eighteen classes. At the start of the school year the children took an IQ test. The teachers received a list with the students who,

in comparison to their classmates, were likely to make an intellectual leap in the coming eight months. The teachers assumed that the list was based on the results of the IQ test, but in reality it was a random selection of 20 percent of the students. There was actually no relation whatsoever between the students mentioned and the IQ test. The only difference between these children and the rest of the class was the assumption on the part of the teachers. After eight months the test was repeated with all the children.

In all classes tested it turned out that the IQ of the students labeled 'promising' increased by at least 12 percent more than the other students. The children for whom expectations were high had made better progress in reality. It is worth noting that the teachers had not spent more time on these students. In fact, they had spent less time on them. So what explained the difference? The explanation was that the teachers, on the basis of their expectations, had subconsciously adjusted their behavior towards the students. Without realizing it, the teachers treated the students for whom they had higher expectations differently from the others. Rosenthal and Jacobson found four factors in which the selected students were treated differently. Firstly, the teachers established a warmer social relationship with them, by giving them more personal and positive attention and support, and by talking to them in a different tone of voice, for example. Secondly, the teachers gave them more learning material at a higher level of difficulty, making them feel more challenged. Thirdly, the teachers gave them more space in class to respond. And fourthly, the teachers provided them with more and higher quality feedback on their work, both verbally and non-verbally. As a result, the students behaved in accordance with the higher expectations of their teacher. This led to them achieving more.

Conversely the students of whom the teachers expected less felt less challenged and behaved accordingly. And because the teachers' expectations were not high, they were more easily satisfied with the students' achievements. In fact, the research revealed that the teachers felt put out when these students performed well. An unexpectedly good achievement therefore had a negative effect. The teachers did not reward this behavior, but punished it, because the students were not fulfilling their expectations. This is termed the Golem effect. Golem is not only a character in the *Lord of the Rings* trilogy, but also a figure of Jewish legend. A robot-like being was created to eradicate evil, but eventually the golem itself becomes a monster; the more powerful it grows, the more evil it becomes.

All kinds of follow-up research has demonstrated these Pygmalion and Golem effects. What a manager thinks of employees is confirmed because the manager acts according to his expectations and employees react according to the behavior of the manager. This leads to a self-fulfilling prophecy.

The 'problem' is that we create our own proof, thereby proving ourselves right. If people are regarded as criminals then they are treated as such, and the likelihood of them subsequently engaging in criminal behavior increases. The flipside is that positive expectations can lead to positive behavior. If people are seen as responsible, then they will also receive more responsibilities, leading them to behave more responsibly. It is therefore not so much a question of whether the chairman of the bank in chapter 1 might *be* right, as that he will be *proven* right. Or put more conservatively, the chance of his employees behaving more honestly and responsibly will only increase if the chairman expresses his vision powerfully, consistently and frequently. That happened in the manufacturing company described at the start of this chapter: the behavior of employees was the product of the expectations of their managers and not the other way round. This meant that the managers were continually confirmed in their belief, so that a negative, downward spiral was created in two divisions, and a positive, upward spiral in two others.

Expectations become reality, according to Rosenthal and Jacobson's research. There is a limit to what we can expect of expectations. We cannot use them as some kind of magic formula and thus control reality to the extent of turning every criminal into a philanthropist and vice versa. Reality is stubborn, but we must always be alert to the possibility of the Pygmalion and Golem effects.

The crucial point is to be aware of how our views of others influence their behavior. The view you have of people leads to those people behaving in a certain way, even if these expectations are never stated, and even when there are no expectations at all. Because a lack of expectations is an expectation in itself. And this kind of expectation is hardly likely to encourage someone to flourish.

## 6. Self-image and behavior: the Galatea effect

In the previous chapter we saw how much our expectations of others determine their behavior. But it is not only other people's expectations which influence our behavior. The images and expectations we have *of ourselves* also have a role to play. This can have a powerful effect, even more powerful than the Pygmalion and Golem effects.

The images people form of themselves, and which determine their behavior, are termed the 'Galatea effect', named after the ivory statue made by Pygmalion and brought to life by Venus. The effect refers to the fact that people who are convinced of their own abilities, for instance, are more successful. The more a salesperson believes in his own sales abilities and the quality of the product he is selling, the more successful he is in his sales. Here again the idea of the self-fulfilling prophecy applies. The belief becomes a reality. As Henry Ford, founder of the car manufacturer Ford, once said, 'Whether you think you can, or you think you can't, you're right.'

The same applies, up to a point, to the image people have of their own ethics. People who see themselves as bad, malicious and untrustworthy will behave that way. And people who see themselves as honest, truthful and trustworthy are more likely to behave well. Someone who sees himself as trustworthy, for example, will make more effort to fulfill this self-image, thus reinforcing his trustworthiness. And someone who sees himself as untrustworthy and attaches little value to promises and commitments will be more likely to let things slip and give up.

Kathleen Vohs and Jonathan Schooler researched how people's expectations of themselves determine their own behavior. They examined whether a change in self-image led to different behavior. They also researched whether people who saw themselves as 'heteronomous' (a product of circumstances and lacking free will) or 'autonomous' (immune to circumstances and possessing free will) were more susceptible to unethical behavior.

The researchers had the participants take a mathematics test on computers. They were told that due to a software error the answers might appear on the screen. To prevent this, the participants were asked to press the spacebar immediately for each new question. In reality

the researchers observed whether the participants secretly used the answers, instead of doing the calculations themselves. Before the participants took the test, the researchers also did something else. They used an established method to imprint an idea on the participants (a process known as *priming* in the literature), in this case a conviction regarding free will. Some of the students were required to read an article stating that science refutes the notion of free will and that the illusion of free will is a product of the biochemical make-up of the brain. Other participants did not receive this reading material. In reading the article the first group was more inclined to believe that free will does not exist.

The results were clear. Those with a weaker conviction regarding free will (and therefore the extent to which they could determine their own behavior and future) were more inclined to cheat than those whose convictions were not influenced. The first group cheated approximately 45 percent more than the second group. If people see themselves as responsible, they will be more inclined to take responsibility and behave responsibly. If people can hide behind other factors, such as the idea that their will is preprogrammed and their behavior is predestined, they are more likely to behave dishonestly. In a second experiment it became apparent that the participants primed beforehand with the idea that people have free will were less inclined to steal money.

The research by Vohs and Schooler demonstrates not only that self-image determines behavior, but also the ease with which self-image, and subsequently behavior, can be influenced. Research shows that if we are primed to think of a library we talk more quietly, if we think of old age we walk more slowly, and if we think of professors we become cleverer. The activation of particular images automatically prompts associated behaviors. More on this in the following chapters.

So we not only shape ourselves according to the mould made for us by others, but also that which we make for ourselves. It is therefore important to examine one's self-image. Whether we see ourselves as playthings (heteronomous) or as players (autonomous) makes a difference to our behavior. If we see ourselves as heteronomous, we are more likely to succumb to pressure and temptation than if we see ourselves as autonomous. The same applies to organizations: employees who see themselves as a product of their environment bend with the wind and are unable to show any backbone. This then paves the way for

unethical behavior, as a reaction to stiff competition, because the customer asks for it, or because the government issues incomprehensible laws. Ethical behavior likewise begins with a self-image of autonomy.

## **7. Self-knowledge and mirages: self-serving biases and the dodo effect**

A company with more than a thousand employees introduced a new assessment system, requiring all employees to assess themselves in advance of an appraisal, based on a five-point scale: a) far below average, b) below average, c) average, d) above average, and e) far above average. After the whole assessment cycle was finished, one of the employees in human resources began to have misgivings. It was remarkable that there were hardly any complaints about the appraisal. She therefore decided to analyze the assessment figures. What did she discover? 87 percent of employees had judged themselves above or even far above average, and only 3 percent had placed themselves below or far below average. In itself this would not have been such a big problem, if the management had corrected the picture. But when the employee finally looked at the management's assessments, her surprise was even greater. 83 percent of employees had received an appraisal result of above or far above average from their manager, and only 5 percent had a score far below or below average. This was strange, because average must be average, and statistically shouldn't there be as many people below as above average? Average was clearly not average. That aroused the employee's suspicions: was this a matter of fraud? Extensive inquiries among employees and managers showed her that they had acted in good faith. With a few exceptions everyone stood by their assessments. What explained this score?

A possible explanation lies in people's biases. People can have a distorted view of reality, because they cannot observe reality objectively. A large body of research shows that the majority of people see themselves as above average. The majority of people, for example, think themselves more intelligent, better looking, funnier and better at driving than average. The majority also consider themselves more honest, more trustworthy, more ethical, more fair, more open and more helpful than average. When married couples are asked about their own share of the household chores, the estimates often come out well above 100 percent. When scientists are asked about their own contribution to a jointly written article, again the sum often easily exceeds 100 percent. In the United States at least 90 percent of managers consider themselves to function above average. In that respect the company mentioned above was not so exceptional after all, but actually pretty 'normal'. This effect of overestimation

is also called the 'dodo effect', named after the passage in *Alice in Wonderland* in which the dodo, in response to the question who of all the animals won a running race, replies that 'everyone won'.

One reason that we are more positive about ourselves is that we are more intimately acquainted with ourselves and our achievements than with others and their achievements. A reason that we are more positive about people close to us than people we know less well, is that we know more about the achievements of those close to us. We have a better view of the achievements of colleagues in our own team than of colleagues in other teams. We not only see more and better, but we can also more easily remember our own achievements and those of the people close to us than those of others, because they make more of an impression on us and we store them better in our brains.

But even if we had a more neutral view of our achievements and those of others, we could still make an incorrect assessment. The way in which our brains process and filter information is susceptible to systematic errors. This occurs because our brains make use of heuristics, a kind of mental short cut. We use this technique for example to interpret observations, to store and access them when we need them, to subsequently compare and make judgments and decisions on that basis. The advantage is that we can think and make decisions faster. The disadvantage is that it is not only the facts that come through, as the brain puts its own spin on observations, leading us to make errors in observations, memories, and attributing value.

Psychologists have long known that when people have a vested interest in something they have trouble seeing it without bias, even when they see themselves as honest. It is not uncommon for the trainers and supporters, for example, to think that theirs is the best team, regardless of the result of the match.

One of the biases observed is the self-serving bias. This bias protects our self-worth, self-confidence and identity against negative influences. A positive self-image is important in order to survive; too much self-doubt is detrimental. The self-serving bias plays a role in the way in which we judge things. In 'attribution theory' it is assumed that people are more likely to attribute success to their own talents and abilities (internal attribution), while they tend to attribute their failures to circumstances (external attribution). When a salesperson meets his sales targets,

he will explain this as resulting from his intelligence, hard work or sales skills. And if the same salesperson does not achieve his goals, he will blame this on a bad market, insufficient support from the organization or bad luck. This removes the necessity of doubting his self-worth and self-image. Some people, generally unconsciously, make use of external attribution by framing the situation ahead of time in such a way that it can be used as an excuse later. This phenomenon is known as *self-handicapping*. An example is the salesperson intentionally spending too little time on his acquisition: if he still attains his sales target, he will attribute this to his special sales skills, because even with too little time he achieved the target. If he does not achieve the target, he will blame this on lack of time, to avoid having to doubt his sales skills.

Biases lead to what Ann Tenbrunsel and colleagues call 'ethical mirages' and ultimately to a flattered self-image. We are less ethical than we think. This leads us to run various risks: because we overestimate ourselves and underestimate others, we are less open to criticism from others, less critical of ourselves, and we fail to properly understand ethical dilemmas and challenges. This also forms a breeding ground for feelings of injustice ('Why do I get the same as another, when I contributed much more?'). Because of these biases we take more, sometimes even unacceptable, risks ('The risks apply to others, not to me'), as in investing ('I'll beat the market, the other investors don't understand a thing'). This leads collaborations to go awry ('Why must all the initiative come from me? It's time someone else came up with an idea'). In this vein, research by Eugene Caruso and colleagues showed that the more participants see their individual contributions to a project coming to more than 100 percent in total, the less they are prepared to work together. The biases make us more egotistical in the eyes of others: if we think we have contributed more than is actually the case and we wish to reward ourselves accordingly, then the rest will see this as disproportionate. Moreover others will see us as even more egotistical if they themselves have an inflated self-image and think that it was they who contributed more than the rest. For that reason we tend to be more suspicious of the motives of others than about our own motives and we consider others more self-centered than ourselves.

Biases are stubborn things. Once we have approached information in a distorted way, it is difficult to reinterpret the same information more even-handedly. It is therefore important to be aware of the existence of biases. And especially the biggest bias of all: that we consider others more biased than ourselves.

It is possible to suppress biases. An example is so-called 'unpacking', as shown by Eugene Caruso and colleagues. They asked MBA students to indicate which part of their group work they had done. The average total was 139 percent, but a simple intervention considerably reduced this bias. Before stating their own contribution, the participants were required to indicate the contribution of each of the other group members. After unpacking the total group work, the percentage fell to 121, almost halving the overestimate. Thinking of what another has done before looking at ourselves clearly makes a considerable difference.

## **8. Apples, barrels and orchards: dispositional, situational and systemic causes**

'Away with that rotten apple, it'll spoil the whole barrel!' That was the reaction of the business sector when it became known that one company had showered officials on a large scale and over a long period with expensive presents, exotic trips and payments in kind. This kind of reaction is normal. Where there is a suspicion of malpractice, the rotten apple must be tracked down and eliminated as quickly as possible. But is it really the case that a rotten apple will contaminate the rest?

Ray Fisman and Edward Miguel used data from what they describe as a 'unique natural experiment' on the extent to which the culture of a country influences the corruption of inhabitants. Under 'culture' we understand the collectively shared beliefs about right and wrong, what is permitted and what is not. For this experiment they examined parking offences in New York by 1,700 United Nations diplomats from 146 different countries. And a good many offences there were too! Between November 1997 and November 2002 they had received more than 150,000 parking fines altogether. The reason for the high number is that until the end of 2002 diplomats and their families had immunity, a privilege which meant that their parking fines were waived. Because there were no sanctions on their behavior, Fisman and Miguel were able to examine whether the country of origin affected the number of fines that each diplomat had received in the five years. As a gauge for the culture of a country they used the corruption index of Transparency International, an organization which works to combat corruption worldwide. This index indicates a country's perceived corruption level. Countries such as New Zealand, Denmark, Sweden and Singapore are seen as fairly clean, whereas countries such as Somalia, Afghanistan and Burma are seen as corrupt. The researchers checked various points in advance, including the country's gross national product and the diplomat's salary, so that the relationship between the position of the country of origin in the corruption index and the number of parking fines could be calculated as accurately as possible.

Fisman and Miguel did indeed find a strong relationship. Diplomats from corrupt countries received considerably more parking fines than diplomats from non-corrupt countries. The diplomats from Kuwait took the prize. Over the five years they committed 249 parking

offences per diplomat, followed by Egypt (141), Chad (126) and Sudan (121). The diplomats from countries such as Sweden and Denmark, however, received no parking fines at all. Apparently the culture of the country in which one is brought up affects one's morality, which in turn affects one's behavior, even if one resides in another country.

Experimental research by Abigail Barr and Danila Serra exhibits similar results. In all kinds of imaginary scenarios 285 participants from 43 countries were asked to state to what extent they would be prepared to slip an official some money in exchange for a tax reduction, preferential treatment in a legal case, or faster treatment in a hospital. Another part of the group had to decide, in the role of official, how likely they would be to accept the money in the different situations. Again it turned out that the nationality of the participant correlated with the extent to which bribes were offered and accepted. The higher the position of the country on Transparency International's corruption index, the higher the willingness to give and accept bribes.

Explaining people's behavior requires more than just the person's character, his 'disposition': we must also understand the situation (for instance the fines for traffic offences) and the system (for instance the culture of the homeland). Corruption is not purely a question of rotten apples (contaminated or infected individuals). The barrel, or even the orchard, could be contaminated and spoil the apples. Corruption can be ingrained in the environment so that in the end everyone is infected with it. Just as humidity influences the extent of rot in the apples, the air quality in an organization (the organizational culture) influences the extent of corruption among employees, because employees are continually breathing this air in (and back out again). As the chairman of a research commission once concluded on corruption among the police, 'It is sometimes less difficult for a new police officer to become corrupt than to remain honest.'

It is important to examine what factors help and hinder the rotting process. We must also ask who is behind the barrels and the orchard. Who are the owners, growers and pickers? Often these people remain out of range when scandals erupt. Furthermore it is important to establish who and what determine the quality of the apples. A fruit grower's task is not only to prevent rotting, but to cultivate apples of a high quality. In organizations it is therefore not so much a matter of preventing employees from becoming corrupt as ensuring that they flourish and bear fruit.

The more the environment is a determining factor, the more sensible it is to be reserved in condemning or praising individual people and organizations. In retrospect it became apparent that it was not just one company that was guilty of corruption. It was the rule rather than the exception in the sector as a whole. Furthermore, the competitor that first called for the rotten apple to be eliminated turned out to be the guiltiest of all. Corruption had become par for the course in that sector, and because it was seen as normal, people were blind to the risks that went with it. The eyes of those involved were only opened after the entire sector had owned up. As a director put it, 'In court the scales fell from my eyes. It then became clear to me how blind we had all been all those years.' Unfortunately, the damage had already been done.

# Factor 1: clarity

In the previous section we saw that not only character, but also environment, both situational and systemic, affects people's behavior. Since the organization for which someone works is also an environment, and therefore also influences their behavior, the question arises how far this influence stretches. As described in the introductory chapter, there are at least seven distinct factors within organizations which influence whether people do right or wrong.

The following eight chapters address the first factor: the clarity of norms, values and responsibilities. Clarity relates to the extent to which the organization establishes clear expectations for directors, managers and employees. The experiments reviewed show how environmental norms affect people's behavior.

In chapter 9 we see how knowledge of norms influences behavior, while in chapter 10 the issue of affinity with norms is discussed. We communicate norms in the way we name things, as will become clear in chapter 11. Chapter 12 shows that norms can go over the top, whereas chapter 13 shows that norms can in fact incite the opposite behavior. Besides being couched as formally written standards, norms are also present in behavior, as explained in chapter 14, and in the design of the environment, as shown in chapter 15. Chapter 16 explains how we can infer a person's norms and values from the state of their office, and subsequently how these affect the behavior of others.

## 9. Flyers and norms: cognitive stimuli

In chapter 8 it was shown that culture influences people's behavior. However, even if the norms of responsible and irresponsible behavior are clearly evident, people are not necessarily aware of them and do not necessarily behave accordingly. Norms can be present at the back of our minds but still be forgotten at the crucial moment. It is therefore important that this latent sense of values is activated. Research by Robert Cialdini and colleagues explains how this works and its implications.

Cialdini and colleagues observed visitors to a local library in the American state of Arizona. After each visitor stepped out of the car and entered the library, they placed a flyer under the windscreen wiper on the driver's side. The researchers then hid and waited until the visitor returned to the car. What would he do with the flyer after reading it? Would he throw it into the street, in violation of an evident norm, or would he behave well and take it with him in the car? There was no trash can in sight.

The researchers had flyers with five different texts. The flyer with the text 'April Is Arizona's Fine Art's Month. Please Visit Your Local Art Museum' was thrown on the ground by 25 percent of the visitors. This flyer created a control situation, because the text on it had nothing to do with throwing the flyer away. The flyer with the text 'April Is Arizona's Voter Awareness Month. Please Remember That Your Vote Counts' was thrown away less often. This text indirectly triggered the subjects' environmental awareness, as evidenced by the fact that only 22 percent of the flyers were thrown into the street. The flyer with the text 'April Is Conserve Arizona's Energy Month. Please Turn Off Unnecessary Lights' was more concretely related to awareness of the environment, and led to only 17.5 percent of the visitors throwing their flyer on the ground. The flyer with the text 'April Is Preserve Arizona's Natural Resources Month. Please Recycle' was thrown into the street even less, at 15 percent. Flyers with the text 'April Is Keep Arizona Beautiful Month. Please Do Not Litter' were thrown away the least at only 10 percent.

This simple experiment shows that the flyer with the non-normative message, which therefore had no association with good or bad, was the least effective in influencing normative behavior.

It also shows that the more concrete the norm, the bigger the effect. This is another example of priming (see chapter 6), or 'cognitive activation': our brains are stimulated by reading the text, activating ideas and concepts. Because the semantically overlapping concepts are related by neural networks in the human brain, the activation of one concept leads to activation of others. For example when a person thinks of a dog, related concepts such as 'puppies', 'wolves' and 'cats' are activated in the brain. By drawing attention to a value in the experiment, there was a greater chance that the values semantically related to it would be activated in the brain. The greater the semantic proximity, the more effective the activation.

According to Cialdini and his team, their research also demonstrates that norms are only effective when they come together in the decisive moment (in this case the moment that the visitor decided whether or not to throw away the flyer). It is therefore important for organizations not only to establish values and communicate them, but also to ensure that these are activated at the right moment to nudge employees in the right direction. Training courses, for example, are often a bombardment of stimuli, but if the new knowledge is not regularly activated at the right moment, it is insufficiently used and fades.

It is currently fashionable to manage organizations on the basis of values and principles. Broad, abstract principles are often used, such as 'customer focus', 'integrity', 'professionalism', 'entrepreneurship' and 'sustainability'. However, it is questionable whether managers and employees can interpret what these mean for their behavior in a given situation. It takes a good number of steps to translate the core value of 'sustainability' into concrete actions such as 'separation of waste', 'awareness of energy usage' and 'recycling'. We cannot take it for granted that people understand the meaning of the principle of 'doing honest business' as it applies to pricing, exchange of information and making agreements with competitors. Cialdini and colleagues' research shows that people get lost. Managing on the basis of values and principles therefore must not be allowed to mean that employees are left to their own devices.

## 10. The Ten Commandments and fraud: affective stimuli

In the previous chapter we saw the importance of cognitive stimulation, where the chance that people follow a given norm increases the more concrete the communicated norm is. But this kind of activation can also deliver the desired behavior by a different path. Research by Nina Mazar and colleagues illustrates this point.

The participants of their experiment were asked to complete as many exercises as possible in four minutes. Each question consisted of a list of 12 numbers under 10, all with 2 decimal places. The participants were required to find 2 numbers which, added together, came to 10 exactly. Only one combination was possible. Participants were informed that a number of them, selected at random, would receive 10 dollars for every correct answer. This is a common set-up, but the researchers made their own addition: before the experiment half of the participants were required to write down 10 books they had read. The other half had to write down the Ten Commandments (insofar as they knew them). Half the group were informed in advance that they would be required to hand in their tasks afterwards to be examined by the researchers. The other half of the group were required to check their tasks themselves.

For the answers examined, the number of correctly completed questions was three on average. There was no difference between the group that wrote down books they had read and the group that listed the Ten Commandments. This evidently had no effect on performance. But what happened to the participants who were required to state themselves how many questions they had completed correctly? They were not checked and therefore had every opportunity to cheat. The participants who had written a list of books on average claimed to have completed just over four questions, at least a third more, which was clearly cheating. How many did the participants who had been asked to list the Ten Commandments claim? On average they reported having completed three tasks, as many as the participants with no opportunity to cheat.

Writing the Ten Commandments primed the participants' awareness of their own sense of honesty. This stimulus was so strong that all dishonesty disappeared. A nudge in the direction of honesty is apparently sufficient to get people to be honest, at least in the experimental scenario.

It did not even matter how many commandments the participants could remember and write down, nor whether or not they were believers. Just thinking about them made a difference.

A little reminder can therefore make the difference between honesty and dishonesty. Like the experiment in the previous chapter, this suggests that it is not just a matter of knowing what is right and wrong, but also of thinking of the meaning and significance of honesty in the moment of temptation. In this experiment it was not so much a matter of cognitive priming, but more of 'affective priming'. The affect is activated. Thinking of the Ten Commandments gets people to stop and think about the importance of values, stimulating the will and motivation to keep to them. It activates the self-image of an honest, trustworthy person. Cheating at tasks is at odds with this image.

It is therefore important for organizations to affectively prime people. This works pretty well in general: all kinds of signs, symbols and rituals emphasize the prevailing standards. Giving one's initials or a signature, for example, creates a moment in which the concept of responsibility is activated, as does working through a checklist or step-by-step plan. The trick is to make the nudge at the right moment, and in the right way. Whenever people sign a paper unthinkingly or check off an item on autopilot, that's an indication that the stimulus no longer works. When too much nudging goes on, the desired affect can turn to irritation. But many organizations do less than the optimum, allowing opportunities to slip by. In many professional groups and organizations, for example, an oath or promise is made once only, when this could happen periodically. A code of conduct could be brought to people's attention at every meeting, rather than once a year (for example by splitting it up into different sections). In that respect many churches do better than other organizations in reading out the Ten Commandments every Sunday.

In an experiment similar to Mazar's, the result was even more significant: the participating students were required to sign a form in which they declared that they would follow the code of conduct of the university throughout the experiment. In this case, again, there was considerably less cheating than when participants were not required to sign. What was remarkable was that the university did not even have a code. The implication that there was a code was clearly sufficient in itself. The implication of this study for us is not, however, that all codes of conduct could be dispensed with and that it is sufficient to *say* that one exists. This would in itself not be ethical.

## 11. The name of the game: euphemisms and spoilsports

At the end of 2010 it emerged that a man named Daniel had been degraded and tortured by colleagues in a factory over a period of 10 years. Daniel was tied down on a pallet while a colleague pushed his genitals into his face. They locked him in a cage, poured 25 kilos of talcum powder over him and went to work on him with a pressure washer. His colleagues found this completely unremarkable. One of them, Lucien, claimed it was 'normal in the company'. It happened frequently. That's why Lucien was filming when Daniel was mistreated. He thought of it as 'joking around' rather than bullying.

What happened here is a common occurrence: the use of euphemisms strips unethical practices of their moral connotations. Bribery becomes 'oiling the wheels' or 'service costs', stealing becomes 'pinching' and 'freeloading' and sleeping at work (something 42 percent of Americans admit to having done) becomes 'recharging' or 'having a quiet moment'. By labeling things differently we take the ethical sting out of them and make them acceptable, normal or even desirable. Bullying is wrong, but if it is defined as 'joking around' then it becomes a social activity. So, for the sake of being sociable, Daniel's colleagues tied him to a pallet, laughed about it and filmed him so they could enjoy it again later. According to Albert Bandura, who has written on this topic, euphemisms are a dangerous weapon. They close people's eyes and ears to what is morally questionable.

It is therefore important to remain alert to the use of euphemisms and to be quick to address them. Fraudulent practices can be allowed to hide behind terms such as 'earnings management', 'creative bookkeeping' and 'financial engineering'. Terms such as 'trimming', 'adjusting', 'reshaping', and 'slimming down' can be used to rationalize a wave of redundancies. And terms such as 'slip-up', 'side effects', and 'externalities' can cover serious incidents, abuses and reprehensible damage. Projects and programs can also have apparently innocent or even humorous names, while it is clear to insiders that shady dealings are involved. The energy company Enron, for example, used all kinds of names for strategies to manipulate the energy market in California. 'Death Star' referred to transfer of energy in the opposite direction to demand, causing congestion on the grid. Enron then received money from the

state for rectifying the congestion, which it achieved by transferring the energy in the right direction. 'Fat Boy' stood for the transfer of more energy than the customers needed and subsequent delivery of the remainder to state businesses with a shortage at a higher price. A 'Ricochet' referred to a process of purchasing energy in California, subsequently selling it to an intermediary outside the state, importing it back at a somewhat higher price and finally selling it for a very high price in California, because there was a large energy deficit. At this time the forests of California were on fire and traders were celebrating because this drove up the price of energy. A trader spoke the legendary words: 'Burn, baby, burn. That's a beautiful thing.'

On the one hand we can use language to free bad behavior of its moral connotations, and on the other hand we can invent terms precisely to get a moral message across. Varda Liberman and colleagues carried out an experiment that demonstrates that a name can influence our behavior. The participants were invited to play a game. Half were told that they were going to play the 'Wall Street Game' and the other half were told they would be playing the 'Community Game'. Both games were exactly the same. The only difference was the name. The researchers investigated the extent to which the players were competitive (tried to trump other players) or cooperative (tried to help other players).

Of the participants playing the Wall Street Game, almost two-thirds played competitively. In the Community Game the figure was just one-third, 50 percent less. The researchers had assessed the participants in advance as to their tendency to compete or cooperate. The competitive participants turned out not to be more competitive than the cooperative participants in either game. In fact, the competitive participants were even a little more cooperative in the Community Game.

Names send a powerful message as to what behavior is accepted, and therefore influence behavior. As in the previous chapters, it turns out that small changes can have significant consequences. Just giving the game a different name determines whether two-thirds of the players are competitive or cooperative. The names we give things state not only how we see them, but also how we and others *should see* them, which subsequently influences behavior. Do we speak, for example, of our 'manager', 'boss', 'superior', 'leader' or 'president'? Do we talk about a 'customer', 'client', 'buyer' or 'consumer'? When, for example, in the education

system a student is referred to as the 'consumer' or 'customer', this has a powerful effect: describing students in this way encourages them and their teachers to behave accordingly. Students will then see themselves as king ('The customer is king') and teachers will do anything to please students, for example entertaining them during lectures and setting easy exams.

Speaking of games, it is dangerous to see work, business and management as games. Thomas Watson, the founder of IBM, once said, 'Doing business is a game, the greatest game in the world if you know how to play it.' At the time of the financial crisis, a financial institution wrote that investment was a game. Seeing it this way created the impression it was a case of people amusing themselves, with made-up rules and nothing to lose, when in actual fact these are serious matters, with significant human interests on the line. People who see their work as a game would be better off at home playing Monopoly. Organizations need spoilsports, people who expose euphemisms for what they are.

## 12. Hypegiaphobia: the fear factor of rules

'We are 40 percent *overcompliant*; we have 40 percent too many rules. The whole organization is riddled with them.' These were the words of the director of a large organization on the eve of a process of change which liberally slashed the rules. Isn't this risky? Rules prevent incidents, don't they? If an incident arises despite them, then at least one can appeal to the offender on the basis of the rule? Or is there an optimum number of rules after which, as the director put it, an organization becomes riddled with them?

Research by Tal Katz-Navon and colleagues shows that the director's thinking is not so crazy after all. In their research they scrutinized the level of detail of the rules in 47 departments in different Israeli hospitals. They collected data for each department regarding the number of incidents occurring in operations and other treatment procedures over a year. The focus was on mistakes such as medication errors or mixing up test results. The incidents could cause the patient considerable injury and even be life-threatening.

What did the researchers find? In departments with few rules there were 13 incidents on average. The more departmental rules, the fewer incidents there were, down to an average of 9. This was the good news. Rules are useful. But what did the researchers find when they delved deeper? As the number of rules increased further, the number of incidents also increased, to an average of 21. The relationship between rules and incidents was not linear but curvilinear (a U-curve).

On the one hand, rules are useful; they ensure clarity and consistency. They allow people to get a grip on what they should be doing. On the other hand, rules can also pass a tipping point and be counterproductive. How does this come about? One possible explanation is what is known as 'hypegiaphobia' (pronounced high-ped-jia-fobia), which means fear of taking responsibility. In the first instance rules lead to certainty, but too many rules have the opposite effect. People become afraid of breaking them. The more rules, the greater the chance that one will be forgotten, and the greater the chance of doing something wrong. People become obsessed; the rules become a goal in themselves. As long as the rules are adhered to, all

is well. The patient may be dead, but at least the operation went according to plan. People become hesitant, stop thinking critically and hide behind the rules. As a board member of a bank said, 'If there's a problem, the solution may appear to be more rules, but I don't believe that's true. If you tell people exactly what they can do, they stop thinking. Then they take the attitude: "I'll soon hear about it if I do something wrong."' Too many rules are an impediment to taking responsibility. The more rules, the greater the moral license, because if it's not defined in the many rules, then it must be allowed.

The problem with hypochondria is often even bigger in organizations in which the managers think they can prevent incidents, mistakes and irregularities with even more rules. This further increases fear among employees, leading to an increase, not a decrease, in incidents. The increase in incidents proves to the management that the employees cannot be trusted, making the managers themselves more anxious. Many organizations fall prey to a tsunami of rules, leading to swelling contracts, codes of conduct stretching to 80 pages, often containing all kinds of specific regulations, and piles of procedures. A large pharmaceutical company recently counted the number of pages of internal regulations and codes which applied to employees. It came to 900 pages. Another example is a bank which recently came up with a dress code. Once they had started to set down on paper how employees should dress, there was no stopping them. If one thing is not permitted, then really neither is another. Otherwise, so they thought, employees would assume items not mentioned in the rules were permitted. A fast-growing code was created, culminating in 40 pages of detailed rules: employees were only permitted to wear skin-colored underwear, which did not show through their outer clothing and was not visible on the surface; employees who dyed their hair must ensure that their natural roots were not visible; men must have their hair trimmed monthly; black nail varnish was prohibited; there must be no garlic or onion odor on the breath, to give just a few examples.

For organizations the task is to find the balance between rules and personal responsibility for employees. What is optimal? It is not just a matter of preventing incidents, but also of achieving innovation, customer focus and efficiency. Here too, a U-curve, this time inverted, applies. And here too the question is whether an organization is in balance, and if not, whether the organization is left (too few rules) or right (too many rules) of the optimum.

So it was not so silly of the organization mentioned in the first paragraph of this chapter to cut back heavily on its rules. How can the optimum be achieved? Not, as is sometimes attempted, by gradually paring away at the list, for instance by getting rid of a rule at each meeting. This organization did it differently: the management first discovered the source of the multiplicity of rules, namely mistrust of employees and external stakeholders. Working now from the perspective of trust, rather than mistrust, they were able to determine which rules were really necessary. The rest of the rules were eliminated in one go, resulting in an increased sense of responsibility throughout the organization. Pruning the rules can allow employees to grow and flourish.

## **13. Rules create offenders and forbidden fruits taste the best: reactance theory**

'If you beep you can't come in. Rules are rules.' The prison director's words were final, so female lawyers visiting the prison went without their bras. What was going on? All visitors had to pass a metal detector at the prison entrance. If the device beeped, the visitors were required to get rid of the offending material, such as belts and loose change, and walk through the gate again. The detectors were so sensitively tuned that they also began to beep for very small metal objects, such as the metal underwires in bras. The management insisted that the metal detector worked perfectly and that rules were rules. The warders therefore demanded that the female lawyers take off their bras before entering the prison.

Just as we saw in the previous chapter, fear and uncertainty among the prison management led to 'beeping' at everything, and they lost sight of common sense. It clearly shows a lack of respect to demand that female lawyers take off their bras and walk around the prison without them.

On the one hand this event is exceptional (although at a nearby prison experiencing similar exaggerated beeping, the story was that the warders themselves set off the device for young, attractive lawyers). On the other hand, all kinds of workplace rules can be experienced as stifling and intimidating. There are organizations where employees are not permitted to receive any business gift whatsoever, not so much as a ballpoint pen, where all non-work-related websites are inaccessible, and where people can be sacked for making a phone call in the car, even if it is for work purposes. In such cases, organizations not only run the risk of employees becoming anxious and suffering from hypochondria, there is another risk which brings these rules hurtling back like a boomerang.

James Pennebaker and Deborah Sanders wanted to know what effect prohibitions had on people's behavior. What happens, for example, if a sign is put up stating that graffiti on the wall is prohibited? How effective is this, and what factors does its effectiveness depend on? They placed two kinds of signs at eye level in the public toilets of a university. One contained

a threatening text: 'Do NOT Write on the Walls!'. The other took a milder tone: 'Please, do not write on the walls'. What did the researchers discover when they went to register how much graffiti had been sprayed on the walls? Around the first sign, which was more threatening, there was much more graffiti than at the second sign.

A similar experiment was carried out by Joseph Grandpre. When students of a middle and secondary school were told not to smoke, the chance increased that they would do so, and when they were told that they must smoke, they smoked less.

Both studies show that the clearer and more threatening an order or prohibition, the greater the chance that the opposite will be done. *Rules create offenders*. But can we explain this? Jack Brehm developed 'reactance theory' for this purpose. This theory suggests that people resent threats to their freedom. The sense of restricted freedom arouses resistance. The more people believe they are able to decide for themselves what is right, the stronger this feeling becomes. People try to reduce the unpleasant feeling (reactance) by exhibiting the opposite behavior and thereby winning back their freedom. For instance, people will start smoking if it is prohibited, to restore their threatened freedom of choice. Forbidden fruits taste the best because they taste of freedom.

Reactance theory applies just as much to adults as to teenagers. If people are not permitted to receive business gifts at work, then they have gifts delivered to them at home, and then they won't stop at the ballpoint pen. If private sites are shut off, then people will do anything to circumvent security and visit them more than if they were open to the public. People may also work off their rebellious feelings by working to rule. If people are not permitted to surf for personal use during work time, then they will stop doing anything for work outside work time. Stifling rules can also lead to overt rebellion or civil disobedience. In the prison situation, for example, some lawyers intentionally wore lots of metal objects, to frustrate the system. People find creative ways of easing their reactance. If spray painting is not permitted, then they go to work with felt-tips or brushes. If they are not allowed to write, then they take to glue or nails. If not this wall, then another, where there's no sign. This effect is also exhibited among motorcyclists: after riding on routes with permanent speed checks, where they consider the maximum speed unreasonably low, they ride extra fast in the areas where there are no checks, to recover their sense of freedom. The rules really only transfer the problem.

This is the so-called 'waterbed effect': where you press (where attention is focused), the water (the problem) goes down, only to push up elsewhere.

It is therefore important to examine the effect of rules on oneself and others, to watch out for restrictive and pedantic rules, and those which now seem pointless. In a comedy sketch, John Cleese plays a character wishing to enter a casino. The doorman refuses because he is not wearing a tie. Rules are rules. Shortly afterwards he returns, and again the doorman refuses him entrance, this time because the tie is too short. Rules are rules. Shortly afterwards Cleese again appears at the entrance, now with a long tie, and no other clothing. And because there are no further rules, the doorman now lets him in. As far as I know, the lawyers from the example at the beginning of the chapter did not have to resort to this to open the eyes of the management; the commotion in the media put a stop to the peepshow.

## 14. What happens normally is the norm: descriptive and injunctive norms

Expectations of desirable behavior can be put down in writing. For instance most large businesses and government agencies have a code of conduct stating how managers and employees should behave. However, in practice other factors, such as the physical environment, determine the norm. Robert Cialdini and his colleagues also researched this issue.

Once again their experiment involved flyers. This time the subjects were visitors to a hospital. On returning from a visit the subject found a flyer under the windscreen on the driver's side of the car. It was so large that visitors could not really drive away with it in place. On the flyer was the text: 'This is automotive safety week. Please drive carefully.' There was no trash can nearby. Unnoticed, the researchers registered what the visitor did with the flyer. This time it was not the flyer text which the researchers varied, but the environment: for half the visitors the parking lot floor was covered with flyers, sweet wrappers, cigarette butts and paper cups; for the other half the floor was clean.

In the clean environment, 14 percent of the visitors threw their flyer on the ground, and in the messy environment the figure more than doubled, to 32 percent. This was not all the researchers did. What would happen in the parking lot if a passer-by dropped a flyer in full sight, a few meters from the visitor? In a littered environment the figure for flyers thrown on the ground rose from 32 to 54 percent. Compared with the clean environment in which the passer-by did not throw anything on the ground, almost four times as many people threw the flyer away!

This experiment shows nicely how people read norms from their environment, both directly, according to what they see others doing (whether a passer-by throws a flyer on the floor), and indirectly, through the consequences of what others have done (whether the environment is dirty or clean). According to Cialdini and colleagues, there are both 'injunctive' norms, norms which prescribe the desired behavior, and 'descriptive' norms, norms which describe the current behavior. People are influenced not only by how things *should be*, but also how they *are*.

From an early age people imitate others. Our talent for this is down to our mirror neurons. A few days after birth, babies will already stick out their tongues when others do so, and cry when they hear another baby crying. Later on we laugh when others laugh, and suffer pain when others suffer pain (at least when the others are people we love). When we look at what someone else is doing, we carry out the action in our thoughts. We copy behavior because this offers us something to hold onto in a world of uncertainty and unknowns. It makes life easier, because we don't always have to think for ourselves. We also have a 'normative need': other people are more willing to accept us if we endorse their actions and go along with them than if we reject them and distance ourselves. As a politician said about mores within politics, 'If you don't know how it should be done, then you don't belong here.' That's why we observe what others do.

If other people do something in a particular way, then we quickly interpret this as a sensible thing to do. In a dirty environment the descriptive norm is that it is acceptable to throw litter into the street, and that this is also perfectly sensible, because it will be cleaned up (so we tell ourselves, even if the state of the environment suggests otherwise), or you have more important things to do (such as hurrying to get somewhere on time), or people will give you funny looks if you go in search of a trash can. This descriptive norm does not alter the fact that there is an injunctive norm which tells people not to throw litter into the street. When the injunctive and descriptive norms conflict, the question is which takes priority. The more the descriptive norm imposes itself, the greater the chance that this is followed. The more you are surrounded by speeding cars, the greater the chance that you too will exceed the speed limit. In the case of the experiment, the greater the mess in the parking lot, the greater the chance that your own flyer too will end up on the ground. It's easy to come up with an excuse: everyone does it, so I do too.

The message is that it is worth ensuring a 'clean' environment, both literally and figuratively: physical clutter within the organization will only cause more clutter, and an organization which makes a mess of things, will encourage behavior among employees and outsiders which will lead to more mess. If you set a good example, others will follow. That's why a clean environment is important.

And note the following: if it has to be messy, make sure it's at least a well organized mess. In the experiment, when the dirt was swept up into three big piles, only 18 percent of visitors threw their flyer on the floor. If you have lots of papers in your room, then at least put them in neat piles. If there are many incidents in your organization, keep track of them by categorizing them.

Secondly, if there is still a mess, do not immediately announce that mess is prohibited. Experiments by Kees Keizer show that whenever a prohibition sign is placed in a littered environment, more people throw trash into the street. Almost a third more violated the regulation. Prohibition signs work against themselves if the environment sends out a different message, because it focuses people's attention more on the traces of behavior in violation of the norms. The divide between the injunctive and descriptive norm will only become larger, and the injunctive norm will come off worse. The task is therefore to tidy up the mess, before communicating that others should refrain from making a mess.

## **15. Broken panes bring bad luck: the broken window theory**

In the eighties and nineties the New York City police were confronted with increasing rates of theft, violent crime and drug sales in the city. In order to combat this, the police launched the 'Quality of life' campaign. The idea behind this was that a littered environment was a feeding ground for criminality. An environment with social disorder (such as loitering youths, public drunkenness and prostitution) and physical disorder (such as graffiti, abandoned buildings and trash in the street) increased the chance of both petty and serious crime. For this reason graffiti and traces of vandalism were removed and, mindful of the message of the previous chapter, the litter in the streets was cleaned up. To the delight of the police, crime figures in the city dropped significantly.

The explanation was termed the 'broken window theory'. James Wilson and George Kelling propose that when a window in a building is broken and goes unrepaired, the chance of another window breaking increases. The more broken windows, the greater the chance of more windows being smashed to smithereens. A building with broken windows subsequently attracts other forms of criminality, such as breaking in, squatting and stripping the building. This in turn will cause criminality around the building to increase; it attracts criminals, while law-abiding citizens avoid the area. According to the broken window theory, people see physical and social disorder as a sign that everything is permissible and that authority is absent. Such an environment puts ideas into people's heads, and lowers the threshold to overstepping their boundaries. The underlying idea is that a single transgression encourages people to commit further transgressions or expands to become one big transgression, and that one transgressor grows into many.

Empirical evidence for this theory was supplied years later by Kees Keizer and colleagues. In one experiment the main entrance to a parking lot was temporarily closed by the researchers. However, they had left a gap of 50 centimeters. On the fence the researchers had hung up a sign with the text 'No entry, go around to the other entrance'. The side entrance was 200 meters further on. What would people do when they wanted to get to their cars, walk around, or slip through the opening? The researchers were curious in particular as to whether the

behavior of the drivers would depend on the environment. For that reason they had hung up another board on the fence with the text, 'No locking bicycles to the fence'. In one scenario there were four bicycles one meter from the fence. In the other there were four bicycles locked directly to the fence. In the environment with the freestanding bicycles, 27 percent of the people slipped through the fence; with the bicycles locked to the fence the figure was 82 percent. The researchers had expected this effect, but were surprised by the big difference.

In another experiment, Keizer and colleagues examined whether the negative effect of such an environment could spur people on to more serious misdemeanors. This time the researchers stuffed an addressed envelope half way into a red letterbox. A five-euro bill was clearly visible through the window of the envelope. Would passers-by take the letter out and pocket the money? In a clean environment 13 percent did this. When there was graffiti around the letterbox, the figure doubled to 27 percent.

The explanation which Keizer and colleagues gave was the following. They distinguished three goals for influencing behavior: 'normative goals' (behaving as you should), 'hedonic goals' (feeling good), and 'gain goals' (improving your material situation). These three goals do not always weigh equally; their relative weight is affected by the environment. The normative goal, however, is a priori the weakest of the three and is under pressure from the two other goals. Environmental factors, such as disorder, push normative goals to the background, bringing the other goals to the fore. If someone sees that others give the normative goal less priority, that reduces their own attention for the goal, and laziness and greed gain the upper hand. If you notice that others violate the rules (for instance by locking their bicycles to the fence when this is explicitly prohibited), then you yourself will attach less importance to the normative goal of behaving properly, increasing the chance that you will slip through the fence. If you see an envelope containing five euros hanging out of a letterbox, then the disordered environment increases the weight you give to your own gain goal, so you are more likely to take the envelope. Violation of norms spreads because the normative goal (following the rules) is weakened, opening up more space for self-interest.

The strength of this theory is that it shows that people not only imitate the behavior of others (as shown in the previous chapter in Cialdini's research), but that when people observe others violating the norms, this also leads them to violate other norms. The normative goal

is weakened in its entirety. This means that in order to prevent an escalation of violations, minor misdemeanors and their visible effects should be dealt with quickly, and that if you want to improve the ethics and integrity of an organization, this must be done in an integrated and coherent way. If an organization wishes to combat internal fraud, then it must also prevent antisocial behavior such as intimidation, aggression, and hostility. If an organization wishes to deal carefully and responsibly with clients, then it must deal carefully with other stakeholders. Unethical behavior is very difficult to isolate: an organization cannot be ethical in one relationship or situation, and unethical in another. Unethical behavior, as shown in the above experiments, is a wildfire that spreads easily.

Keizer's theory also helps to explain why, if unethical behavior has escalated and spread widely, this cannot be reversed simply by cleaning up afterwards. The culture is then already so badly infected that people no longer attach any significance to the normative goal. Much energy must then be put into establishing and communicating the importance of this. Companies which have slipped off the rails and been discredited can therefore make a good start towards recovery by re-evaluating their business mission from a normative perspective, reformulating business goals, rewriting the code of conduct, making intensive efforts to communicate this, and providing extensive training to employees. This is the only way to win back territory for the normative goal, and it will improve behavior on countless fronts in its wake.

If you want to prevent an organization being derailed and a great deal of energy being required to get things back on track, then the task is to repair "broken windows" in the organization as quickly as possible.



personal spaces, at home and at work. The participants in their research were able to draw conclusions about a stranger’s character based on their office or bedroom.

Research by Andrew Lohman and colleagues shows that the interior decoration of couples’ living rooms speaks volumes about the quality of their relationship. In their research the participants were required to sit in the room where they would normally welcome guests at home. They were then required to point out their favorite objects in the room, and asked which objects they most wanted guests to notice. Finally the couples noted which objects were acquired individually and which together. The research showed that the better the bond between the couples, the more they wanted guests to notice objects which they had acquired together. Furthermore the better the relationship the more the favorite objects had been acquired together. So if you are interested in the strength of your relationship, you could sit down on your couch at home and examine the extent to which you both want the same objects to be seen by guests and whether you acquired these objects together.

What applies in private also applies at work. The manager who plasters an image of the sales figures of the past five years over the entire wall of his office shows that he values sales. The employee who displays all kinds of prizes clearly sees success and scores as important. Anyone with multiple family photos probably has good family relationships. A cluttered workplace or office suggests that the person who works there is cluttered too. A tidy workspace, on the other hand, says that the person is a perfectionist and has his work under control.

Inspecting the offices of an organization can yield a great deal of information about its culture. The CEO’s office alone says a great deal about values and norms. What are the dimensions, colors, layout, objects? Is the room on the top floor or on the ground floor? Is it decorated with personal items? In carrying out such an inspection you must, of course, be prepared to dig below the surface; a tidy room says nothing if there is chaos behind closed cabinet doors. If this is the case across much of the rest of the organization, then that is a red flag, because it increases the likelihood that people think this way about the products they sell and the figures they publish. The next time you walk into your office, it might be interesting to look around with a visitor’s eye and ask yourself what the room says about you and your relationship with the organization.

The same goes for the architecture and general state of repair of office buildings. In buildings where the paint is peeling, outward appearance apparently is not the highest priority. Buildings which rise high above the surrounding properties imply pride. Buildings with lots of glass clearly suggest that the banner of transparency flies high, unless it is reflective glass, in which case there is nothing to be seen of what goes on inside. Many organizations recently toppled by malpractice had head offices with only reflective glass. Coincidence?

# Factor 2: role-modeling

In the previous section we saw that it is important for an organization both to establish the desired norms, values and responsibilities and to effectively communicate these so that directors, managers and employees know what is expected. This communication not only occurs in writing, but also in action and in the set-up of the work environment.

People read the norms applicable to them from the behavior of others, especially their role models. Within organizations these are line managers, higher management and directors. Role-modeling is therefore the second factor which affects behavior in organizations. This was touched on in chapter 14.

The following six chapters discuss experiments which illustrate the meaning of role-modeling. Chapter 17 shows what ethical leadership involves and how powerful role-modeling can be. It is not only down to the behavior employees see in their leaders, but also to what the management task them to do. Chapter 18 examines obedience and the risks attached to it. Having shown that role-modeling depends on how the management see themselves, chapter 19 then examines the effect of this on those being managed. On the one hand managers should give a good example; on the other hand they are in a position in which they are more likely to abuse their authority. In chapters 20 and 21 we see where this can lead. The final chapter of this section shows that model behavior can also lead to the opposite behavior in others.





actually began to clear her desk. 'They thought I'd gone mad,' said Gonzalez. This may be characteristic of ethical leadership; letting others initially think you have gone mad. Fortunately the staff did not take this model behavior literally by following suit and resigning; instead they became more motivated in their work for the consultancy firm.

Ethical behavior is not only for people in management positions. Ultimately ethical leadership should show people that they are not the product of their environment, but are capable of creating an environment in which they can get the best out of themselves and others. Are you such a leader?







Approximately a third of the American professional population admits that their manager sometimes asks them to do unethical or illegal things.

So if you are in a position of authority and ask something of someone, be aware that people will not necessarily only do things they agree with and see as ethically responsible. One might protest, but another will make the mental switch and do what is asked of him. In Milgram's experiment people could relatively easily leave; in an organization this is considerably more difficult. Yet the participants of the experiment still went a long way in causing human suffering. How easy must it be to grant requests involving misdemeanors such as fraud, theft and scams, which have less human suffering as a consequence?

One way of steeling yourself against carrying out and submitting to improper requests is not to see responsibility as a fixed quantity. With responsibility it does not necessarily hold that the more one person is responsible, the less responsibility another bears. When one person asks another to do something and the other complies, the sum of responsibilities increases. If you do something because another person tells you to, you are still responsible for the decision to comply with the request. Shirking responsibility is by definition irresponsible, because you are then unable to explain why you acted as you did. It is therefore important not to follow dubious orders unthinkingly, but to raise questions.

There was a small ray of hope: it was not without emotion that Milgram's subjects administered the shocks. Every participant paused at least once and questioned what was going on. They followed this up with protests, head-shaking, sweating, nervousness, stammering, trembling, lip-biting and digging their nails into their arms. More than a third began to laugh nervously. People breathed a sigh of relief when the experiment ended, wiped their foreheads dry and shook their heads in regret. That suggested that their conscience was speaking.

## 19. Trapped in the role: clothes make the man

*Power dressing* is a powerful tool. That is the conclusion of the Stefanie Tzioti's thesis. Her empirical research shows a consultant's advice is more readily followed when the consultant has a suit and a car of the right brand. Dressing to impress increases authority in the eyes of the customer and therefore the credibility of the advice.

We also saw this effect in Milgram's experiment (described in the previous chapter). The researcher's white jacket gave the impression of expertise and authority, making the participants more inclined to follow the order to administer electric shocks. Clothing can have all kinds of surprising effects at work as well: research by Dan Ariely shows that provocatively dressed women make men think more in the short term. For a meeting about long-term policy female personnel are best advised to dress demurely.

Clothing not only determines how someone is seen, it also betrays the way in which the wearer sees himself. As Princess Perdita in Shakespeare's *The Winter's Tale* says, 'This robe of mine does change my disposition.' Scott Fraser demonstrates the speed with which clothing can change attitudes.

