

# Behavioural Ethics

**BPV\_IEBE\_2021**

**April 22, 2021**

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## Tommaso Reggiani

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Lecturer in Economics

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### Research Interests:

Behavioural & Experimental Economics, Public Economics, Ethics & Economics

*My studies mainly focus on the promotion of virtuous behaviour and prosocial preferences - both at individual and organisational/community level - as well as their interactions with economic and psychological incentives (cooperation, trust, giving, compliance, voluntarism, public goods, social capital).*

### Secondary Affiliations:

[IZA - Institute of labour economics](#) | research fellow

[Masaryk University - MUEEL lab](#) | research associate

### News & Updates - #twitter: [@tommasoreggiani](#)

--R&R *Journal of Public Economics*: "Broadband Internet and social capital" [\[link\]](#)

--Games - special issue on "Donors' Contributions in Settings with Multiple Options" [\[link\]](#)

-- new WP: "The political cost of lockdown's enforcement mimeo" [\[link\]](#)



"hoy es el día"  
(Victor Hugo Peña)

"...quella competenza e quel rigore che i poveri meritano"  
(don Mario Antonelli)

"vivere la montagna mi ha insegnato anche che il coraggio non deve essere sempre l'ultimo cosa che abbiamo, e lo paura nemmeno la prima"  
(Manolo)

"quando condivido il mio kayak, non lo divido. lo moltiplico"  
(Josefa Idem)

"Dio ha un piano per te, suonalo!"  
(Alessandro Bergonzoni)

"anche solo una parola può cambiare la tua vita"  
(Jean-Paul Hernandez S.J.)

"la fatica non è mai spreco. soffi i sogni"  
(Pietro Paolo Mennea)

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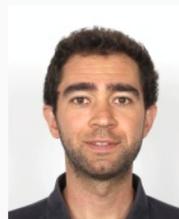
### Institutional web pages

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## Main references for this class

- Bazerman, M. H., & Gino, F. (2012). **Behavioral ethics: Toward a deeper understanding of moral judgment and dishonesty.** *Annual Review of Law and Social Science*, 8, 85-104.
- Irlenbusch, B., & Villeval, M. C. (2015). **Behavioral ethics: how psychology influenced economics and how economics might inform psychology?.** *Current Opinion in Psychology*, 6, 87-92.
- Gino, F. (2015). **Understanding ordinary unethical behavior: Why people who value morality act immorally.** *Current Opinion in Behavioral Sciences*, 3, 107-111.
- Sezer, O., Gino, F., & Bazerman, M. H. (2015). **Ethical blind spots: Explaining unintentional unethical behavior.** *Current Opinion in Psychology*, 6, 77-81.

# Ethics & (behavioural) Economics

## Corporate Frauds and Scandals



→ Individual moral responsibilities:  
cheating, stealing, bribing...

# Moral Dilemma...

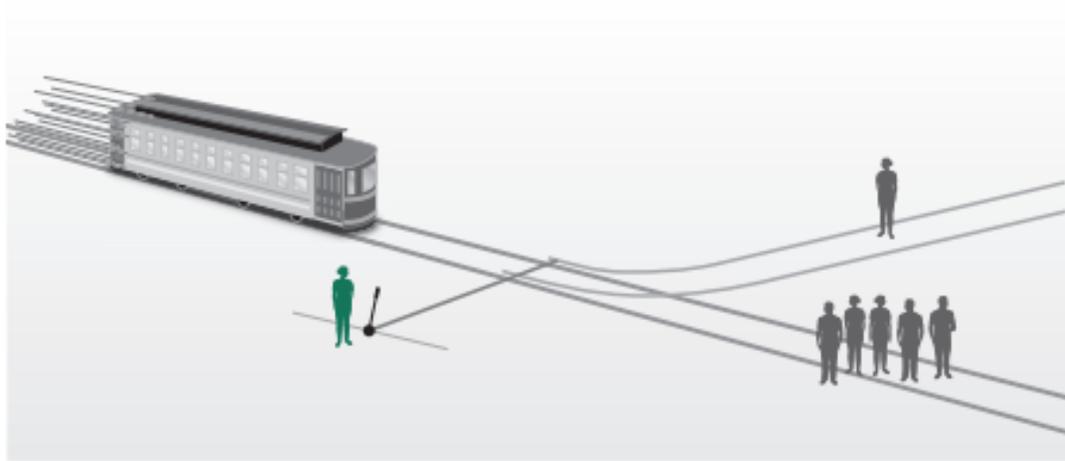


Figure 1  
The trolley problem.

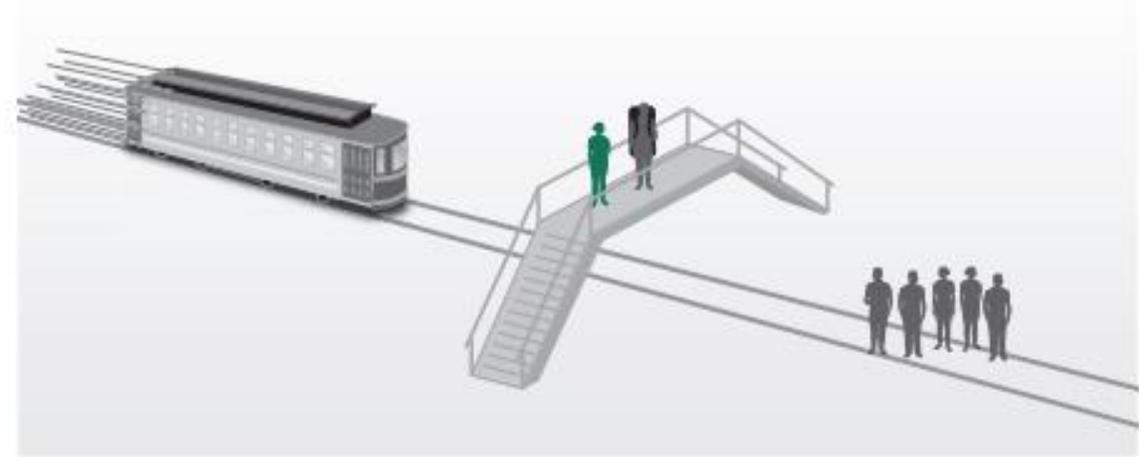


Figure 2  
The footbridge problem.

# Consequentialist

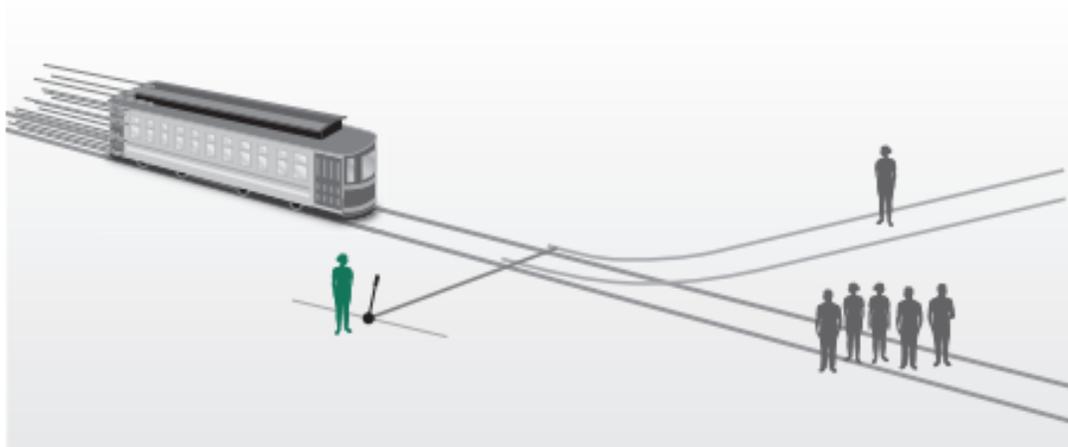


Figure 1  
The trolley problem.

→ outcomes  
utilitarianism (Bentham)

# Deontologist



Figure 2  
The footbridge problem.

→ intentions  
morals (Kant)



NYT Health @NYTHealth · Mar 20

Many bioethicists have a problem with how Europe halted use of the AstraZeneca vaccine. Keeping the vaccine available would have allowed people "to consensually protect themselves from a big risk by taking a very small one."



Europe's Vaccine Ethics Call: Do No Harm and Let More Die?  
Ethicists are worried about the gamble Germany took to halt AstraZeneca doses over seven cases of blood clots. It will not be the la...  
[nytimes.com](https://www.nytimes.com)

