Preface

Cheating more for less: Upward social comparisons motivate the poorly compensated to cheat

Leslie K. John a,⁎, George Loewenstein b, Scott I. Rick c

a,⁎ Harvard Business School, United States
b Department of Social and Decision Sciences, Carnegie Mellon University, United States
c Ross School of Business, University of Michigan, United States

ARTICLE INFO

Article history:
Received 30 June 2012
Accepted 21 August 2013

Accepted by Maureen Ambrose, Scott Reynolds and Marshall Schminke

Keywords:
Dishonesty
Decision making
Social comparison
Fairness
Pay secrecy

ABSTRACT

Intuitively, people should cheat more when cheating is more lucrative, but we find that the effect of performance-based pay-rates on dishonesty depends on how readily people can compare their pay-rate to that of others. In Experiment 1, participants were paid 5 cents or 25 cents per self-reported point in a trivia task, and half were aware that they could have received the alternative pay-rate. Lower pay-rates increased cheating when the prospect of a higher pay-rate was salient. Experiment 2 illustrates that this effect is driven by the ease with which poorly compensated participants can compare their pay to that of others who earn a higher pay-rate. Our results suggest that low pay-rates are, in and of themselves, unlikely to promote dishonesty. Instead, it is the salience of upward social comparisons that encourages the poorly compensated to cheat.

© 2013 Elsevier Inc. All rights reserved.

Introduction

Employee dishonesty comes in many forms – from high-powered executives who engage in insider trading to wage workers who over-report hours. While the latter may, superficially, appear less troublesome, widespread low-stakes cheating can add up to substantial losses (Mazar & Ariely, 2006). For example, the phenomenon of “inventory shrinkage” (losses partly attributable to employee dishonesty, such as the misuse of employee discounts) costs retailers billions of dollars annually. And beyond small acts of dishonesty themselves, once people take a step down an unethical road, subsequent steps gradually become easier, and the magnitude of the violations larger (Gino & Bazerman, 2009; Lifton, 1986; Milgram, 1963). Thus, understanding contextual factors that encourage cheating at low-stakes is important.

We examine how economic incentives and fairness concerns interact to influence low-stakes cheating. Some have characterized dishonesty as an economic choice, arguing that it will be more prevalent as its benefits increase, controlling for the probability and costs of getting caught (Becker, 1974). For example, teachers are more likely to inflate students’ grades as the financial incentives for doing so increase (Jacob & Levitt, 2003), and several laboratory studies have observed positive relationships between lying or cheating and the magnitude of incentives (Gneezy, 2005; Gneezy, Rockenback, & Serra-Garcia, 2013). Thus, when the benefits of dishonesty are positively correlated with pay-rate, those earning higher wages may be more likely to cheat than those earning less, because they have more to gain.

Material gain undoubtedly plays an important role in unethical activity. However, there is mounting evidence that psychological factors also matter, and that dishonesty is not simply the result of economic cost/benefit analysis. For example, fairness concerns can be a better predictor of employee dishonesty than self-interest (Gino & Pierce, 2010b), suggesting that they may be important in determining the relationship between pay-rate and dishonesty. Relatedly, individuals who recall an instance of unfairness or lose a computer game for unfair reasons subsequently behave more selfishly (Zitek, Jordan, Monin, & Leach, 2010), though it is unclear whether this pattern would extend to unethical behavior.

One source of workplace unfairness, or at least an indicator of it, is differential pay-rates for similar work. While such differences often exist for reasons that people find justifiable and fair – for example, differences in job tenure – less justifiable wage gaps also exist, such as gender differences attributed to discrimination. A psychological account might therefore predict that low wage earners, upon discovering that others earn more for doing the same work, will feel a sense of unfairness, and may be more likely to behave dishonestly to level the playing field. Thus, given salient inter-personal comparisons, a psychological account of dishonesty might predict increased dishonesty among low wage-earners, even...
though they have less opportunity to profit from dishonesty than their higher-earning colleagues.

In this paper we examine how pay-rate affects dishonesty. We do so in a context in which the material benefits of dishonesty are perfectly positively correlated with pay-rate, pitting economic and psychological predictions against each other and showing when and why each prevails. We hypothesize that the relationship between pay level and dishonesty depends on how readily a person can compare themselves to others who are earning different rates of pay. When this comparison is not salient, consistent with the economic account, we predict greater cheating when it is more lucrative – i.e., at higher pay-rates. However, when people can readily compare their own rate of pay to that of others doing the same work, we predict greater cheating among those earning lower rather than higher pay-rates. The next section discusses the theoretical basis for our predictions.