He had children choose what kind of game they wanted to play. Wearing their own clothes, 42 percent chose aggressive games, but when the researcher had them wear a military uniform, the choice for aggressive games increased to 86 percent. When the children subsequently exchanged their uniforms for their own clothing again, the percentage fell, even dropping below the original reading, to 36 percent.

Clothing can be a reflection of one's role, and we easily fall into that role. On the one hand this is positive; it shows a good ability to empathize and adapt. On the other hand it can be risky. We can lose ourselves in a role. This is shown by Philip Zimbardo, who conducted a controversial experiment in the cellars of Stanford University in 1971.

A group of 24 mainly white middle-class American youths participated in a two-week role play in a pretend prison, created by Zimbardo in the cellars of the university. The students did not have a criminal record and were found to be 'normal' according to a psychological test carried out beforehand. Half of the participants (randomly chosen by tossing a coin) were given a khaki uniform, a whistle, a police baton and reflective sunglasses. Their task was to keep order in the prison without resorting to violence. They must base their actions on a set of 16 rules. The 'prisoners' (the other half of the group) were only permitted to eat during mealtimes, and must always address the guards as 'Mr Correctional Officer' and one another by their identification numbers. Anyone who violated the rules was to be subjected to punishment, to be determined by the guards themselves. The prisoners had their heads shaved, were required to strip off all their clothes, and received prison uniforms with their identification numbers printed on them and a pair of rubber sandals. They were chained by their ankles. Zimbardo and his colleagues were curious as to what would happen in this setting.

During the first day everything went according to plan. On the second morning, however, a rebellion broke out. The prisoners wanted to test the system: they tore their identification numbers off their uniforms, barricaded the door with their beds and challenged the guards by insulting them. After consultation, the guards decided to tackle the rebellion heavy-handedly. The doors were forced with a fire extinguisher, the rebels were made to take off their clothes, the beds were removed and the leader of the rebellion was locked in the isolation cell. This was just the beginning.

As time passed the guards became increasingly sadistic and the prisoners more submissive and depressive. The prisoners were forced to carry out pointless tasks: continually chanting the rules or performing sexual acts. The guards also threatened the prisoners with physical violence. After just two days, five of the prisoners (almost half!) fell into an extreme state of depression, continually crying and exhibiting fits of rage and panic attacks. One prisoner developed a psychosomatic skin condition. The guards began to carry out their abuses at night, because they thought the researchers were not looking then. Most guards felt good about their task. Some even took pleasure in treating the prisoners cruelly. No one said that this could not continue.

It was not only the subjects who lost themselves in the experiment: the team of fifty researchers fell into their own trap. They observed everything carefully and did not stop to ask



Adopting a role can also work positively. Roles can conjure up images which bring out the best in people. As a salesperson you can also improve the well-being of your customers, respect their autonomy and be open and honest. As a politician you can serve the interests of society, be aware of different interests, and justify the trust bestowed on you. As a manager or director you can aim to help others excel, subordinate yourself to this goal, and listen to what others expect of you. So it comes all down to how roles are perceived and whether someone is the prisoner of his own role, or the guard.

## 20. Power corrupts, but not always: hypocrisy and hypercrisy

The media regularly reports on the crooked dealings of influential people: the singer who preaches family values, while involved in an extramarital affair, the director who reduces his staff's salaries and doubles his own bonus, the police commissioner who is strict in tackling speeding, but floors the gas pedal in a built-up area, and the politician who speaks out for honest government, but allows himself to be bribed by business. One explanation often offered is that everyone occasionally oversteps the mark, even those in high positions. The only difference is that the behavior of people in high places receives more public attention: tall trees catch the most wind. Another possible reason is that people in high places are expected to have higher moral standards and therefore fail more readily and significantly. An employee of a random company who fiddles his private tax return will not be sacked, while a politician must pack up and leave for this.

There is another, additional explanation. Joris Lammers and colleagues questioned whether power in itself leads to a greater chance of unacceptable behavior. In order to test their suspicions, they carried out the following experiment. The participants were assigned a role in which they either had a great deal of power or very little. One participant, for example, would be a government minister, the other a civil servant. They were then asked to give their opinions on various unethical situations, varying from breaking speed limits in order to arrive at an appointment on time, not declaring private income to the tax authorities and taking possession of a stolen bicycle left in the street.

The results showed that the more power people have the more they condemn the unethical behavior of others. Speeding, for example, received 6.3 on a nine-point scale (from completely unacceptable to completely acceptable) from the participants with power, while the participants with little power gave it 7.3. At the same time it was shown that the more power people have the less they disapprove of their own unethical behavior. The powerful participants rated their own speeding at 7.6, and those with little power rated their own speeding at 7.2.

The research by Lammers and colleagues shows that the more powerful people are, the more hypocritical they become: they expect more of others and less of themselves. They set the







affected by the age of the driver (the younger the driver, the faster they beeped), but this was not the main determining factor. What might predict the reaction time? The researchers looked at the class of the blocked car. According to the researchers this is symbolic of the driver's social position. The higher the class, the higher the status. This indeed turned out to affect reaction time: drivers of lower, cheaper class cars had an average response time of 5 seconds, while people with cars of a higher, more expensive class on average reacted within 2 seconds. The more luxurious the car, the faster people beeped. According to Diekmann and colleagues, their research proves that a higher social position leads to more aggression in traffic.

As far as I know, the issue of whether there is more aggression high up in the organization than lower down has not yet been researched. It does, however, appear that there is abundant aggression at the top of organizations where standards are low. Board members and managers intimidate personnel by snapping, being quick to go off at the deep end, and other hostile behavior. It is known that Bernie Ebbers, the CEO of WorldCom, the telecoms company that fell in 2000 due to one of the greatest cases of accounting fraud in history, was aggressive. He specialized in confrontational politics and publicly belittled employees. Dick Fuld, former CEO of Lehman Brothers, was also known for his aggression. His nickname was 'the gorilla', because of his machismo and intimidating conduct.

Extending our interpretation of Diekmann and colleagues' research, we might assume that the higher the status of the boss, the more likely he is to 'beep'. This may be a show of power, but there may also be other reasons. Nathanael Fast and Serena Chen researched how people in a leadership position react to feelings of uncertainty as to their own suitability (which incidentally may be independent of their actual suitability). Participants were required to beep a horn whenever a 'subordinate' gave a wrong answer to a question. They could choose from sounds varying from 10 to 130 decibels. Uncertain managers opted relatively frequently for a loud beep. The researchers suggest that the combination of great power and the feeling of unsuitability leads people to lash out at others.

It is therefore a case of watching out for loud beeping bosses, who are loud but have little to say.



Good behavior can therefore lead to bad behavior, but could the opposite also be the case? That bad behavior leads to good behavior? In order to study this, Francesca Gino and colleagues came up with the following experiment. The participants, students of the University of Pittsburgh, divided into groups of 8 to 14, were required to perform 20 tasks in which (as in the experiment described in chapter 10) they must find two numbers on each page which added up to 10 precisely. They were given five minutes to do this. They were then allowed to determine their own score and take 50 cents out of an envelope placed on the table for them. The participants then put their answer sheets through a shredder, so that no one could find out whether they had cheated. One group served as a control; these participants were required to hand in their answers, so that the researchers could find out what the actual score was. But here is the crux. The researchers had placed an assistant in some groups. This participant, dressed in a white T-shirt, made it known very conspicuously that he was finished after one minute. He said that he had answered all the questions right and could take the 10 dollars home. For the other participants there was only one possible interpretation: this was a cheat. What effect would this have on the behavior of the other participants? Would they now also cheat?

In the control group, where no cheating was possible, 7 questions were answered correctly, so the participants received 3.5 dollars. In the groups without an assistant, the participants on average claimed to have answered 12 questions correctly. The average cheat therefore lied about 5 questions. In the groups with an assistant, the participants on average claimed to have answered 15 questions correctly: more than double the score of the group which could not cheat. This illustrates the effect of a rotten apple on the behavior in the group. The notion that this person belonged *in* the group was indeed the relevant point. What happened when the assistant, instead of wearing a white T-shirt, wore a T-shirt with the logo of Carnegie Mellon University, the arch rival of the University of Pittsburgh? The participants now claimed to have answered 8 questions correctly, considerably less than in the situation in which the cheat was seen as a student from the same university, and even considerably less than when there was no cheat in the group!

Gino and colleagues' experiment shows that when the rotten apple is seen as belonging to their group it 'infects' the other apples. When the rotten apple is seen as a rival, an outsider, the cheating decreases, as if it has had a cleansing effect. People distance themselves from the

reprehensible behavior of 'the other' ('We're not like that, we *don't want* to be like that'). The reprehensible behavior activates an awareness of the difference in norms between the two groups and strengthens the awareness of norms in one's own group. It acts as a motivation to do better. This was also seen by Cialdini and colleagues in their research, described in chapter 14: when someone passed by in a clean environment and did nothing, 14 percent of the visitors threw their flyer on the ground, but when the passer-by himself threw a flyer on the ground the percentage did not increase, but in fact dropped to 6 percent.

One black sheep will not necessarily attract followers: a sheep from another flock will not be followed. And if a sheep from one's own flock behaves badly, then it is possible to prevent the example being followed by labeling him a black sheep. Dissidents are not necessarily a serious problem. They may even improve the behavior of others.

# Factor 3: achievability

In the previous section we explored the importance of role-modeling. Whether they like it or not, it is the attitude and behavior of managers that to a large extent determines the ethics and integrity of organizations. It is essential that managers are aware of their key role, not only because of their model function, but also because of their susceptibility to undesirable behavior.

In addition to role-modeling, there is a third factor which affects behavior in organizations. This factor is 'achievability'. It is not only a matter of people knowing what they *should* do, but also that they *can* do it. Achievability relates to the freedom and opportunities people have to realize their goals, duties and responsibilities.

The following nine chapters discuss experiments illustrating the meaning of achievability. The way goals are set affects people's behavior. Goals can be one-sided, leading to tunnel vision, as shown in chapter 23. They can also result in wastefulness, if they are seen as a ceiling, as described in chapter 24. They may lead to perilous situations, if only one person can achieve the goal and the rest have no chance of it, as discussed in chapter 25, or if the aims are set too high, as explained in chapter 26.

Achievability also relates to the power people have to fulfill what is expected of them. In chapter 27 we therefore discuss the importance of persistence, while in chapter 28 the importance of implementation plans is raised. Once a person has started on one course of action, desirable behavior can become unfeasible, as there is no longer any way back. In chapter 29 we see how people can end up on a slippery slope, while in chapter 30 three techniques are presented for tricking people into taking a certain decision or course of action. Finally in chapter 31 we see how the feeling of lacking room for maneuver can lead to undesirable behavior.





There is always a danger of tunnel vision, but luckily it can be suppressed, by continuing to ask critical questions about how the goal relates to other goals and interests. What are the higher and underlying goals, for example? It is important to examine both the goal and the path to achieving it. Are the means justified?

Another important point is not to go too far in setting goals: often organizations are bursting at the seams with score cards, management contracts, job profiles and assessment sheets. Setting more goals is not necessarily better. The opposite may be true: the more goals, the less they say. If people are pulled in all directions, then they will lose their way. Large numbers of goals create the impression that no clear choices have been made. Employees will tend to pick and choose the goals that they consider most important or focus on what they are already good at. Arbitrariness is the likely outcome. This has also been shown by research: when there are multiple goals, people focus on one, tending especially towards those which are easiest to achieve or to measure.

Setting the right goals and placing them in the right context is a real challenge. That's why it is rightly at the heart of management and leadership.

























































































The eyes of another work as a mechanism for moral guidance, arousing feelings of social control, and with them guilt and shame for irresponsible behavior.

Looking another person deep in the eyes has the effect of increasing a person's honesty and integrity. So in addition to hanging mirrors in the places where important decisions are made, as suggested in the previous chapter, a few photos of the eyes or even faces of stakeholders might not go amiss. The converse also applies: people who avoid eye contact often have something on their conscience. It is therefore worth keeping your eyes wide open and looking others deep in the eye.









dangerous to our well-being, so make more of a mark on our brains. People also talk about liars a great deal in order to warn others, so that their names are more frequently activated in our brains and stick. That's why liars usually end up paying the price for their dishonesty.





















One method of preventing conformism is to use an anonymous, written voting system for decision making. Asch's experiment showed that when the participants were required to put their answers down on paper (with the others stating their answers out loud), conformity halved to an average of 12.5 percent.

Taking decisions in small groups, however, turns out not to be a solution for preventing conformity. Asch and other researchers found that although the tendency to conform increases with the size of the group, this effect does not intensify beyond three people. Only in pairs is the tendency significantly reduced.

Getting one's suit wet is no good for anyone, but drowning among the masses and losing one's identity and integrity is worse. It is therefore crucial to draw the line in going along with the group and swallowing the truth.

























fairness, this is easier said than done, as the facts can often be set out and interpreted in various different ways. Research shows that people tend to underestimate the external factors which influence the behavior of the transgressor. The more serious the transgression, the more people tend to attribute malicious intent to the transgressor, even if it is clearly evident that the transgression is the result of environmental factors. Victims are particularly inclined to think that there is no such thing as coincidence. People judge transgressors they do not know well more harshly than those close to them. The description of the transgression also affects the judgment: people are less harsh in their judgments of fraudulent behavior if the company is described as having 'a better reputation than a third of its competitors', compared to when the company has 'a worse reputation than two-thirds of the competition'. Even when the offence is the same.

Zero tolerance, a firm approach, harsh punishment; companies often announce resolute measures when they first open the can of worms. Sometimes you have to be cruel to be kind; but organizations should be careful not to hit too hard, because there are plenty of pitfalls. Severe punishments are no panacea. Even the death penalty's effectiveness is disputed. Some studies show that executions in fact lead to more murders, though there is no conclusive proof of this. Furthermore, the offender is not always affected by the seriousness of the penalty; think for instance of crimes of passion. Another point of concern is the time and energy it costs to keep a system of sanctions, with administration, supervision, monitoring and enforcement in place. The more effort the system of sanctions demands, the greater the chance that attention will slip and the system will be applied less strictly. Research shows that confidence can subsequently drop to a level below the time before the sanctions were introduced. When establishing such a system, be aware that there is no way back. A third danger lies in the mechanism by which the more severe the punishment, the less the enforcers are prepared to confront offenders. More is at stake for the offender, so the enforcer must have clearer proof. The suspected offender's opposition will also be greater the more severe the punishment. This can give rise to a situation in which harsher punishments lead to greater tolerance for transgressions.

The fourth pitfall is probably the most important: research shows that, in order to achieve behavioral change, mild punishments are more effective than severe punishments. Elliot Aronson and Merrill Carlsmith carried out a famous study in this area.

Young children were permitted to pick out a favorite toy, and were then told that they were not allowed to play with it. One group was told that there would be a mild punishment for breaking the ban; the other group was told that there would be a severe punishment. The researcher then left the room, giving the children the opportunity to ignore the instruction. In all cases the children did as they were told. The next question was what the children would do if they were then told that they were allowed to play with the toy again. The results, as in many follow-up studies, showed that the children in the mild punishment situation were less inclined to play with their favorite toy than those in the severe punishment situation.

We can explain what happened on the basis of cognitive dissonance theory, discussed in chapter 37: severe punishment serves as an external justification for the children not doing what they have been banned from doing. If the punishment is minor, the children need an internal justification to reduce their feeling of dissonance stemming from the tension between wanting to play and not playing. The children had to convince themselves that their favorite toy was actually not so attractive after all. This self-justification resulted in the children convincing themselves and a reduced preference for their favorite toy.

So the challenge for organizations is to punish where necessary, and to do so mildly where possible, in order to achieve the desired change in behavior. Unfortunately this advice comes too late for Giuseppe.



The crowding-out effect explains all kinds of behavior in organizations. A penalty for handing in borrowed items late means that the items are returned even later. A penalty for damaged equipment leads to more equipment breaking down. A penalty for equipment that disappears leads to more being taken. Organizations too can come to think this way: a penalty for breaking a rule or contract becomes an economic consideration, instead of a moral or social issue. Instead of people asking themselves whether something is permissible or obligatory, it becomes all about the chance of getting caught, the chance of being convicted, the size of the penalty and the measures to be taken to minimize all of these. When introducing punishments, it is therefore essential to consider the possible negative effects on people's moral and social motivations, and the possible end results. Gneezy and Rustichini's research shows that on balance penalties can have a negative effect.

The managers of the group of day-care centers also realized this. They therefore decided to get rid of the penalty. Unfortunately this did nothing to change the number of parents who turned up late and continued to do so. For this group, economic motives had permanently replaced moral and social motives. The parents could now arrive late without paying a penalty *and* without a guilty conscience. Experimenting with punishment can cost you dear.

## **51. The corrupting influence of rewards and bonuses: the overjustification effect**

The crowding-out effect applies to reward as well as punishment. Rewards appeal to economic motives and suppress moral and social motives. Classic research by David Greene and colleagues shows how extrinsic motives can displace intrinsic motives.

Teachers introduced their students to four new types of calculation. Over a block of thirteen days they recorded how much time the students spent on these questions. In the first block the children spent around 18 minutes per day on the sums. In the second block the teachers introduced a reward: the longer the children worked on the calculations, the more points they were awarded. The expectation was that the students would now spend more time on the questions. This was indeed the case, with an average of 25 minutes per day spent on the calculations in this second block. The reward was therefore effective. What would happen if the reward was removed? When the teachers did this, the time spent reduced. Logical enough, since the time increased with the reward. But the time spent was now far below the initial time: at the end of the third block it was just 5 minutes.

The students' intrinsic motives had been replaced by extrinsic motives; initially the students did the calculations because they enjoyed it and wanted to learn. The extrinsic motivation was an additional motivation. This led to the 'overjustification effect'. People tend to see their behavior as motivated by attractive extrinsic reasons, and underestimate the extent to which it is guided by intrinsic reasons. This makes people less intrinsically motivated, as becomes clear when the extrinsic motivation is removed. Hundreds of studies show that rewards have a considerable negative effect on people's intrinsic motivation, even when the rewards are attached to performance.

Another mechanism is at work which explains why extrinsic motives lead to reduced intrinsic motivation. People who are intrinsically motivated will be less motivated to exhibit the desired behavior after the introduction of rewards because others may now think they are doing so for their own benefit. Research shows that the introduction of modest financial compensation for blood donors led to half of the donors dropping out. A study in Switzerland showed that when

the government offered citizens financial compensation for the storage of nuclear waste in their area, half of the citizens withdrew their consent. The intrinsic motive for contributing to a social problem (a shortage of blood or the need for storage of nuclear waste) disappeared.

Rewards are also risky because they remind us of unpleasant things we were forced to do. This begins at a young age, when children are rewarded for leaving an empty plate (for instance with dessert or being allowed to leave the table sooner), for doing housework and tidying their room. This leads us to associate rewards with activities for which we are not intrinsically motivated. By coupling rewards to work, work is associated with boredom, monotony and annoyance, even if this is not really the case. Rewards are only effective when it comes to activities which people do not wish to do, and for which they cannot be intrinsically motivated.

Of course organizations which attempt to appeal to the intrinsic motivation of underpaid employees are missing the point. The question is *how* people see their reward. Is a bonus seen as an extra reward? Or as the motivation to put in the effort? Another point is how many criteria are desirable for determining the reward and possible bonus: the more criteria the organization takes into consideration, the clearer it is for employees that several criteria are important for success. However, the more criteria are considered, the greater the risk that anything not included is seen as unimportant. For this reason in many organizations in recent years the number of criteria for a bonus has increased substantially, sometimes to as many as 25. If the organization's management needs so many criteria, it should stop and ask itself whether it is a sign of weakness not to be able to motivate employees intrinsically. Clearly the intrinsic motivation of employees will not be improved by so many performance criteria.

## 52. The Heinz dilemma: levels of moral development

The way in which people deal with an ethical dilemma reveals their level of moral development. This level can be inferred from the arguments people use. Lawrence Kohlberg developed a model for this, which combines a number of insights from the previous chapters.

Kohlberg wondered where the difference in morality lies between the man in the street and role models such as Mahatma Gandhi and Albert Einstein. In order to research this question, he presented children and adults with moral dilemmas. The best-known dilemma is the 'Heinz dilemma'.

Somewhere in Europe a woman is dying of a rare form of cancer. There is a new medicine, which the doctors believe might save her life. The treatment contains radium and was recently discovered by a pharmacist in the same city. The preparation process is expensive, but the pharmacist is asking ten times as much. He paid 5,000 euros for the radium and is asking 50,000 euros for a small dose of the medicine. Heinz, the sick woman's husband, goes to everyone he knows trying to scrape together the money. He only manages to get 25,000 euros, half of what he needs. Heinz tells the pharmacist that his wife is dying and asks him to sell the treatment at a lower price, or to allow him to pay the rest later. The pharmacist replies, 'No, I discovered the medicine and I want to earn money from it.' Heinz becomes desperate, breaks into the pharmacy and steals the medicine.

What do you think of Heinz's actions? Are they acceptable or not? And why? Is it acceptable because the woman expects this of him, or because everyone has a right to life? Or is it unacceptable, because Heinz should obey the law? Kohlberg collected the participants' answers and observed that they could be divided into three successive levels of moral argumentation. The point was not the choice itself, but the justification the participant gave. The three levels are the 'preconventional level' (where people are focused on self-interest and extrinsic reward and punishment), the 'conventional level' (where people do what others expect) and the 'postconventional level' (where people come to a decision on the basis of principles they have chosen themselves). Each level consists of two stages.

Stage 1 of the first level is characterized by the avoidance of punishments such as those imposed by the authorities. Anything for which there is a punishment is bad; anything with no punishment, or even a reward, is good. For example, 'Heinz should not steal the medicine because he will end up in prison and that would mean that he is a bad person' or 'Heinz should steal the medicine, because it is worth much less than what the pharmacist is asking. Heinz has even offered to pay, so he won't be punished.'

At stage 2 of the preconventional level, the stage of self-interest, people do not allow themselves to be guided purely by punishment by an authority, because they realize there are different sides to a dilemma: different people have different opinions. Heinz may think that it is good to steal the medicine, and the pharmacist may disagree. Because everything is relative, one is free to follow self-interest, although it is often useful to take the interests of others into account. This is taking reciprocity as the basis: morality as a deal. Punishment is not seen as determining what is good or bad, but as a risk factor. In this case Heinz should steal the medicine because, 'he will be much happier if he rescues his wife, even if he gets a prison sentence', because 'his wife will reward him' or because 'the pharmacist was not prepared to do an honest deal. He mistreated Heinz, so Heinz is justified in doing the same in return.' Alternatively Heinz should not steal the medicine because 'prison is a horrible place and he will endure worse suffering there than if his wife dies.'

At stages 3 and 4, associated with the conventional level, people take into account the conventions, values, norms, and expectations of their environment. Stage 3 is the phase of 'interpersonal accord' and conformity: it is important to be a good person by being helpful to people around you. Mutual loyalty, trust, and friendship determine morality. Arguments for stealing are, for example, 'Heinz loves his wife and wants to save her', 'his wife expects this of him' and 'no man can stand by and watch passively as his wife dies.' Arguments against stealing are, for example, that 'stealing is wrong and Heinz would not want to be a criminal' and 'Heinz has done everything he could without breaking the law.'

Stage 4 is the level at which people are guided by social order and authority in determining right and wrong. Rules and social etiquette are recognized as necessary for the functioning of society. Anyone who resists this endangers society and thereby does wrong. The need for agreement from others, present at stage 3, disappears, since people are now subordinate to society.

Viewpoints held at stage 4 are, for instance, 'Heinz should not steal the medicine because the law prohibits theft and this makes it illegal' and 'Heinz should not steal the medicine because if everyone did this then society would be chaos', or 'Heinz should steal the medicine but also serve his prison sentence and pay the pharmacist what he is rightfully owed.'

At the postconventional level people are less focused on maintaining society as it is, and more on the principles and values which make a *good* society. In stage 5, the stage of social contract and individual rights, society is seen as a social contract in which people participate and which serves everyone's interests. Of course there are different interests and values, but at the same time there are basic rights, such as freedom and life, which should be protected. Democratic procedures are important for improving society. People at this stage state that 'Heinz should steal the medicine because everyone has a right to life, regardless of the law', or that 'Heinz should not steal the medicine because the pharmacist has a right to fair compensation.'

Stage 6, the final stage, is based on abstract reasoning about universal ethical principles. Morality is seen as an absolute principle. Whereas at stage 5 importance was still attached to democratic procedures, here it is a matter of universal perspective. Even in a democracy it is possible to make the wrong choices. Impartial and unbiased justice is therefore essential, allowing us to take an independent view of what is right and wrong. Characteristic of stage 6 are statements such as 'Heinz should steal the medicine because saving a human life is of more fundamental value than the personal property rights of another person', or 'Heinz should not steal the medicine because others need it just as much and their lives are as important as that of Heinz's wife.'

Kohlberg defined the six stages and noted that people always progress through them in the same order, from 1 to 6. According to Kohlberg, the higher the better. However, people can get stuck at any level.

Kohlberg's model can be used in many different ways. You might use it to probe your own and your colleagues' level of argumentation. Like Kohlberg, you can present dilemmas to others and ask them for a reaction. This not only tells you what kind of person you're dealing with, it may also help you to convince others. People's level indicates the type of argumentation they

are most likely to be persuaded by. A person who thinks from the perspective of punishment will be more influenced by possible sanctions than someone who thinks from a group perspective.

This model offers some guidance as to the internal organization of a company. If personnel are at the preconventional level, a policy of sanctions should go down well. If they are at the conventional level, then it is important to set clear rules and make use of social control. In organizations in which the personnel are at the postconventional level, opening up a dialogue and exchanging points of view can be effective in coming to better founded principles. If people in an organization are at different levels, a custom solution will be needed.

Different studies have shown that people argue at a lower level when discussing work-related dilemmas than when they address private dilemmas. Simply giving them the Heinz dilemma is not sufficient to get a good view of the moral level within the organization. So if you would like to assess your own moral development or that of others, you would be best advised to use current, work-related dilemmas.

# Challenge!

We have reached the end of the book. We have reviewed seven factors which explain the complex workings of right and wrong in the workplace. One of the recurrent themes was that people are susceptible to influences from their environment. This in itself is no bad thing, as long as we are aware of it and remain alert to bad influences. We can do this by questioning and confronting ourselves, by holding issues up to the light and cross-examining one another, in other words, by challenging. I will conclude by saying something more about this.

Challenge is a matter of confronting important issues in an open, constructive, stimulating manner, in order to open our eyes and ears and those of others. Challenge is about issues which matter to people, at the heart of which are values, norms, and interests. These are issues of right and wrong, responsibility and irresponsibility, moral and immoral.

Challenge occurs openly. People should not mince their words but should speak from the heart. This openness is constructive, because it is directed towards people gaining an improved understanding of one another, learning together and guarding against mistakes and transgressions. Challenge is not a matter of talking ourselves down into the dumps, wearing away at one another, putting one another down or gossiping. This does not mean that constructive openness cannot be confrontational. Of course it can. Challenge is stimulating, in the sense that it confronts people, draws them out, attempts to get them thinking and bring them to an understanding. It is a matter of addressing assumptions, viewpoints and ways of doing things, contesting them and raising questions without imposing an answer or starting out with a preconceived idea of the conclusion. Challenge is not pretentious. It does not suggest that one person has a monopoly on the truth, or is teaching the other a lesson and demanding that the other conform.

Challenge can begin with posing a question, expressing a feeling, or presenting an interesting example or dilemma. An introductory remark or stimulus of this kind is a challenge. Challenges come in all shapes and sizes. They can be simple requests for further explanation, such as, 'Aren't you jumping to conclusions?' or 'Aren't we missing the point here?' They can also be questions which suggest a different way of looking at things, such as 'How about looking at

this from another point of view?' or 'Where will we be in three years' time?' A challenge can be a question leading to a deeper level of communication, such as, 'What's your gut feeling?' and 'Can we reconcile this with our starting point?' But a challenge can also be an expression of one's own emotions, such as, 'I feel uneasy about this' or 'This is a step too far for me.'

A challenge is a moment of intervention: a signal to stop what we're doing, call a time-out, and ask if we are doing the right thing, whether we have forgotten anything, whether we are listening to what others say and what we should be telling ourselves. When someone at work calls 'challenge' or just 'chall', it is a signal that he wants people to stop and focus on a particular issue.

Challenging issues enables organizations to self-cleanse and self-regulate. A couple of minutes' challenge can take place anywhere, in meetings, over coffee, in the workshop or at the counter. Alternatively, you could take it out into the fresh air. 'Challenge sessions' provide an excellent opportunity to examine one another's behavior critically, tell the truth and listen to what both insiders and outsiders have to say, to look for wake-up calls and eye-openers.

In chapter 52 we saw that according to Lawrence Kohlberg a person's moral level can be discerned from the arguments he uses in an ethical dilemma. This assumes that people present an argument. This is why an organization's moral level is reflected in the extent to which there is room for argumentation. Are people capable of challenging themselves and one another? Are they invited to do so? Are people who set a challenge heard, and questioned as to what they are saying? Are they valued and praised? And is this properly received?

In short, challenging oneself and one another is a powerful medicine against bad behavior. In fact, it is a powerful vitamin for a healthy organization and a healthy individual career.

# Notes

The Dutch version of this book was published in 2011 by Business Contact, Amsterdam, under the title “Waarom goede mensen soms de verkeerde dingen doen”

## Introduction

The quote by Jeffrey Skilling is taken from an article by Alexandre di Miceli da Silveira published on the website of the Social Science Research Network under the title ‘Corporate scandals of the earlier 21st century: Have we learned the lessons?’

I first presented the model of factors explaining unethical behavior in organizations in 1998 in my doctoral dissertation *Ethics Management: Auditing and developing the ethical content of organizations* (Dordrecht: Springer). My most recent empirical study on the subject appeared in 2011 in the journal *Human Relations* under the title ‘Understanding unethical behavior by unraveling ethical culture’. In this model role-modeling splits into top management role-modeling and supervisor role-modeling. For the sake of simplicity this distinction is not made in this book. The original model also makes a distinction between the factors of openness to discussion of dilemmas (discussability) and of confrontation of suspected unacceptable behavior (approachability). Since relatively little relevant experimental research has been carried out on confrontation, this factor is addressed together with openness.

## 1. Good or bad by nature? Empathy and sympathy

For research into the moral evaluation of babies, see J. K. Hamlin, K. Wynn, and P. Bloom (2007), ‘Social evaluation by preverbal infants’, *Nature*, 450: pp. 557-560. When the researchers used a figure with no eyes, the babies’ preference disappeared altogether, because they no longer saw the game as social interaction.

Barack Obama’s claim that greed caused the financial crisis comes from a speech on 9th January 2009. See [http://www.upi.com/Top\\_News/2009/01/08/Obama-Greed-led-to-economic-crisis/UPI-39941231434123/](http://www.upi.com/Top_News/2009/01/08/Obama-Greed-led-to-economic-crisis/UPI-39941231434123/).

The term white-collar crime was coined by Edwin Sutherland. In his 1949 book *White Collar Crime* (New York: Dryden Press) he defines this as 'crime committed by a person of respectability and high social status in the course of his occupation'. He stated that white-collar criminals had different characteristics and motives from those of typical street criminals.

A classic article on the difference between an integrity approach and a compliance approach was written in 1994 by Linda Sharp Paine, under the title 'Managing for organizational integrity' (*Harvard Business Review*, 72 (2): pp. 106-117).

## **2. What is my price? Integrity as supply and demand**

Michael Lewis's study on children telling lies is described in M. Lewis and C. Saarni (1993), *Lying and Deception in Everyday Life* (New York: Guilford Press).

## **3. Bagels at work: honesty and dishonesty**

The story of the bagel man is described in S.J. Dubner and S.D. Levitt (2004), 'What the bagel man saw: An accidental glimpse at human nature' (*The New York Times Magazine*, 6 June). It also appears in S.D. Levitt and S.J. Dubner (2005), *Freakonomics: A Rogue Economist Explores the Hidden Side of Everything* (New York: William Morrow).

For the study by Gabor and colleagues on overpaying and not waiting for change, see T. Gabor, J. Streaan, G. Singh, and D. Varis (1986), 'Public deviance: An experimental study', *Canadian Journal of Criminology*, 28: pp. 17-29. For the supporting study on returning change, see F.E. Rabinowitz, G. Colmar, D. Elgie, D. Hale, S. Niss, B. Sharp, and J. Singlitico (1993), 'Dishonesty, indifference, or carelessness in souvenir shop transactions', *Journal of Social Psychology*, 133 (1): pp. 73-79.

For the study on passengers who received too much change from bus drivers, see E. Yuchtman-Yaar and G. Rahav (1986), 'Resisting small temptations in everyday transactions', *Journal of Social Psychology*, 126 (1): pp. 23-30. Such studies are an effective way of testing people's

honesty. Richard Wiseman researched honesty by offering to send people an exchange voucher for something they had not bought. 50 percent of car dealers and priests responded and exchanged their vouchers. See R. Wiseman (2007), *Quirkology* (London: Pan Macmillan).

My own research on transgressions observed by employees in the workplace is published in M. Kaptein (2010), 'The ethics of organizations: A longitudinal study of the U.S. working population', *Journal of Business Ethics*, 92 (4): pp. 601-618.

#### **4. Egoism versus altruism: the theory of the warm glow and the helping hand**

Research showing that people are made happier by helping was carried out by, among others, E. Dunn, L. Aknin, and M. Norton (2008), 'Spending money on others promotes happiness', *Science*, 319: pp. 1687-1688. See also S. Lyubomirsky, K.M. Sheldon, and D. Schkade (2005), 'Pursuing happiness: The architecture of sustainable change', *Review of General Psychology*, 9: pp. 111-131.

Research on altruism in young children was carried out by F. Warneken and M. Tomasello (2006), 'Altruistic helping in human infants and young chimpanzees', *Science*, 311: pp. 1301-1303.

Daniel Batson collaborated with colleagues to carry out a great deal of research into the situations in which people are altruistic. One of his latest articles is C.D. Batson, J.H. Eklund, V.L. Chermok, J.L. Hoyt, and B.G. Ortiz (2007), 'An additional antecedent of empathic concern: Valuing the welfare of the person in need', *Journal of Personality and Social Psychology*, 93: pp. 65-74.

#### **5. What you expect is what you get: the Pygmalion and Golem effects**

The research on the Pygmalion effect in the American elementary school is described in R. Rosenthal and L.F. Jacobson (1968), *Pygmalion in the Classroom: Teacher expectation and pupils' intellectual development* (New York: Holt). The research has been repeated

several times with approximately the same results. See R. Rosenthal (1994), 'Interpersonal expectancy effects: A 30-year perspective', *Current Directions in Psychological Science*, 3: pp. 176-179. Meta-analyses on the Pygmalion effect in organizations have been carried out by Nicole Kierein and Michael Gold as well as Brian McNatt. They conclude that this is a significant effect. See N.M. Kierein and M.A. Gold (2000), 'Pygmalion in work organizations: A meta-analysis', *Journal of Organizational Behavior*, 21: 913-928, and D.B. McNatt (2000), 'Ancient Pygmalion joins contemporary management: A meta-analysis of the result', *Journal of Applied Psychology*, 85: pp. 314-322.

Research has also been carried out into the Pygmalion effect in love. In their experiment Mark Snyder and colleagues had men call a woman they did not know. The men received a photo of a woman, which in reality was randomly selected. The more beautiful the woman in the photo, the more warmly the men spoke, with the result that the woman spoke warmly in response, confirming the men in the idea that the woman must be beautiful. See M. Snyder, E. Decker Tanke, and E. Berscheid (1977), 'Social perception and interpersonal behavior: On the self-fulfilling nature of social stereotypes', *Journal of Personality and Social Psychology*, 35 (9): pp. 655-666.

## **6. Self-image and behavior: the Galatea effect**

For the research into the influence of free will on cheating, see K.D. Vohs and J.W. Schooler (2008), 'The value of believing in free will: Encouraging a belief in determinism increases cheating', *Psychological Science*, 19 (1): pp. 49-54.

The Galatea effect was introduced by Robert Merton in 1957 in his book *Social Theory and Social Structure* (New York: Free Press).

Talking more quietly when thinking of a library is an effect demonstrated by Henk Aarts and Ap Dijksterhuis. See their article published in 2003, 'The silence of the library: Environment, situational norm, and social behavior', *Journal of Personality and Social Psychology*, 84 (1): pp. 18-28.

## **7. Self-knowledge and mirages: self-serving biases and the dodo effect**

For the better-than-average effect see M.D. Alicke, M.L. Klotz, D.L. Breitenbecher, T.J. Yurak, and D.S. Vredenburg (1995), 'Personal contact, individuation, and the better-than-average effect', *Journal of Personality and Social Psychology*, 68 (5): pp. 804-825. The study on couples sharing household chores was carried out by Michael Ross and Fiore Sicolu and published in 1982 as 'Egocentric biases in availability and attribution', in D. Kahneman, P. Slovic, and A. Tversky (eds.), *Judgment under Uncertainty: Heuristics and biases* (Cambridge: Cambridge University Press): pp. 179-189.

A good article on biases and the ethical risks attached to them is M. Banaji, M. Bazerman, and D. Chug (2003), 'How (un)ethical are you?', *Harvard Business Review*, December: pp. 56-64.

The fact that 90 percent of managers in the United States consider themselves to be functioning above average is described in Philip Zimbardo (2007), *The Lucifer Effect: Understanding How Good People Turn Evil* (New York: Random House).

The phenomenon of ethical mirages is described in A.E. Tenbrunsel, K.A. Diekmann, K.A. Wade-Benzoni, and M.H. Bazerman (2007), 'The Ethical Mirage: A temporal explanation as to why we aren't as ethical as we think we are' (Harvard Business School: Working Paper 08-012).

The research on the value of unpacking is published as E. Caruso, N. Epley, and M. Bazerman (2006), 'The costs and benefits of undoing egocentric responsibility assessments', *Journal of Personality and Social Psychology*, 91 (5): pp. 857-871.

## **8. Apples, barrels and orchards: dispositional, situational and systemic causes**

For the study on parking offences by diplomats, see R. Fisman and E. Miguel (2007), 'Corruption, norms, and legal enforcement: Evidence from diplomatic parking tickets', *Journal of Political Economy*, 115 (6): pp. 1020-1048.

The studies by Abigail Barr and Danila Serra cited are published as A. Barr and D. Serra (2006), 'Culture and corruption', *University of Oxford research paper*, and A. Barr and D. Serra (2008), 'Culture and corruption: An experimental analysis', *University of Oxford research paper*.

The statement that 'It is sometimes less difficult for a new police officer to become corrupt than to remain honest' was made by Whiteman Knapp in 1973 as chair of the Knapp Commission for research into police corruption. See The Knapp Commission (1973), *Report on Police Corruption* (New York: G. Braziller).

## **9. Flyers and norms: cognitive stimuli**

The research by Cialdini on flyers appeared in R.B. Cialdini, R.R. Reno, and C.A. Kallgren (1990), 'A focus theory of normative conduct: Recycling the concept of norms to reduce littering in public places', *Journal of Personality and Social Psychology*, 58 (6): pp. 1015-1026. Cialdini has carried out extensive research on how the influence works. See his book, first published in 1984, and appearing in its 5th revised edition in 2009, *Influence: science and practice* (Boston: Pearson Education). See also N.J. Goldstein, S.J. Martin, and R.B. Cialdini (2007), *Yes!: 50 scientifically proven ways to be persuasive* (New York: Free Press).

## **10. The Ten Commandments and fraud: affective stimuli**

The research into the relationship between the Ten Commandments and fraud was described in N. Mazar, O. Amir, and D. Ariely (2008), 'The dishonesty of honest people: A theory of self-concept maintenance', *Journal of Marketing Research*, XL: pp. 633-644.

The study on the relationship between the nonexistent code of conduct and fraudulent behavior was carried out by N. Mazar and D. Ariely (2006), 'Dishonesty in everyday life and its policy implications', *Journal of Public Policy and Marketing*, 25: pp. 1-21.

A book worth reading on the use of checklists is Atul Gawande's (2009), *The Checklist Manifesto: how to get things right* (New York: Metropolitan Books). For an explanation of the way in which little nudges can stimulate people's notion of norms, see Richard H. Thaler and Cass R. Sunstein (2008) *Nudge: Improving decisions about health, wealth, and happiness*, (New Haven: Yale University Press).

## **11. The name of the game: euphemisms and spoilsports**

The American National Sleep Foundation regularly publishes research on the relationship between work and sleep. See their site: [www.sleepfoundation.org](http://www.sleepfoundation.org).

Albert Bandura has published a great deal on euphemisms. For example, see A. Bandura (1999), 'Moral disengagement in the perpetration of inhumanities', *Personality and Social Psychology Review*, 3: pp. 193-209.

For the study on the difference between playing the 'Wall Street Game' and the 'Community Game' on participants' behavior, see V. Liberman, S.M. Samuels, and L. Ross (2004), 'The name of the game: Predictive power of reputations versus situational labels in determining prisoner's dilemma game moves', *Personality and Social Psychology Bulletin*, 30: pp. 1175-1185.

An interesting article claiming that business is not a game is Maurice Hamington's paper published in 2009, 'Business is not a game: The metaphoric fallacy', *Journal of Business Ethics*, 86: pp. 473-484.

## **12. Hypegiaphobia: the fear factor of rules**

On the relationship between rules and incidents in hospitals see T. Katz-Navon, E. Naveh, and Z. Stern (2005), 'Safety climate in health care organizations: A multidimensional approach', *Academy of Management Journal*, 48 (6): pp. 1075-1089.

### **13. Rules create offenders and forbidden fruits taste the best: reactance theory**

For the study on graffiti on the wall and its relationship to prohibitions, see J. Pennebaker and D. Sanders (1976), 'American graffiti: Effects of authority and reactance arousal', *Personality and Social Psychology Bulletin*, 2: pp. 264-267.

Publications describing reactance theory include T. Hammock and J.W. Brehm (1966), 'The attractiveness of choice alternatives when freedom to choose is eliminated by a social agent', in *Journal of Personality*, 34: pp. 546-554.

For the effects of smoking bans on behavior, see J. Grandpre, E.M. Alvaro, M. Burgoon, C.H. Miller, and J.R. Hall (2003), 'Adolescent reactance and anti-smoking campaigns: A theoretical approach', *Health Communication*, 15 (3): pp. 349–366. A related article is H. Miller, L.T. Lane, L.M. Deatrick, A.M. Young, and K.A. Potts (2007), 'Psychological reactance and promotional health messages: The effects of controlling language', *Human Communication Research*, 33: pp. 219-240.

For the research into the attractiveness of unobtainable objects, see S.S. Brehm (1981), 'Psychological reactance and the attractiveness of unobtainable objects: Sex differences in children's responses to an elimination of freedom', *Sex Roles*, 7 (9): pp. 937-949.

### **14. What happens normally is the norm: descriptive and injunctive norms**

The research by Cialdini on flyers appeared in R.B. Cialdini, R.R. Reno, and C.A. Kallgren (1990), 'A focus theory of normative conduct: Recycling the concept of norms to reduce littering in public places', *Journal of Personality and Social Psychology*, 58 (6): pp. 1015-1026. Other publications by these researchers in the same area include C.A. Kallgren, R.R. Reno, and R.B. Cialdini (2003), 'A focus theory of normative conduct: When norms do and do not affect behavior', *Personality and Social Psychology Bulletin*, 26: 1002-1012; R.B. Cialdini (2003), 'Crafting normative messages to protect the environment', *Current Directions in Psychological Science*, 12: 105-109; and R.B. Cialdini, L.J. Demaine,

B.J. Sagarin, D.W. Barret, K. Rhoads, and P.L. Winter (2006), 'Managing social norms for persuasive impact', *Social Influence*, 1: pp. 3-15.

The experiment by Kees Keizer is described in *The Spreading of Disorder*, University of Groningen, 2010, and in K. Keizer, S. Lindenberg, and L. Steg (2008), 'The spreading of disorder', *Science*, 322: pp. 1681-1685.

Much research has been conducted into mirroring behavior. Tania Singer and colleagues demonstrated that when one member of a couple is in pain, the same parts of the on-looking partner's brain are activated, at least in those cases in which there is real affection in the relationship. See T. Singer, B. Seymour, J. O'Doherty, H. Kaube, R.J. Dolan, and C.D. Frith (2004), 'Empathy for pain involves the affective but not sensory components of pain', *Science*, 303: pp. 1157-1162.

## **15. Broken panes bring bad luck: the broken window theory**

For the broken window theory, see J. Wilson and G.L. Kelling (1982), 'Broken windows: The police and neighborhood safety', *The Atlantic Monthly*, 249: pp. 29-38.

The experiment by Kees Keizer is described in *The Spreading of Disorder*, University of Groningen, 2010, and in K. Keizer, S. Lindenberg, and L. Steg (2008), 'The spreading of disorder', *Science*, 322: pp. 1681-1685. In *Freakonomics* (2005) Steven Levitt and Stephen Dubner discuss arguments for and against the idea that the broken window theory was the cause of the reduction in crime in New York.

## **16. The office as a reflection of the inner self: interior decoration and architecture**

For the study suggesting that weapons arouse aggression, see L. Berkowitz and A. LePage (1967), 'Weapons as aggression-eliciting stimuli', *Journal of Personality and Social Psychology*, 7 (2): pp. 202-207.

For Andrew Lohmann and colleagues' research claiming that the decoration of the living room reflects the quality of the residents' relationship, see A. Lohmann, A.B. Arriaga, and W. Goodfriend (2003), 'Close relationships and placemaking: Do objects in a couple's home reflect couplehood?', *Personal Relationships*, 10: pp. 437–450.

## **17. The need for ethical leadership: moral compass and courage**

Much research has been conducted on the influence of good examples. James Bryan and M.A. Test, as well as Jacqueline Macaulay and Leonard Berkowitz, show that when one person gives money to a busker, others are more likely to do the same. See J.H. Bryan and M.A. Test (1967), 'Models and helping: Naturalistic studies in aiding behavior', *Journal of Personality and Social Psychology*, 6: pp. 400-407, and J. Macaulay and L. Berkowitz (1970), *Altruism and Helping Behavior* (New York: Academic Press).

Social learning theory is described in A. Bandura (1997), *Social Learning Theory* (Englewood Cliffs: Prentice-Hall).

Kees Keizer's experiments on the influence of role models is described in his doctoral dissertation *The Spreading of Disorder*, University of Groningen, 2010. Susan Andersen and Steve Cole observed that information about significant others is more richly connected in the brain and can be more easily accessed than information about insignificant others. See S. M. Andersen and S. W. Cole (1990), "'Do I Know You?': The role of significant others in general social perception', *Journal of Personality and Social Psychology*, 59 (3): pp. 384-399.

For press coverage of the boss who made herself redundant, see P.Thompson (2010), 'Woman hailed as best boss in America after firing herself to spare the jobs of her staff', *Mail Online*, 29 November 2010.

## **18. Morals melt under pressure: authority and obedience**

For the study involving inappropriate requests to nurses, see C.K. Hofling, E. Brotzman, S. Dalrymple, N. Graves, and C.M. Pierce (1966), 'An experimental study in nurse-physician relationships', *Journal of Nervous and Mental Disease*, 143: pp. 171-180.

Milgram's study is described in S. Milgram (1963), 'Behavioral study of obedience', *Journal of Abnormal and Social Psychology*, 67 (4): pp. 371-378, and in S. Milgram (1974), *Obedience to Authority: An experimental view* (New York: HarperCollins).

For an overview of other studies with similar findings to Milgram's, see T. Blass (1999), 'The Milgram paradigm after 35 years: Some things we now know about obedience to authority', *Journal of Applied Social Psychology*, 29 (5): pp. 955-978. To exclude the possibility that the participants suspected actors were involved, a follow-up study was conducted, this time inflicting real shocks on dogs in full view of the subjects. The participants saw the dogs being electrocuted, but this did nothing to change their obedience. 50 percent of the men and 100 percent of the women administered the maximum shock. See C.L. Sheridan and R.G. King (1972), 'Obedience to authority with an authentic victim', in *Proceedings of the eightieth annual convention of the American Psychological Association* (Washington: American Psychological Association): pp. 165-166.

## **19. Trapped in the role: clothes make the man**

For the study on power-dressing see S. Tzioti (2010), *Let Me Give You a Piece of Advice: Empirical papers about advice taking in marketing*, Doctoral Dissertation (Rotterdam: Erasmus Research Institute of Management).

The study by Dan Ariely on provocative clothing was described in his 2008 book, *Predictably irrational: the hidden forces that shape our decisions* (New York: HarperCollins Publishers). Leonard Bickman conducted experimental research demonstrating the social power of uniforms. See L. Bickman (1974), 'The social power of a uniform', *Journal of Applied Social Psychology*, 4: pp. 47-61.

The Stanford Prison Experiment is described in P. Zimbardo (2007), *The Lucifer Effect: Understanding How Good People Turn Evil* (New York: Random House). Scott Fraser's study on the relationship between clothing and choice of games has never been published. The study is cited in the above-mentioned book by Philip Zimbardo.

## **20. Power corrupts, but not always: hypocrisy and hypercrisy**

The research on hypocrisy is described in J. Lammers, D.A. Stapel, and A.D. Galinsky (2010), 'Power increases hypocrisy: Moralizing in reasoning, immorality in behavior', *Psychological Science*, 21: pp. 737-744. Another study shows that powerful people think more in terms of the rules (deontologically), whereas less powerful people think more in terms of results (teleologically). See J. Lammers and D. Stapel (2009), 'How power influences moral thinking', *Journal of Personality and Social Psychology*, 97 (2): pp. 279-289.

For another publication on leaders' sense of entitlement, see D. de Cremer, E. van Dijk, and C.P. Reinders Folmer (2009), 'Why leaders feel entitled to take more: Feelings of entitlement as a moral rationalization strategy' in D. de Cremer, *Psychological Perspectives on Ethical Behavior and Decision Making* (Charlotte: Information Age Publishing): pp. 107-119.

## **21. Beeping bosses: fear, aggression and uncertainty**

The study on beeping cars can be found in A. Diekmann, M. Jungbauer-Gans, H. Krassnig, and S. Lorenz (1996), 'Social status and aggression: A field study analyzed by survival analysis', *Journal of Social Psychology*, 136 (6): pp. 761-768.

Bernie Ebbers is mentioned in David R. Lease (2006), 'From great to ghastly: How toxic organizational cultures poison companies', presentation at the *Academy of Business Education*. Dick Fuld's description is taken from the BBC documentary on the fall of Lehman Brothers, entitled 'The Love of Money'.

For Nathanael Fast and Serena Chen's research on how people in leadership positions respond to feelings of uncertainty, see N.J. Fast and S. Chen (2009), 'When the boss feels inadequate: Power, incompetence, and aggression', *Psychological Science*, 20: pp. 1406-1413.

## **22. Fare dodgers and black sheep: when model behavior backfires**

For the study on dog owners cleaning up after their pets, see P. Webley and C. Siviter (2000), 'Why do some owners allow their dogs to foul the pavement? The social psychology of a minor rule infraction', *Journal of Applied Social Psychology*, 30: pp. 1371-1380. A similar effect is shown in research by G.C. Thomas, C.D. Batson, and J.S. Coke (1981), 'Do good Samaritans discourage helpfulness? Self-perceived altruism after exposure to highly helpful others', *Journal of Personality and Social Psychology*, 40: pp. 194-200. This research shows that when people are exposed to very helpful people they see themselves as less altruistic and are therefore less willing to help others than people who are exposed to someone of average helpfulness. The first group see themselves as less intrinsically motivated because they are less able to choose for themselves, with the result that they help less. This is an undesirable side effect of role-modeling.

For Francesca Gino and colleagues' research into the way in which a rotten apple contaminates the rest of the barrel, see F. Gino, S. Ayal, and D. Ariely (2009), 'Contagion and differentiation in unethical behavior: The effect of one bad apple on the barrel', *Psychological Science*, 20 (3): pp. 393-398. In a similar experiment, Robert Cialdini and colleagues varied the number of pieces of rubbish in the area. 358 amusement park visitors were given a flyer with the text 'Don't miss tonight's show'. The visitors were approached just before they walked around a corner, taking them out of sight of the person handing out the flyers. The visitors now found themselves on a path roughly 55 meters long. There were no paths leading off it, nor were there any trash cans. The more flyers on the ground, the more visitors threw their flyers on the ground too. When there were no flyers on the ground, 18 percent of the visitors threw theirs away; with 2 and 4 flyers on the ground respectively, 20 percent and 23 percent were thrown away; and with 8 on the ground, 41 percent were thrown away. The percentage did not rise when more than 8 flyers were on the ground. But what happened when there was just 1 flyer on the ground? Only 10 percent of visitors threw away their flyers, the lowest

figure across all scenarios. It also turned out that the more flyers on the ground, the quicker visitors threw theirs away, but when only 1 flyer was on the ground, the visitors were slowest to throw theirs away. See B. Cialdini, R.R. Reno, and C.A. Kallgren (1990), 'A focus theory of normative conduct: Recycling the concept of norms to reduce littering in public places', *Journal of Personality and Social Psychology*, 58 (6): 1015-1026.