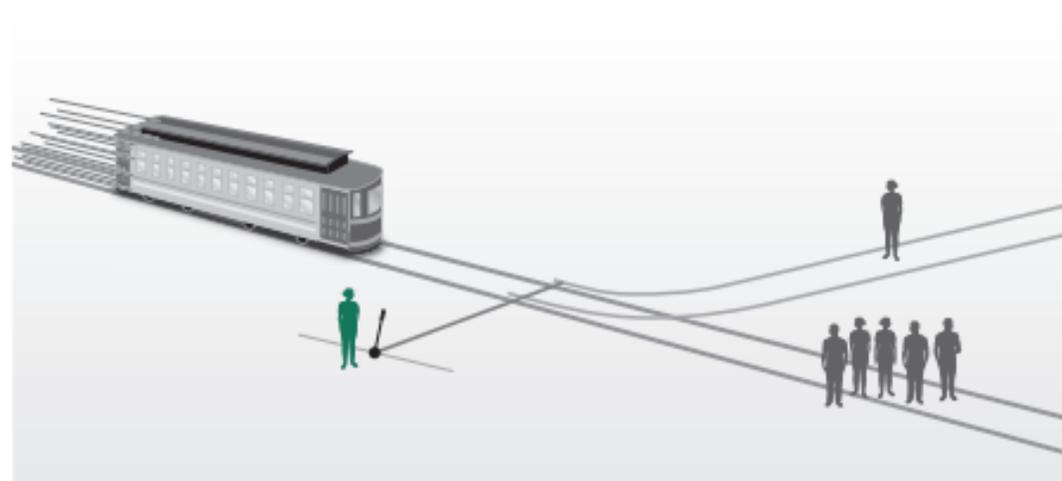
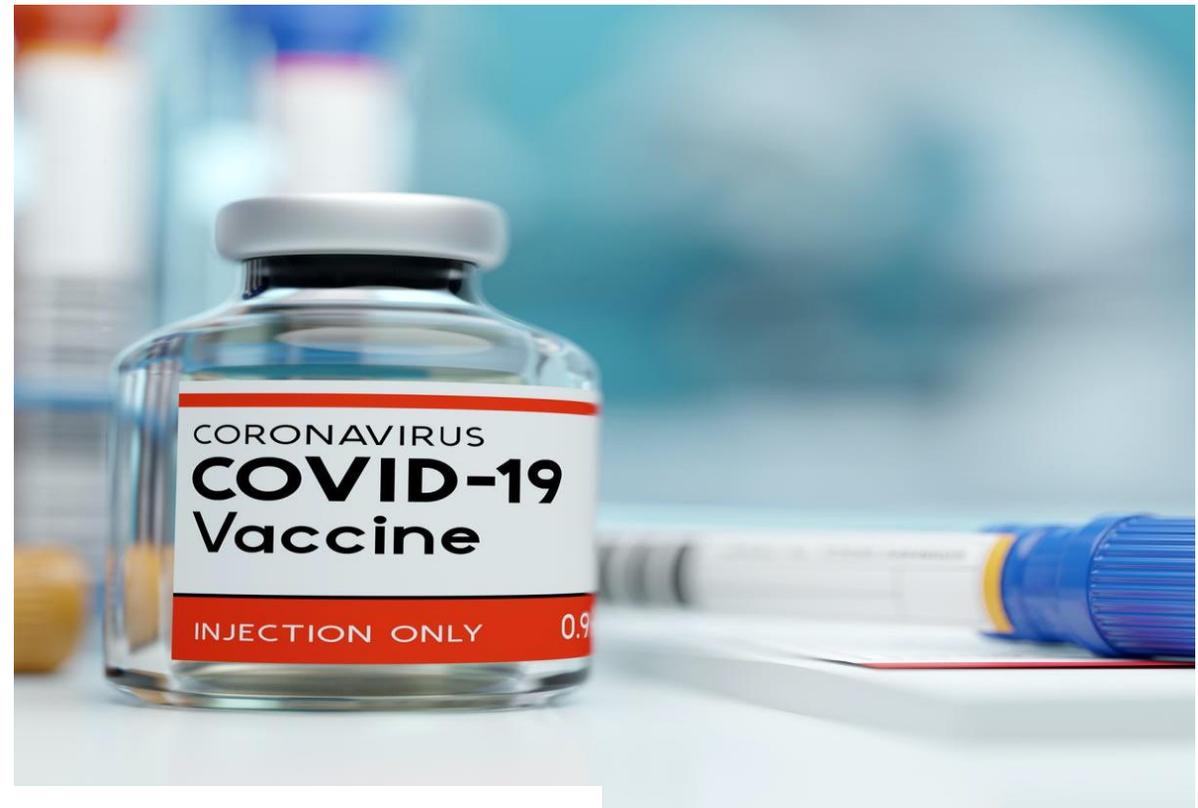


Figure 1  
The trolley problem.