Theoretical framework

Organizational behavior scholars have devoted much attention to the role of compensation in employee satisfaction and performance. Much of this work has focused on understanding the antecedents of self-reported pay satisfaction (e.g., whether actual pay level or pay relative to comparable others better predicts pay satisfaction), using hypothetical scenarios or surveys of employees (e.g., Card, Mas, Moretti, & Saiz, 2012; Harris, Anseel, & Lievens, 2008; Tashchian, & Jourdan, 2006; Sweeney & McFarlin, 2005; Williams, McDaniel, & Nguyen, 2006). A number of predictors of pay satisfaction have been identified, with the difference between the amount of pay employees think they should receive and the amount they actually receive being one of the stronger predictors (Williams et al., 2006).

In addition, some research has examined the influence of pay dissatisfaction on actual workplace performance. Ambrose, Seabright, and Schminke (2002) examined the extent to which perceptions of distributive injustice (largely a function of the extent to which one’s pay is perceived to be fair) helped to explain a wider range of self-reported organizational sabotage behaviors (e.g., aggression, incivility, vandalism). Ambrose et al. (2002, p. 960) found that perceptions of distributive injustice were positively “associated with sabotage behavior aimed at restoring equity.” Pay relative to peers can also help to explain performance by NHL players (Trevor, Reilly, & Gerhart, 2012) and accident rates and on-time deliveries among truck drivers (Kepes, Delery, & NHL players (Trevor, Reilly, & Gerhart, 2012) and accident rates and on-time deliveries among truck drivers (Kepes, Delery, & NHL players (Trevor, Reilly, & Gerhart, 2012) and accident rates and on-time deliveries among truck drivers (Kepes, Delery, & NHL players (Trevor, Reilly, & Gerhart, 2012) and accident rates and on-time deliveries among truck drivers (Kepes, Delery, & NHL players (Trevor, Reilly, & Gerhart, 2012) and accident rates and on-time deliveries among truck drivers (Kepes, Delery, & NHL players (Trevor, Reilly, & Gerhart, 2012) and accident rates and on-time deliveries among truck drivers (Kepes, Delery, & NHL players (Trevor, Reilly, & Gerhart, 2012)).

Ambrose et al. (2002) have found that perceptions of distributive injustice are positively associated with sabotage behavior aimed at restoring equity. Pay relative to peers can also help to explain performance by NHL players (Trevor, Reilly, & Gerhart, 2012) and accident rates and on-time deliveries among truck drivers (Kepes, Delery, & NHL players (Trevor, Reilly, & Gerhart, 2012) and accident rates and on-time deliveries among truck drivers (Kepes, Delery, & NHL players (Trevor, Reilly, & Gerhart, 2012) and accident rates and on-time deliveries among truck drivers (Kepes, Delery, & NHL players (Trevor, Reilly, & Gerhart, 2012) and accident rates and on-time deliveries among truck drivers (Kepes, Delery, & NHL players (Trevor, Reilly, & Gerhart, 2012)).

In their experiments, participants were randomly paired, and each partner’s initial wealth endowment was orthogonally manipulated. One of the partners was then randomly assigned to solve anagrams; the other was assigned to grade the solver’s work and could behave dishonestly by over- or understating the solver’s score. Wealth-based inequity affected dishonesty such that poor graders dishonestly hurt wealthy solvers (by understating solvers’ scores), even when they incurred a financial cost by doing so (Gino & Pierce, 2009). This work raises the intriguing possibility that aversive (upward) social comparisons based on wealth disparities stimulate retributive dishonesty (cf. Moran & Schweitzer, 2008).

Whereas Gino and Pierce (2009) manipulated initial wealth levels, we test the effect of awareness of alternative pay-rates on cheating, holding initial wealth levels constant. We do so because, in an organizational context, cheating is more likely to be a function of differences in pay-rates than of differences in initial wealth levels. Also, we examine how social comparison processes drive unethical behavior that solely benefits the self, rather than, as in Gino and Pierce (2009), unethical behavior that affects both parties. It is important to understand how pay-rates influence unethical behavior that solely benefits oneself, since many acts of dishonesty are intended to solely benefit oneself (DePaulo, Kashy, Kirkendol, Wyer, & Epstein, 1996). Finally, although Gino and Pierce’s (2009) work is consistent with social comparison processes playing an important role in dishonesty, this conclusion cannot be made definitively because dishonesty was not measured in the absence of social comparison information. If all conditions, graders were aware of the wealth level of their solvers – making
دریافت فوری متن کامل مقاله

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان دانلود رایگان ۲ صفحه اول هر مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات