



# Doing wrong to do right? Social preferences and dishonest behavior<sup>☆</sup>



Edward N. Okeke<sup>a,\*</sup>, Susan Godlonton<sup>b,1</sup>

<sup>a</sup> RAND Corporation, 4570 Fifth Avenue, Pittsburgh, PA 15213, United States

<sup>b</sup> International Food Policy Research Institute, 2033 K St., NW Washington, DC 20006-1002, United States

## ARTICLE INFO

### Article history:

Received 16 July 2013  
Received in revised form 10 June 2014  
Accepted 27 June 2014  
Available online 8 July 2014

### JEL classification:

D01  
D64  
C93

### Keywords:

Dishonesty  
Altruism  
Pro-social preferences

## ABSTRACT

Can pro-social preferences lead to dishonest or unethical behavior? Lab evidence suggests that it can. In this paper, we document some of the first field evidence of this phenomenon. In this study, individuals were hired as field staff and tasked with distributing subsidized price vouchers following a clearly specified protocol. We find substantial deviation from the protocol, i.e., cheating. We study the mis-allocation of the vouchers to gain some insight into motivations for dishonesty. In our main result we find that the field staff were significantly more likely to allocate the higher value vouchers (those representing a greater subsidy) to the poorest beneficiaries. While we are not able to definitively establish the motivations for this observed pro-social behavior, we argue that this result is consistent with a model of social preferences and less consistent with a pure self-interest motive.

© 2014 Elsevier B.V. All rights reserved.

## 1. Introduction

Economists (and others) have long been interested in dishonest behavior. The prevailing paradigm is that of the rational self-interested cheater, a model that traces its roots back to Becker's (1968) seminal paper. The presumption is that the decision to cheat or be dishonest is a rational calculation in which the individual weighs the personal payoff to the dishonest activity against the expected costs, and is dishonest when the net payoff is positive. This model in general has done very well in explaining dishonest behavior but fails to explain some puzzling phenomena. For example, (Mazar et al., 2008) have shown that even when there are financial gains and the cost of cheating is low, the extent of cheating is much lower than the rational model would predict. In their lab based experimental setup, despite a very low probability of the experimenter

<sup>☆</sup> We would like to thank all the people that helped out on this project: in particular, Vitus Uchendu, Bankole Alabi, and Clement Adepiti. We also want to thank the staff of Arigidi primary health care center for being so hospitable. Support for this study came from the Cancer Research Fund of the University of Michigan Comprehensive Cancer Center and the Behavioral Economics Small Grants Program at the Russell Sage Foundation.

\* Corresponding author. Tel.: +1 412 683 2300.

E-mail addresses: [eoake@rand.org](mailto:eoake@rand.org) (E.N. Okeke), [s.gfsodlonton@cgiar.org](mailto:s.gfsodlonton@cgiar.org) (S. Godlonton).

<sup>1</sup> Tel.: +1 202 862 5600.

discovering that they had cheated,<sup>2</sup> the level of cheating was only 20% of the possible maximum.<sup>3</sup> Another puzzling finding is that people are dishonest even when there are no monetary benefits to them, and costs are non-trivial. Examples include lying to a supervisor/manager to 'cover-up' for a friend, or a manager overstating the performance of an employee (Gino and Pierce, 2009). Kremer and Chen (2001) discuss a program to combat school teacher absenteeism in Kenya in which teachers who came to work regularly were rewarded with bicycles. On paper, the program appeared to be working very well, but unannounced monitoring visits revealed that absenteeism rates had not changed, and the headmaster was (dishonestly) recording teachers as present so that they could receive the bicycle.

In this paper, we explore other (non-traditional) motivations for dishonest behavior. Of particular interest to us is the extent to which pro-social motives may help to explain cheating. Newer theoretical models incorporating pro-social preferences – see (Rabin, 1993) and (Charness and Rabin, 2002) for models of reciprocity; and (Andreoni, 1990), and (Andreoni and Miller, 2002) for models of altruism – have been tested in numerous lab experiments and repeatedly demonstrate that concepts such as altruism, fairness and reciprocity are important in human interactions, and that human beings care about more than just maximizing their own personal payoffs (Rabin, 1998), (Andreoni et al., 2008), (Fehr and Gächter, 2000). These theories have however only been applied in a limited way to the study of dishonest behavior – see for example (van Winden and Ash, 2012). (Mazar and Ariely, 2006) have argued for richer models of dishonest behavior that include considerations such as social utility and concern for others.