**Business Ethics**  
**VS**  
**Behavioural Ethics**

# Business Ethics

- It's about how 'business agents' should behave
- It's mainly grounded on classical philosophical reflections
  - Theoretical approach
  - Normative perspective
  - “ethical sophistication” through philosophical reflection/exercise

# ...does it work in this way?

*Philosophical Psychology*  
Vol. 22, No. 6, December 2009, 711–725

 Routledge  
Taylor & Francis Group

## Do ethicists steal more books?

Eric Schwitzgebel

*If explicit cognition about morality promotes moral behavior then one might expect ethics professors to behave particularly well. However, professional ethicists' behavior has never been empirically studied. The present research examined the rates at which ethics books are missing from leading academic libraries, compared to other philosophy books similar in age and popularity. Study 1 found that relatively obscure, contemporary ethics books of the sort likely to be borrowed mainly by professors and advanced students of philosophy were actually about 50% more likely to be missing than non-ethics books. Study 2 found that classic (pre-1900) ethics books were about twice as likely to be missing.*

*Keywords: Ethics; Kohlberg; Moral Reasoning; Morality; Reason*

**Table 1** Data from study 1 (obscure books).

	Ethics	Non-Ethics
Titles	126	149
Holdings	4,964 (39.4/title)	5,628 (37.8/title)
Off shelf	778 (6.17/title)	910 (6.11/title)
Delinquent	94 (0.75/title)	91 (0.61/title)
Missing	66 (0.52/title)	52 (0.35/title)
Within period as % of holdings	13.8%	14.6%
<i>Delinquent</i>		
As % of holdings	1.9%	1.6%
As % of off shelf	12.1%	10.0%
<i>Overdue</i>		
As % of holdings	0.6%	0.7%
As % of off shelf	3.6%	4.3%
<i>Missing</i>		
As % of holdings	1.3%	0.9%
As % of off shelf	8.5%	5.7%

# Behavioral Ethics

- Fairly recent field of academic research

*Behavioral ethics addresses the study of systematic and predictable ways in which individuals make (un)ethical decisions and judge the ethical decisions of others, ways that are at odds with intuition and the benefits of the broader society*

- Empirically grounded
- Psychologically informed
- Positive analysis (non-judgmental approach)

→ experimental philosophy + social psychology + behavioral/exp. Economics

- Behavioral Ethics ... moral dilemmas
  - behavioral decision theory : trade-offs between good and bad

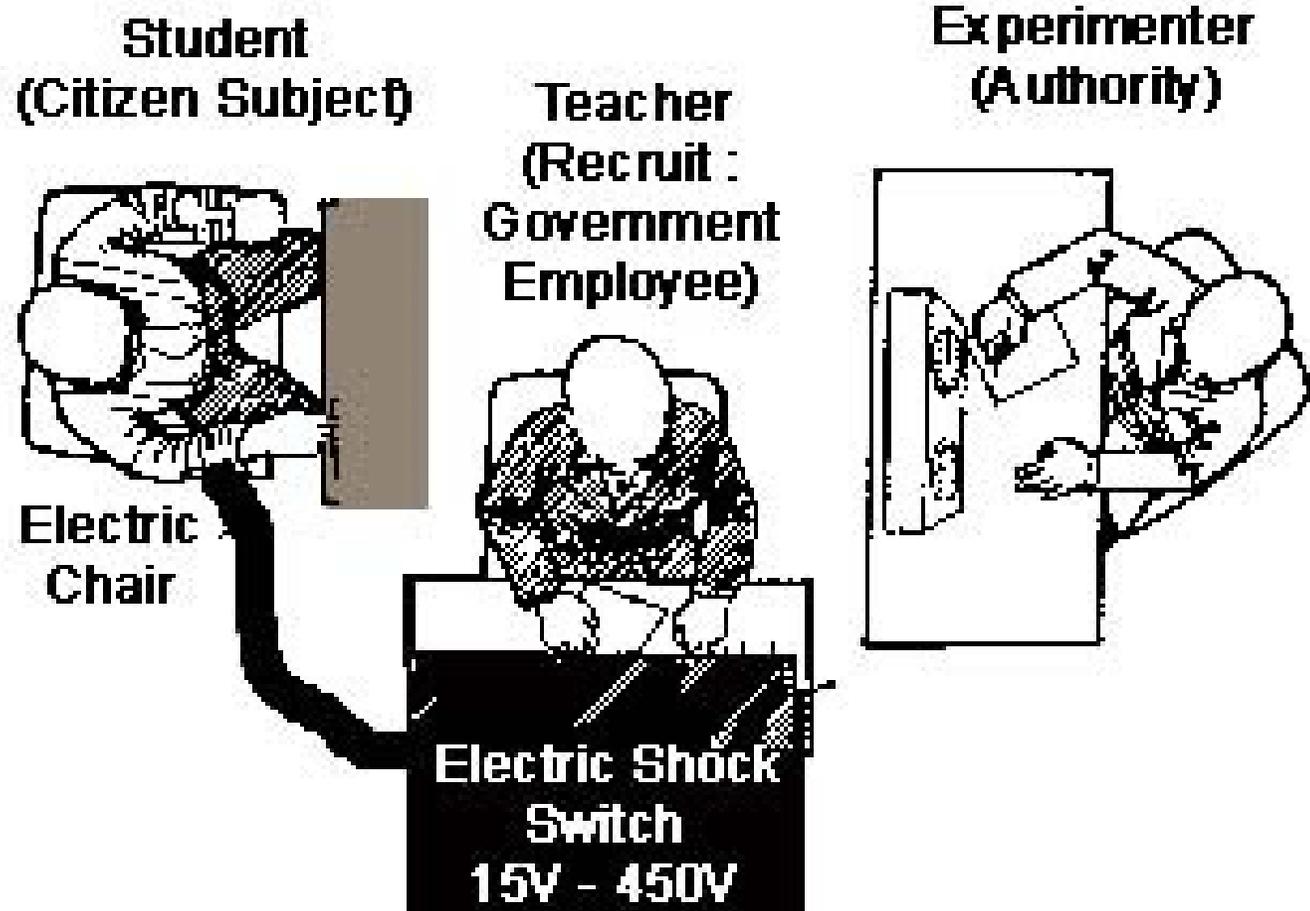
? What are the **factors** that affect this trade-off ?

→ *Moral Malleability*

# \* Authority

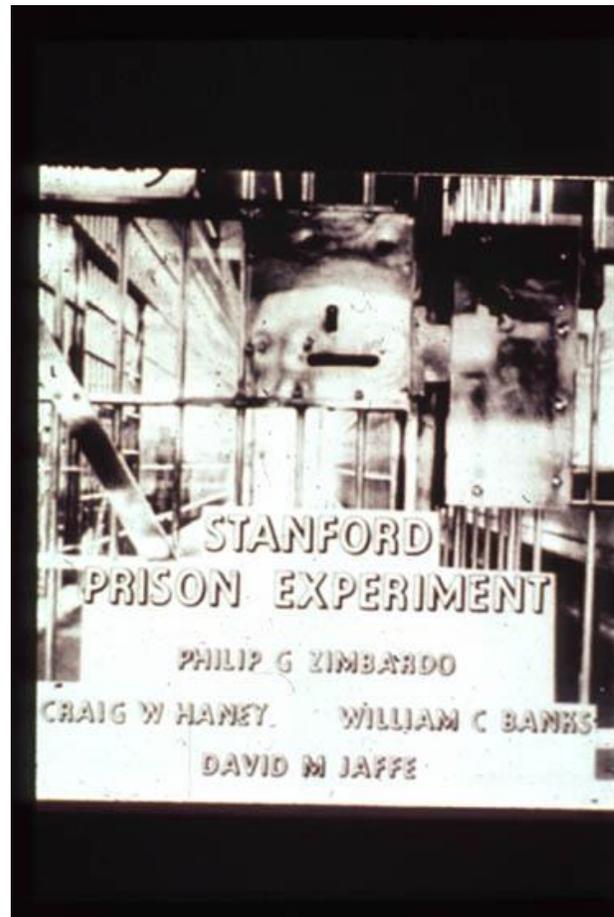
Milgram 1974

→ Torture



## Zimbardo 1971

→ Stanford Prison Experiment (2 weeks...)