Philip Tetlock and colleagues show that even reading about reprehensible behavior by others encourages sociable behavior. The participants in their experiment who read about someone who supported bad behavior felt morally contaminated and were more inclined to participate in volunteer work for a campaign against this behavior than the participants who had not read this material. See P.E. Tetlock, O. Kristel, B. Elson, M. Green, and J. Lerner (2000), 'The psychology of the unthinkable: Taboo trade-offs, forbidden base rates, and heretical counterfactuals', *Journal of Personality and Social Psychology*, 78: pp. 853-870.

More on the black-sheep effect can be read in A.C. Lewis and S.J. Sherman (2010), 'Perceived entitativity and the black-sheep effect: When will we denigrate negative ingroup members?', *Journal of Social Psychology*, 150, (2): pp. 211–225.

## **23. Goals and blinkers: tunnel vision and teleopathy**

The parable of the Sadhu is described in B.H. McCoy (1983), 'The parable of the Sadhu', *Harvard Business Review*, September-October: pp. 103-108.

For Barry Staw and Richard Boettger's research on how focusing on a goal can lead to other things being ignored, see B.M. Staw and R.D. Boettger (1990), 'Task revision: A neglected form of work performance', *Academy of Management Journal*, 33, (3): pp. 534-559.

For Daniel Simons and Christopher Chabris' experiment on seeing the gorilla, see D.J. Simons and C.F. Chabris (1999), 'Gorillas in our midst: Sustained inattentive blindness for dynamic events', *Perception*, 28: pp. 1059-1074.

Research by James Shah and colleagues shows that when confronted with multiple goals, people tend to focus on one. See J.Y. Shah, R. Friedman, and A.W. Kruglanski (2002), 'Forgetting all else: On the antecedents and consequences of goal shielding', *Journal of Personality and Social Psychology*, 83 (6): pp. 1261-1280.

Another study shows that when people have both qualitatively and quantitatively challenging goals, they sacrifice the qualitative goals in favor of the quantitative goals. Goals which can more easily be attained and measured, such as quantity, receive more attention in a multiple goal scenario. See S.W. Gilliland and R.S. Landis (1992), 'Quality and quantity goals in a complex decision task: Strategies and outcomes', *Journal of Applied Psychology*, 77 (5): pp. 672-681.

## **24. Own goals: seeing goals as the ceiling**

For the study on taxi drivers in New York, see C. Camerer, L. Babcock, G. Loewenstein, and R. Thaler (1997), 'Labor supply of New York City cabdrivers: One day at a time', *The Quarterly Journal of Economics*, 112 (2): pp. 407-441.

The theory of 'perceived behavioral control' is described in work by Icek Ajzen among others. See I. Ajzen (2002), 'Perceived behavioral control, self-efficacy, locus of control, and the theory of planned behavior', *Journal of Applied Social Psychology*, 32: 665–683. See also I. Ajzen and M. Fishbein (1980), *Understanding Attitudes and Predicting Social Behavior* (Englewood-Cliffs: Prentice-Hall).

Research by Richard Larrick and colleagues into how specific and challenging goals lead to more risky behavior can be found in R.P. Larrick, C. Heath, and G. Wu (2009), 'Goal-induced risk taking in negotiation and decision making', *Social Cognition*, 27 (3): pp. 342–364.

The goal ladder, as described by Minjung Koo and Ayelet Fishbach, appeared in M. Koo and A. Fishbach (2010), 'Climbing the goal ladder: How upcoming actions increase level of aspiration', *Journal of Personality and Social Psychology*, 99 (1): pp. 1-13. Their research shows that when people are more focused on actions still to be completed, as opposed to goals they have already achieved, this encourages them to climb further up the ladder.

## **25. The winner takes it all: losing your way in the maze of competition**

For the research by Christiane Schwieren and Doris Weichselbaumer into the extent to which competition encourages cheating, see C. Schwieren and D. Weichselbaumer (2010), 'Does competition enhance performance or cheating?', *Journal of Economic Psychology*, 31: pp. 241–253.

For the study by Maurice Schweitzer and colleagues showing that people who are just short of their goal are most inclined to cheat, see M.E. Schweitzer, L. Ordonez, and B. Douma (2004), 'Goal setting as a motivator of unethical behavior', *Academy of Management Journal*, 47 (3): pp. 422–432.

## **26. From Jerusalem to Jericho: time pressure and slack**

For the study on theology students under pressure, see J.M. Darley and C.D. Batson (1973), 'From Jerusalem to Jericho: A study of situational variables in helping behavior', *Journal of Personality and Social Psychology*, 27: pp. 100-108. See also C.D. Batson, P.J. Cochran, M.F. Biederman, and J.L. Bloser (1978), 'Failure to help in a hurry: Callousness or conflict', *Personality and Social Psychology Bulletin*, 4: pp. 97-101.

Philip Zimbardo also shows in his prison experiment (chapter 19) that the lack of a sense of time promotes reprehensible behavior. The participants in the prison had no sense of the time and behaved badly for the sake of killing time.

## **27. Moral muscle: the importance of sleep and sugar**

For the research showing that tiredness leads to reduced self-control and more cheating, see N.L. Mead, R.F. Baumeister, F. Gino, M.E. Schweitzer, and D. Ariely (2009), 'Too tired to tell the truth: Self-control resource depletion and dishonesty', *Journal of Experimental Social Psychology*, 45: pp. 594-597.

Various experiments by Mark Muraven and Roy Baumeister show that self-control is sapped when it is frequently put to the test. See, for example, M. Muraven, D.M. Tice, and R.F. Baumeister (1998), 'Self-control as limited resource: Regulatory depletion patterns', *Journal of Personality and Social Psychology*, 74 (3): pp. 774-789; M. Muraven and E. Slessareva (2003), 'Mechanisms of self-control failure: Motivation and limited resources', *Personality and Social Psychology Bulletin*, 29 (7): pp. 894-906; R.F. Baumeister, E. Bratslavsky, M. Muraven, and D.M. Tice (1998), 'Ego-depletion: Is the active self a limited resource? *Journal of Personality and Social Psychology*, 74: pp. 1252-1265; and M. Muraven and R.F. Baumeister (2000), 'Self-regulation and depletion of limited resources: Does self-control resemble a muscle?', *Psychological Bulletin*, 126: pp. 247-259.

For the study on the effect of sleep deprivation on moral judgment see W.D.S. Killgore, D.B. Killgore, L.M. Day, C. Li, G.H. Kamimori, and T.J. Balkin (2007), 'The effects of 53 hours of sleep deprivation on moral judgment', *Sleep*, 30 (3): pp. 345-352.

Research by Matthew Gailliot and Roy Baumeister shows that activities requiring self-control lead to lower blood sugar levels. See M.T. Gailliot and R.F. Baumeister (2007), 'The physiology of willpower: Linking blood glucose to self-control', *Personality and Social Psychology Review*, 11: pp. 303-327. In follow-up research, subjects who drank lemonade sweetened with sugar had better self-control than subjects who drank artificially sweetened lemonade. See E.J. Masicampo and R.F. Baumeister (2008), 'Toward a physiology of dual-process reasoning and judgment: Lemonade, willpower, and expensive rule-based analysis', *Psychological Science*, 19 (3): pp. 255-260.

The effect of skipping breakfast is demonstrated by A.P. Smith, R. Clark, and J. Gallagher (1999), 'Breakfast cereal and caffeinated coffee: Effects on working memory, attention, mood, and cardiovascular function', *Physiology and Behavior*, 67: pp. 9-17.

For an overview of research showing that criminals, fraudsters, vandals and traffic offenders have low blood sugar, see M.T. Gailliot and R.F. Baumeister (2007), 'The physiology of willpower: Linking blood glucose to self-control', *Personality and Social Psychology Review*, 11: 303-327. Rojas and Sanchi, for example, found that approximately 90 percent of the offenders they studied had relatively low blood glucose (although the relationship may be

reversed, with reduced blood glucose occurring as a result of the offense and arrest). See N. Rojas and A.F. Sanchi (1941), 'Hipoglucemia en delincuentes', *Archivos Medicales Legal Identificacion*, 11: p. 29.

## **28. The future under control: implementation plans and coffee cups**

For research into the power of implementation plans at a telecoms company see R.W. Holland, H. Aarts, and D. Langendam (2006), 'Breaking and creating habits on the working floor: A field-experiment on the power of implementation intentions', *Journal of Experimental Social Psychology*, 42: pp. 776–783.

For the study on the effect of resolutions which fail to stipulate activities to be replaced, see B. Verplanken and S. Faes (1999), 'Good intentions, bad habits, and effects of forming implementation intentions on healthy eating', *European Journal of Social Psychology*, 29: pp. 591–604.

On the power of a public commitment, see P. Sheeran and S. Orbell (1999), 'Implementation intentions and repeated behaviour: Augmenting the predictive validity of the theory of planned behavior', *European Journal of Social Psychology*, 29: pp. 349–369.

For Danny Axsom and Joel Cooper's experiment involving women who wished to lose weight, see D. Axsom and J. Cooper (1985), 'Cognitive dissonance and psychotherapy: The role of effort justification in inducing weight loss', *Journal of Experimental Social Psychology*, 21 (2): pp. 149-160.

Incidentally, those who believe that the problem of recycling plastic cups can be solved simply by placing a recycle bin in every office are wrong. Holland and colleagues' research showed that this also failed, except when employees first came up with an implementation plan.

## **29. Ethics on the slide leads to slip-ups: escalating commitment and the induction mechanism**

The six phases of corruption are described in L.W. Sherman (1985), 'Becoming bent: Moral careers of corrupt policemen', in F.A. Elliston and M. Feldberg (eds.), *Moral Issues in Police Work* (Totowa, NJ: Rowman and Allanheld).

For Judson Mills's experiment at the elementary school see J. Mills (1958), 'Changes in moral attitudes following temptation,' *Journal of Personality*, 26: pp. 517-531.

## **30. The foot-in-the-door and door-in-the-face techniques: self-perception theory**

The low-ball tactic is described in R.B. Cialdini, J.T. Cacioppo, R. Bassett, and J.A. Miller (1978), 'Low-ball procedure for producing compliance; commitment then cost', *Journal of Personality and Social Psychology*, 36 (5): pp. 463-476.

For the foot-in-the-door tactic see J.L. Freedman and S.C. Fraser (1966), 'Compliance without pressure: the foot-in-the-door technique', *Journal of Personality and Social Psychology*, 4: pp. 195-203. Follow-up research was conducted by M. Snyder and M.R. Cunningham (1975), 'To comply or not comply: Testing the self-perception explanation of the 'foot-in-the-door' phenomenon', *Journal of Personality and Social Psychology*, 31 (1): pp. 64-67, and M. Bush and K. Kirsch (1976), 'Relationship between compliance in the foot-in-the-door paradigm and size of first request', *Journal of Personality and Social Psychology*, 33 (5): pp. 517-520.

For the door-in-the-face tactic, see R.B. Cialdini, J.E. Vincent, S.K. Lewis, J. Catalan, D. Wheeler, and B.L. Darby (1975), 'Reciprocal concessions procedure for inducing compliance: The door-in-the-face technique', *Journal of Personality and Social Psychology*, 31 (2): pp. 206-215.

For an extensive description of tactics of persuasion, see R.B. Cialdini, *Influence: science and practice* (Boston: Pearson Education, 5th edition, 2009).

For a description of the relative effectiveness of the persuasive tactics described in this chapter, see R.J. Brownstein and R.D. Kattzev (1985), 'The relative effectiveness of three compliance techniques in eliciting donations to a cultural organization', *Journal of Applied Social Psychology*, 15 (6): pp. 564-574.

### **31. So long as the music is playing: sound waves and magnetic waves**

For research into the relationship between background music and purchasing behavior, see C.S. Areni and D. Kim (1993), 'The influence of background music on shopping behavior: Classical versus top-forty music in a wine store', *Advances in Consumer Research*, 20: pp. 336-340. For research into the relationship between country music and suicide, see S. Stack and J. Gundlach (1992), 'The effect of country music on suicide', *Social Forces*, 71 (1): 211-218.

For Liane Yong and colleagues' research on the influence of magnetic fields on moral judgment see L. Young, J. Camprodon, M. Hauser, A. Pascual-Leone, and R. Saxe (2010) 'Disruption of the right temporo-parietal junction with transcranial magnetic stimulation reduces the role of beliefs in moral judgment', *Proceedings of the National Academy of Sciences of the United States of America*, 107, pp. 6753–6758.

### **32. Feeling good and doing good: mood and atmosphere**

Much research has been conducted on the relationship between mood and decision-making. See for example A.M. Isen and R. Patrick (1983), 'The effect of positive feelings on risk taking: When the chips are down', *Organizational Behavior and Human Performance*, 31 (2): pp. 194–202; and G.F. Loewenstein, E.U. Weber, C.K. Hsee, and N. Welch (2001), 'Risk as feelings', *Psychological Bulletin*, 127 (2): pp. 267–286. See also M.H. Bazerman and D.A. Moore (2009), *Judgment in Managerial Decision Making* (New York: Wiley, 7th edition).

For Nicolas Guéguen's study on jokes in a French bar, see N. Guéguen (2002), 'The effects of a joke on tipping when it is delivered at the same time as the bill', *Journal of Applied Social Psychology*, 32: pp. 1955-1963.

For Nicolas Guéguen and Patrick Legohérel's research on the effect of drawing a happy face on the check on subsequent tips, see N. Guéguen and P. Legohérel (2000), 'Effect on tipping of barman drawing a sun on the bottom of customers' check', *Psychological Reports*, 87: pp. 223-226. See also B. Rind and P. Bordia (1995), 'Effect of servers' "Thank You" and personalization on restaurant tipping', *Journal of Applied Social Psychology*, 25 (9): pp. 745-751. The tip also rises significantly when the waiting staff introduce themselves by their first names or address the client by name, as described in K. Garrity and D. Degelman (1990), 'Effect of server introduction on restaurant tipping', *Journal of Applied Social Psychology*, 20 (2): pp. 168-172. Touching the client can also raise the tip, as shown in A.H. Crusco and C.G. Wetzel (1984), 'The Midas touch: The effects of interpersonal touch on restaurant tipping', *Personality and Social Psychology Bulletin*, 10: pp. 512-517.

The principle of 'feeling good and doing good' is also illustrated by Alice Isen and Paula Levin in: A.M. Isen and P.A. Levin (1972), 'Effect of feeling good on helping: Cookies and kindness', *Journal of Personality and Social Psychology*, 21: pp. 384-388.

Research into the flipside of a good mood has been conducted by Georgina Craciun, as published in her doctoral dissertation, *Mood Effects on Ordinary Unethical Behavior* of 2006 at the University of South Carolina.

### **33. A personal face: social bond theory and lost property**

Research showing that many employees would not recognize their organization's director was carried out, among others, by De Vos and Jansen in their 2010 study *Undercover Boss*.

The experiment with the lost and found purses was conducted and described by Richard Wiseman in his book *59 Seconds: Think a little, change a lot*, (London: Macmillan, 2009).

Social bond theory was described by Travis Hirschi in 1969 in his book *Causes of Delinquency*, (Berkeley: University of California Press).

Debora Small and George Loewenstein conducted research showing that a visible face generates more empathy and sympathy, in turn leading people to donate more to a victim with a face than to an unknown victim. See D. Small and G. Loewenstein (2003), 'Helping a victim or helping *the* victim: Altruism and identifiability', *Journal of Risk and Uncertainty*, 26 (1): pp. 5–16.

### **34. Cows and Post-it notes: love in the workplace**

For the research into the milk yield of cows, see C. Bertenshaw and P. Rowlinson (2009), 'Exploring stock managers' perceptions of the human-animal relationship on dairy farms and an association with milk production', *Anthrozoös*, 22 (1): pp. 59-69.

For the study by a national tax authority on the use of Post-it notes with handwritten text, see J. Croonen and L. Luesink (2009), *Met Andere Ogen: Het effect van verschillende beïnvloedingstechnieken op het aangiftegedrag van de ondernemer* (Seen through different eyes: The effect of different persuasive techniques on tax returns by businessmen), Dutch Tax and Customs Administration. For an earlier publication on the use of Post-it notes to influence behavior, see R. Garner (2005), 'Post-it note persuasion: A sticky influence', *Journal of Consumer Psychology*, 15 (3): pp. 230-237.

### **35. The place stinks: smell and association**

For an overview of research into the influence of scent on behavior, see R.W. Holland, M. Hendriks, and H. Aarts (2005), 'Smells like clean spirit: Nonconscious effects of scent on cognition and behavior', *Psychological Science*, 16: pp. 689-693. Their own research shows that lemon scents lead to cleaning jitters.

Scents leading to moral behavior are described in K. Liljenquist, C.B. Zhong, and A.D. Galinsky (2010), 'The smell of virtue: Clean scents promote reciprocity and charity', *Psychological Science*, 21: pp. 381–383.

For Wen Li and colleagues' research showing that people in a room with a lemon scent are judged to be more pleasant, see W. Li, I. Moallem, K.A. Paller, and J.A. Gottfried (2007), 'Subliminal smells can guide social preferences', *Psychological Science*, 18: pp. 1044-1049.

A study showing that women who smell of herbs are estimated to be five years younger is published as A.R. Hirsch and Y. Ye (2008), 'Effects of odour on perception of age', *International Journal of Essential Oil Therapeutics*, 2 (3): pp. 131-138.

Simone Schnall and colleagues have shown that people judge the behavior of others less harshly when in a fresh-smelling environment. Their research is published as S. Schnall, J. Benton, and S. Harvey (2008), 'With a clean conscience: Cleanliness reduces the severity of moral judgments', *Psychological Science*, 19 (12): pp. 1219-1222. For similar research see S. Schnall, J. Haidt, G.L. Clore, and A.H. Jordan (2008), 'Disgust as embodied moral judgment', *Journal of Personality and Social Psychology*, 34 (8): pp. 1096-1109.

Michael Kosfeld and colleagues have shown that investors who receive oxytocin nasal spray are much more reckless. See M. Kosfeld, M. Heinrichs, P.J. Zak, U. Fischbacher, and E. Fehr (2005), 'Oxytocin increases trust in humans', *Nature*, 435: pp. 673-676.

### **36. Wealth is damaging: red rags and red flags**

For the study showing that a wealthy environment leads to unethical behavior, see F. Gino and L. Pierce (2009), 'The abundance effect: Unethical behavior in the presence of wealth', *Organizational Behavior and Human Decision Processes*, 109: pp. 142-155. A similar effect is shown in research by Simone Moran and Maurice Schweitzer. The participants in their study were required to play a game in which those who were jealous of their opponent were more inclined to lie. See S. Moran and M.E. Schweitzer (2008), 'When better is worse: Envy and the use of deception', *Negotiation and Conflict Management Research*, 1: pp. 3-29.

For the study by Kathleen Vohs and colleagues showing that the mere image of money leads to more selfish behavior, see K.D. Vohs, N.L. Mead, and M.R. Goode (2006), 'The psychological

consequences of money', *Science*, 314: pp. 1154–1156; and K.D. Vohs, N.L. Mead, and M.R. Goode (2008), 'Merely activating the concept of money changes personal and interpersonal behavior', *Current directions in Psychological Science*, 17: pp. 208-212.

### **37. Morals on vacation: cognitive dissonance and rationalizations**

The theory of cognitive dissonance was first described in L. Festinger (1957), *A Theory of Cognitive Dissonance* (Evanston, IL: Row, Peterson).

For the study by Sykes and Matza in which five neutralization techniques are laid out, see G.M. Sykes and D. Matza (1957), 'Techniques of neutralization: A theory of delinquency', *American Sociological Review*, 22: pp. 664-670.

For the research on chain smokers, see F.X. Gibbons, T.J. Eggleston, and A.C. Benthin (1997), 'Cognitive reactions to smoking relapse: The reciprocal relation between dissonance and self-esteem', *Journal of Personality and Social Psychology*, 72: pp. 184-195.

For Festinger and Carlsmith's study showing the rationalizations used for speeding, see L. Festinger and J.M. Carlsmith (1959), 'Cognitive consequences of forced compliance', *Journal of Abnormal and Social Psychology*, 58: pp. 203-210. Dissonance can occur even when no one else is involved and no damage or pain occurs. In Eddie Harmon-Jones and colleagues' experiment, the participants were required to drink an unpleasant-tasting drink. They were then asked to state voluntarily that it tasted good, something which they subsequently came to believe. This happened even if the participants were permitted to write down their opinion and immediately throw away the paper. See E. Harmon-Jones, J.W. Brehm, J. Greenberg, L. Simon, and D.E. Nelson (1996), 'Evidence that the production of aversive consequences is not necessary to create cognitive dissonance', *Journal of Personality and Social Psychology*, 70: pp. 5–16. Dissonance can also arise from a decision taken in the past, if we later ask ourselves if we made the right choice. In order to suppress this effect we convince ourselves that we made the right choice. Robert Knox and James Inster researched this issue. In their experiment it turned out that people who have just bet on a horse race are much more certain that their horse will win than people still waiting in line to bet, although objectively the chances

for each horse remain unchanged. This related to the irrevocability of the choice made. See R.E. Knox and J.A. Inster (1968), 'Postdecision dissonance at post time', *Journal of Personality and Social Psychology*, 8: pp. 319-323.

For the study on arousing a sense of hypocrisy over water use in the sports complex, see C.A. Dickerson, R. Thibodeau, E. Aronson, and D. Miller (1992), 'Using cognitive dissonance to encourage water conservation', *Journal of Applied Social Psychology*, 22: pp. 841–854.

### **38. The mirror as a reality check: objective self-awareness and self-evaluation**

For the Halloween research into the effect of mirrors on theft of sweets, see A.L. Beaman, B. Klentz, E. Diener, and S. Svanum (1979), 'Self-awareness and transgression in children: Two field studies', *Journal of Personality and Social Psychology*, 37: pp. 1835-1846.

There is a substantial body of literature on objective self-awareness. See, for example, S. Duval and R. Wickland (1972), *A Theory of Objective Self-Awareness* (New York: Academic Press); and C.S. Carver and M.F. Scheier (1998), *On the Self-Regulation of Behavior* (New York: Cambridge University Press).

For the research into the relationship between long and short-term reflection and type of regret, see T. Gilovich and V. Husted Medvec (1995), 'The experience of regret: What, when, and why', *Psychological Review*, 102 (2): pp. 379-395.

### **39. Constrained by the eyes of strangers: the four eyes principle**

Research showing that looking someone in the eye leads to greater compliance includes N. Guéguen and C. Jacob (2002), 'Direct look versus evasive glance and compliance with a request', *Journal of Social Psychology*, 142 (3): pp. 393–396. For research showing that passers-by more readily take a leaflet if they are looked in the eye, see C.L. Kleinke and D.A. Singer (1979), 'Influence of gaze on compliance with demanding and conciliatory requests in a field setting', *Personality and Social Psychology Bulletin*, 5: pp. 386-390. The effect of

hitchhikers looking drivers in the eye is published in M. Snyder, J. Grether, and K. Keller (1974), 'Staring and compliance: A field experiment on hitchhiking', *Journal of Applied Psychology*, 4 (2): pp. 165-170.

For the study on the effect of posters showing eyes on people paying for coffee, see M. Bateson, D. Nettle, and G. Robert (2006), 'Cues of being watched enhance cooperation in a real-world setting', *Biology Letters*, 2: pp. 412-414.

Further research into the four eyes principle includes J.M. Bering (2003), 'On reading symbolic random events: Children's causal reasoning about unexpected occurrences', an article presented at the *Psychological and Cognitive Foundations of Religiosity Conference* in Atlanta; K.J. Haley and D.M.T. Fessler (2005), 'Nobody's watching? Subtle cues affect generosity in an anonymous economic game', *Evolution and Human Behavior*, 26: pp. 245–256; J.M. Bering, K. McLeod, and T.K. Shackelford (2005), 'Reasoning about dead agents reveals possible adaptive trends', *Human Nature*, 16: pp. 360–381; and A.F. Shariff and A. Norenzayan (2007), 'God is watching you: Priming God concepts increases prosocial behavior in an anonymous economic game', *Psychological Science*, 18: pp. 803-809.

In an experiment by Alejo Friere and colleagues it was shown that children as young as four pay attention to the eyes of another in an effort to discover the truth. In their experiment the lead researcher claimed not to know which of three upturned cups concealed a toy. Children under four took her at her word. Children of four saw that the lead researcher looked more towards one cup, which indeed turned out to conceal the toy. See A. Friere, M. Eskritt, and K. Lee (2004), 'Are eyes windows to a deceiver's soul? Children's use of another's eye gaze cues in a deceptive situation', *Developmental Psychology*, 40: pp. 1093–1104.

## **40. Lamps and sunglasses: detection theory, controlitis and the spotlight test**

Donald Cressey's research among blue-collar criminals in prison is published as D.R. Cressey (1953), *Other People's Money: A study in the social psychology of embezzlement*, (New York: Free Press).

For Henry Schneider's study of car repairs in Canada, see H. Schneider (2006), 'A field experiment to measure agency problems in auto repair', Yale University research paper. Paul Tracy and James Fox's experiments also show that items covered by insurance are much more readily replaced at the garage. See P.E. Tracy and J.A. Fox (1989), 'A field experiment on insurance fraud in auto body repair', *Criminology*, 27 (3): pp. 589-603.

For the study on the effect of darkness and sunglasses on unethical behavior, see C. Zhong, V. Bohns, and F. Gino (2010), 'Good lamps are the best police: Darkness increases dishonesty and self-interested behavior', *Psychological Science*, 21: pp. 311-314. Researchers also observed the effect of anonymity and deindividuation in the Halloween experiment described in chapter 26. With masks, candy-stealing increased by two hundred and fifty percent. Just the idea that the children could not be recognized led them to steal more. See E. Diener, S.C. Fraser, A.L. Beaman, and R.T. Kelem (1976), 'Effects of deindividuation variables on stealing among Halloween trick-or-treaters', *Journal of Personality and Social Psychology*, 33: pp. 178-183.

The phenomenon of 'ironic processes of mental control' is described in D.M. Wegner, M. Ansfield, and D. Pilloff (1998), 'The putt and the pendulum: Ironic effects of the mental control of action', *Psychological Science*, 9: pp. 196-199.

It appears that people behave differently if others can see what they are up to. Research shows that 90 percent of students washed their hands if another person was present when they went to the toilet, whereas when no one else was present the figure was less than 20 percent. At the same time the so-called floodlight effect can lead to people thinking that others see more than they actually see. This effect was researched by Tom Gilovich and colleagues. The participants were required to wear a garishly offensive t-shirt in the company of others. The subjects thought on average that 46 percent of those present had noticed their t-shirt, when in fact only 23 percent had noticed. See T. Gilovich, V. Husted Medvec, and K. Savitsky (2000), 'The spotlight effect in social judgment: An egocentric bias in estimates of the salience of one's own actions and appearance', *Journal of Personality and Social Psychology*, 78 (2): pp. 211-222; and T. Gilovich, J. Kruger, and V. Husted Medvec (2002), 'The spotlight effect revisited: Overestimating the manifest variability of our actions and appearance', *Journal of Experimental Social Psychology*, 38: pp. 93-99.

## **41. Deceptive appearances: moral self-fulfillment and the compensation effect**

For Nina Mazar and Chen-Bo Zhong's research on consumers lying and stealing more after buying sustainable products, see N. Mazar and C. Zhong (2010), 'Do green products make us better people?' *Psychological Science*, 21 (4): pp. 494-498.

Recent research described by Richard Wiseman in his book *Quirkology* (2007) shows that more than 50 percent of the western population believe that clean-shaven men are more honest than men with beards.

For John Stewart's research showing that good-looking men receive lighter punishments for the same crimes, see J.E Stewart II (1980), 'Defendants' attractiveness as a factor in the outcome of trials', *Journal of Applied Social Psychology*, 10, pp. 348-361.

For a meta-analysis of research into people's inability to tell from a person's exterior whether they are lying, see C.F. Bond Jr. and B.M. DePaulo (2008), 'Individual differences in judging deception: Accuracy and bias', *Psychological Bulletin*, 134 (4): pp. 477-492.

For the study on the time taken over lying, see A.P. Gregg (2007), 'When vying reveals lying: The timed antagonistic response alethiometer', *Applied Cognitive Psychology*, 21: pp. 621-647.

For research showing that cheats are remembered longer, see L. Mealy, C. Daood, and M. Krage (1996), 'Enhanced memory for faces of cheating', *Ethology and Sociobiology*, 17: pp. 119-128; and D. Chiappe and A. Brown (2004), 'Cheaters are looked at longer and remembered better than cooperators in social exchange situations', *Evolutionary Psychology*, 2, pp. 108-120.

## **42. Perverse effects of transparency: moral licensing and the magnetic middle**

For research on the perverse effects of publicizing conflicts of interest, see D.M. Cain, G. Loewenstein, and D.A. Moore (2005), 'The dirt on coming clean: Perverse effects of disclosing conflicts of interest', *Journal of Legal Studies*, 34: pp. 1-25.

For Wesley Schultz and colleagues' research on the effect of social norms on energy use, see P.W. Schultz, J.M. Nolan, R.B. Cialdini, N.J. Goldstein, and V. Griskevicius (2007), 'The constructive, destructive, and reconstructive power of social norms', *Psychological Science*, 18: pp. 429-434. Transparency over salaries also tends to drive them up rather than down. In my inaugural lecture, *De Open Onderneming* (The Open Enterprise, 2003), I pointed to a number of moral risks and limits of transparency.

### **43. A problem shared is a problem halved: communication theory**

For research on the effect of discussion groups on dietary change, see K. Lewin (1947), 'Group decision and social change', in T.M. Newcomb and E.L. Hartley (eds.), *Readings in Social Psychology* (New York: Holt): pp. 330-344.

Communication theory has been explained among others by R.T. Craig (1999), 'Communication theory as a field', *Communication Theory*, 9 (2): pp. 161–199. Mienieke Weenig and Cees Midden show that when it comes to energy saving people are motivated by social interaction in their neighborhood. See M.W.H. Weenig and C.J.H. Midden (1991), 'Communication network influences on information diffusion and persuasion', *Journal of Personality and Social Psychology*, 61 (5): 734-742. Other research shows that instructions from peers are more effective than instructions from superiors. Luepker and colleagues have demonstrated this in reducing smoking. See R.V. Luepker, C.A. Johnson, D.M. Murray, and T.F. Pechacek (1983), 'Prevention of cigarette smoking: Three-year follow-up of an education program for youth', *Journal of Behavioral Medicine*, 6 (1): pp. 53-62.

For the study by Charles Lord and colleagues showing that people who are forced to consider a different way of seeing things make better decisions, see C.G. Lord, M.R. Lepper, and E. Preston (1984), 'Considering the opposite: A corrective strategy for social judgment', *Journal of Personality and Social Psychology*, 47 (6): pp. 1231-1243.

For research showing that a simple question can lead to different behavior, see A.G. Greenwald, C.G. Carnot, R. Beach, and B. Young (1987), 'Increasing voting behavior by asking people if they expect to vote', *Journal of Applied Psychology*, 72 (2): pp. 315-318; V.G. Morwitz, E. Johnson,

and D. Schmittlein (1993), 'Does measuring intent change behavior?', *Journal of Consumer Research*, 20 (1): pp. 46-61; and J. Levav and G.J. Fitzsimons (2006), 'When questions change behavior', *Psychological Science*, 17: pp. 207-213.

Many experiments show that participation in decision making leads to more commitment and enjoyment in implementing decisions, even when this relates to difficult activities or really horrible tasks, such as eating worms. See for example I. Janis and L. Mann (1977), *Decision Making* (New York: Free Press).

#### **44. What you see is not what you say: group pressure and conformity**

For Solomon Asch's experiment, see S.E. Asch (1955), 'Opinions and social pressure', *Scientific American*, 193 (5): pp. 31-35. Stanley Milgram's experiment (chapter 18) related to obedience to authority, whereas Asch's experiment was about conformity with peers.

Rob Bond conducted a meta-analysis of 125 studies on the relationship between group size and conformity. See R. Bond (2005), 'Group size and conformity', *Group Processes & Intergroup Relations*, 8 (4): pp. 331-354.

For follow-up research into the effect of one dissident on conformity, see V.L. Allen and J.M. Levine (1971), 'Social support and conformity: The role of independent assessment of reality', *Journal of Experimental Social Psychology*, 7: pp. 48-58.

#### **45. Explaining, speaking out and letting off steam: pressure build-up under thought-suppression**

Jerald Greenberg's research on the effect of communication on theft was published as J. Greenberg (1990), 'Employee theft as a reaction to underpayment inequity: The hidden costs of pay cuts', *Journal of Applied Psychology*, 75 (5): pp. 561-568.

For research into the health risks of thought suppression, see K.J. Petri, R.J. Booth, and J.W. Pennebaker (1998), 'The immunological effects of thought suppression', *Journal of Personality*

and *Social Psychology*, 75 (5): pp. 1264-1272. Not thinking about something also takes energy. See for example R. Ochipinti, E. Somersalo, and D. Calvetti (2010), 'Energetics of inhibition: Insights with a computational model of the human gabaergic neuron–astrocyte cellular complex', *Journal of Cerebral Blood Flow & Metabolism*, 30: pp. 1834–1846.

## **46. Blow the whistle and sound the alarm: the bystander effect and pluralistic ignorance**

For the study by John Darley and Bibb Latané on the bystander effect, see J.M. Darley and B. Latané (1968), 'Bystander intervention in emergencies: Diffusion of responsibility', *Journal of Personality and Social Psychology*, 8 (4): pp. 377-383; and B. Latané and J.M. Darley (1970), *The Unresponsive Bystander: Why doesn't he help?* (Englewood Cliffs: Prentice Hall). The verbatim text of the person who was taken ill during the experiment was, 'I-er-um-I think I-I need-er-if-if could-er-er-somebody er-er-er-er-er-er give me a little-er-give me a little help here because-er-I-er-I'm-er-er-h-having a-a-a real problem-er-right now and I-er-if somebody could help me out it would-it would-er-er s-s-sure be-sure be good . . . because-there-er-er-a cause I-er-I-uh-I've got a-a one of the-er-sei er-er-things coming on and-and-and I could really-er-use some help so if somebody would-er-give me a little h-help-uh-er-er-er-er-er c-could somebody-er-er-help-er-uh-uh-uh [accompanied by choking sounds]. . . . I'm gonna die-er-er-I'm . . . gonna die-er-help-er-er-seizure-er- [another choking sound and then silence].'

The reasons for bystander apathy discussed in this chapter also feature in the review article B. Latané and S. Nida (1981), 'Ten years of research on group size and helping', *Psychological Bulletin*, 89 (2): pp. 308-324.

A substantial body of other research has been conducted on bystander apathy, varying from smoke in a waiting room, people dropping things and finding objects in the street. See, for example, R. Wiseman (2007), *Quirkology: The curious science of everyday lives*, (London: Pan Macmillan). The studies show that the more cities grow the less people help one another. Explanations for this include the overload of information in larger cities, anonymity and loneliness, and the faster pace of life. An interesting question is whether this also applies to organizations: does bystander apathy increase the bigger an organization is?

