There is some recent laboratory evidence that pro-social preferences may play an important role in dishonest behavior. In experiments carried out by (Gino et al., 2013), participants were asked to solve a set of matrices,<sup>4</sup> and received \$0.50 for each matrix solved correctly within a fixed time period. Some participants were assigned one or more partners with whom they would split the winnings. In one of the treatment arms, subjects were told to shred their answer sheets – in other words, participants were paid based only on their reported performance (there was no verification). The authors found that not only were participants more likely to cheat when someone else benefited, they also found that the level of cheating was greater when more people stood to benefit (people in a larger vs. smaller team). They attribute this (in part) to participants caring about the benefits that their actions created for others. (Gino and Pierce, 2009) and (Wiltermuth, 2011) have also documented similar findings in the lab. As (Levitt and List, 2007) have argued however, one needs to exercise caution in generalizing from behavior in the lab to behavior in the field.

In this paper we provide some of the first field evidence of pro-social dishonest behavior (consistent with lab findings). We make use of a data collection process that incorporated the distribution of discounted price vouchers for health care screening. Field staff (hereafter referred to as interviewers) were required to follow a strict randomization protocol in distributing the vouchers to recipients, however we found substantial deviation from the protocol, i.e., cheating. By studying the misallocation of the price vouchers, we gain some unique insights into dishonest behavior in a real world setting. We combine data on the observed distribution of price vouchers, with data on the characteristics of the interviewers, and data on the characteristics of beneficiaries, to study potential explanations for the observed dishonest behavior. The first allows us to construct statistical measures of dishonesty (based on a test of equality between the expected and the realized price distributions), the second allows us to study the determinants of dishonesty, and the third allows us to examine the characteristics of individuals that benefited from the subverted allocation. We find that the field staff were significantly more likely to (mis)allocate the lowest price vouchers to the poorest individuals. While we are not able to definitively establish the motivations for this observed pro-social behavior, we argue that this result is consistent with a model of social preferences and less consistent with a pure self-interest motive.

Dishonesty is often hidden and therefore difficult to measure, making it a difficult phenomenon to study (Olken and Pande, 2012).<sup>5</sup> Part of the contribution of this study is that we can construct statistical measures of dishonesty: by combining this with rich survey data on the beneficiaries, we can learn something about the motivations of the dishonest agents. This approach is similar in spirit to (Besley et al., 2012) who study allocation of Below the Poverty Line (BPL) cards in India and show that after controlling for wealth, education, and asset-based eligibility, politicians were significantly more likely to own a BPL Card.<sup>6</sup> In contrast with the prevailing paradigm regarding the nature of corruption, we document novel evidence of the allocation mechanism being misappropriated not to benefit the elite, but to benefit the poor.

<sup>2</sup> In one of their lab experiments, study participants were asked to take a multiple-choice test and promised ten cents for every correct answer. In the treatment group, participants were given an answer sheet with the correct answer marked and asked to transfer their answers to this sheet and sum up the number of right answers. If their answer was different than the correct answer, the participant could either choose to record their answer knowing it was wrong (and potentially sacrificing 10 cents) or change their answer and record the right answer. In one of the treatment arms participants could even shred both the test sheet and the answer sheet and then pay themselves out of a large jar of money without interacting with the experimenter at all.

<sup>3</sup> In a real world example, a study carried out by the New York City Taxi and Limousine Commission found that New York City taxi drivers overcharged riders by secretly flipping switches on their meters that allowed them to charge rates that would normally apply only to trips outside the five boroughs (Barbaro, 2010). The scheme involved 1.8 million rides and cost passengers an average of \$4 to \$5 extra per trip. What is interesting however is that this was only 0.5% of all trips over the 26 month time span. The probability of being caught would have had to be implausibly high to account for this very low propensity to cheat; alternatively the penalty for being caught would need to be large.

<sup>4</sup> Each matrix included a different set of 12 three-digit numbers and participants had five minutes to find two numbers per matrix that added up to ten.

<sup>5</sup> Studies of dishonest behavior include (Nagin et al., 2002) who examine false claims of donations by call center operators, and (Godlonton, 2010) who examines petty cash theft. See also (Sequeira and Djankov, 2010), (Olken and Barron, 2009), and (Svensson, 2003).

<sup>6</sup> The BPL card program entitled households to buy food below market prices.

متن کامل مقاله

دریافت فوری ←

**ISI**Articles

مرجع مقالات تخصصی ایران

- ✓ 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