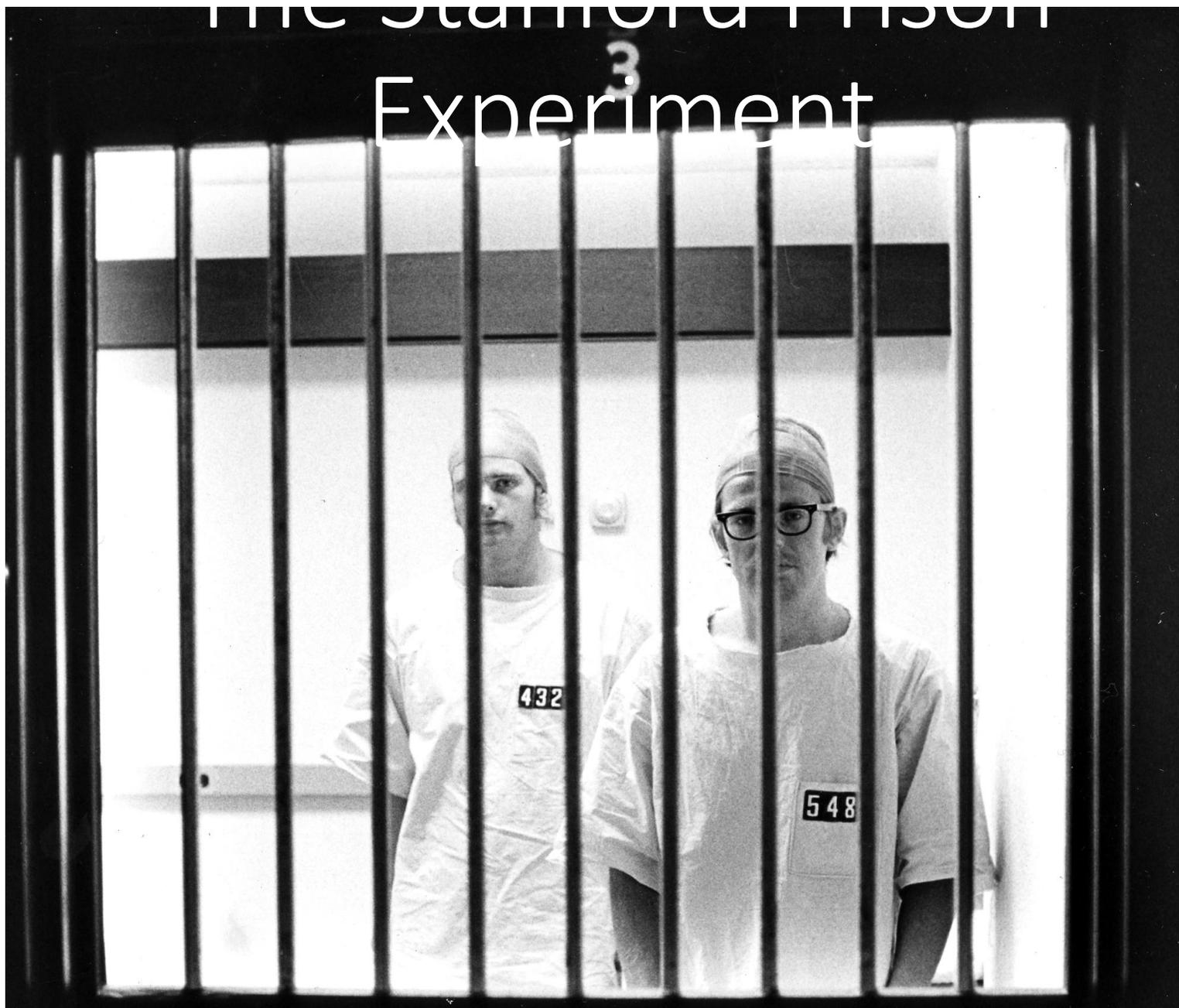


Stanford Prison Experiment, 1971



Stanford Prison Experiment, 1971

# The Stanford Prison Experiment



August 15-21, 1971

FBI No.		ULN 8012		W	
SIGNATURE OF PERSON FINGERPRINTED				HT.	
1150 BYRON FAWCETT				DATE OF BIRTH	
RESIDENCE OF PERSON FINGERPRINTED				6-13-49	
OCCUPATION		CONTRIBUTOR'S NO.	LEAVE THIS SPACE BLANK		
STUDENT					
GLASS AND MARKS	AMPUTATION	PLACE OF BIRTH	CLASS		
NONE	—				
SIGNATURE OF OFFICIAL TAKING FINGERPRINTS		CITIZENSHIP	REP.		
DATE		<input type="checkbox"/> CHECK IF NO RECORD IS DESIRED			
1. RIGHT THUMB	2. RIGHT INDEX	3. RIGHT MIDDLE	4. RIGHT RING	5. RIGHT LITTLE	
6. LEFT THUMB	7. LEFT INDEX	8. LEFT MIDDLE	9. LEFT RING	10. LEFT LITTLE	
LEFT FOUR FINGERS TAKEN SIMULTANEOUSLY			CLEANED BY	RIGHT FOUR FINGERS TAKEN SIMULTANEOUSLY	
LEFT THUMB	RIGHT THUMB				

Stanford Prison Experiment, 1971



Stanford Prison Experiment, 1971



Stanford Prison Experiment, 1971



Stanford Prison Experiment, 1971

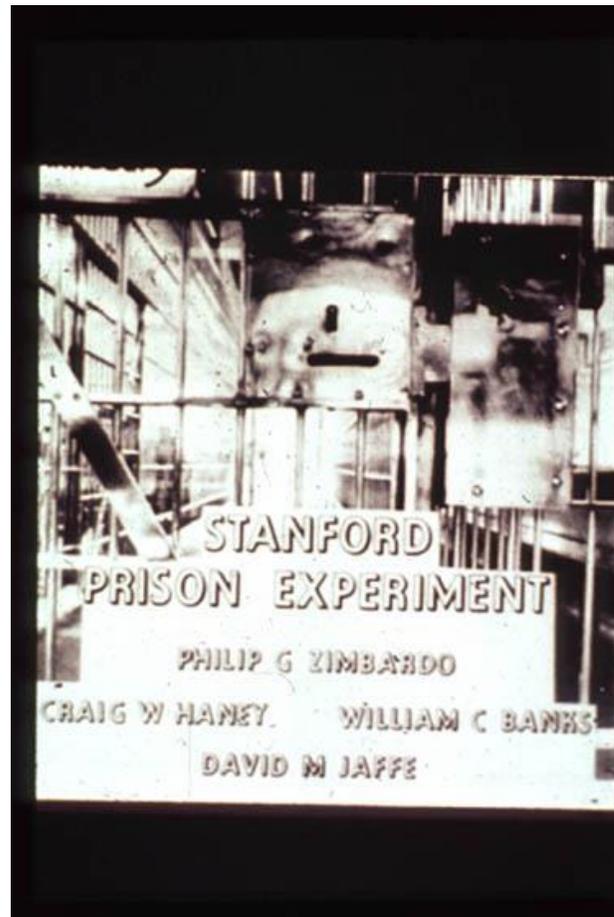


Stanford Prison Experiment, 1971

Created from the original slide show conceived, designed and executed by Philip Zimbardo and Greg White with the technical assistance of Don Johann, and produced by Philip G. Zimbardo,

## Zimbardo 1971

→ Stanford Prison Experiment (2 weeks...)



# \* Anonymity

*Research Article*

## Contagion and Differentiation in Unethical Behavior

The Effect of One Bad Apple on the Barrel

Francesca Gino,<sup>1</sup> Shahar Ayal,<sup>2</sup> and Dan Ariely<sup>2</sup>

<sup>1</sup>University of North Carolina at Chapel Hill and <sup>2</sup>Duke University

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**ABSTRACT**—*In a world where encounters with dishonesty are frequent, it is important to know if exposure to other people's unethical behavior can increase or decrease an individual's dishonesty. In Experiment 1, our confederate cheated ostentatiously by finishing a task impossibly quickly and leaving the room with the maximum reward. In line with social-norms theory, participants' level of unethical behavior increased when the confederate was an in-group member, but decreased when the confederate was an out-group member. In Experiment 2, our confederate instead asked a question about cheating, which merely strengthened the saliency of this possibility. This manipulation decreased the level of unethical behavior among the other group members. These results suggest that individuals' unethicality does not depend on the simple calculations of cost-benefit analysis, but rather depends on the social norms implied by the dishonesty of others and also on the saliency of dishonesty.*

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## Task

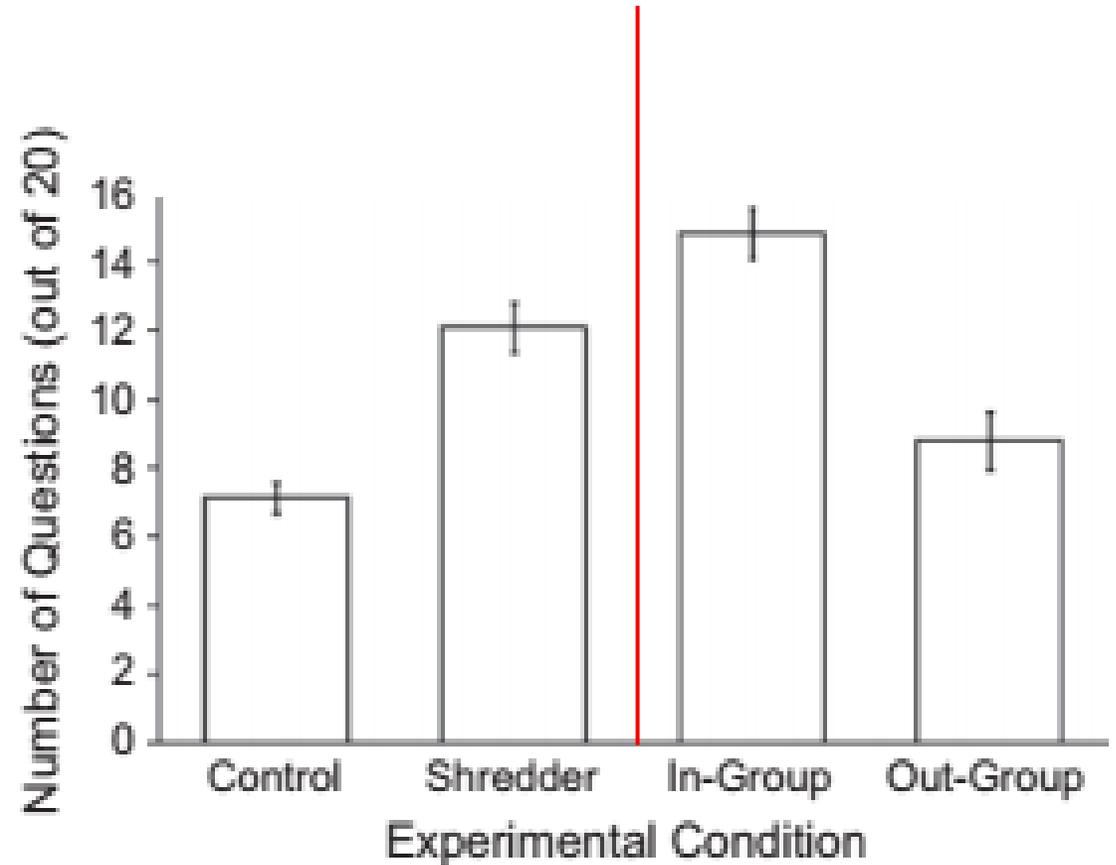
8.19	6.46	1.62
8.29	2.91	2.03
2.73	7.89	9.86
6.21	3.54	3.18

Found it

**Figure 3**

An example of the add-to-ten problem-solving task.

## Results



**Fig. 1.** Number of problems reported to have been solved correctly in Experiment 1 as a function of experimental condition. Error bars represent standard errors.

# \* Intermediation

Organizational Behavior and Human Decision Processes 109 (2009) 134–141



Contents lists available at [ScienceDirect](#)

Organizational Behavior and Human Decision Processes

journal homepage: [www.elsevier.com/locate/obhdp](http://www.elsevier.com/locate/obhdp)



## Dirty work, clean hands: The moral psychology of indirect agency

Neeru Paharia<sup>a</sup>, Karim S. Kassam<sup>b,\*</sup>, Joshua D. Greene<sup>b</sup>, Max H. Bazerman<sup>a</sup>

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### ARTICLE INFO

#### Article history:

Received 8 August 2008

Accepted 18 March 2009

Available online 19 April 2009

Accepted by Xiao-Ping Chen

#### Keywords:

Ethics

Indirect agency

Moral psychology

Decision-making

### ABSTRACT

When powerful people cause harm, they often do so indirectly through other people. Are harmful actions carried out through others evaluated less negatively than harmful actions carried out directly? Four experiments examine the moral psychology of indirect agency. Experiments 1A, 1B, and 1C reveal effects of indirect agency under conditions favoring intuitive judgment, but not reflective judgment, using a joint/separate evaluation paradigm. Experiment 2A demonstrates that effects of indirect agency cannot be fully explained by perceived lack of foreknowledge or control on the part of the primary agent. Experiment 2B indicates that reflective moral judgment is sensitive to indirect agency, but only to the extent that indirectness signals reduced foreknowledge and/or control. Experiment 3 indicates that effects of indirect agency result from a failure to automatically consider the potentially dubious motives of agents who cause harm indirectly. Experiment 4 demonstrates an effect of indirect agency on purchase intentions.

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A major pharmaceutical company, X, had a cancer drug that was minimally profitable. The fixed costs were high and the market was limited. But, the patients who used the drug really needed it. The pharmaceutical was making the drug for \$2.50/pill (all costs included), and was only selling it for \$3/pill. The pharmaceutical firm raised the price of the drug from \$3/pill to \$9/pill, thus increasing the value of the drug to company X by \$10million.

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# \* Depletion

Journal of Experimental Social Psychology 45 (2009) 594–597



Contents lists available at ScienceDirect

Journal of Experimental Social Psychology

journal homepage: [www.elsevier.com/locate/jesp](http://www.elsevier.com/locate/jesp)



## FlashReport

### Too tired to tell the truth: Self-control resource depletion and dishonesty

Nicole L. Mead<sup>a,\*</sup>, Roy F. Baumeister<sup>a</sup>, Francesca Gino<sup>b</sup>, Maurice E. Schweitzer<sup>c</sup>, Dan Ariely<sup>d</sup>

<sup>a</sup>Department of Psychology, Florida State University, 1107 W. Call Street, Tallahassee, FL 32306-4301, USA

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## ARTICLE INFO

### Article history:

Received 3 November 2008

Revised 18 December 2008

Available online 20 February 2009

### Keywords:

Dishonesty

Self-control

Motivation

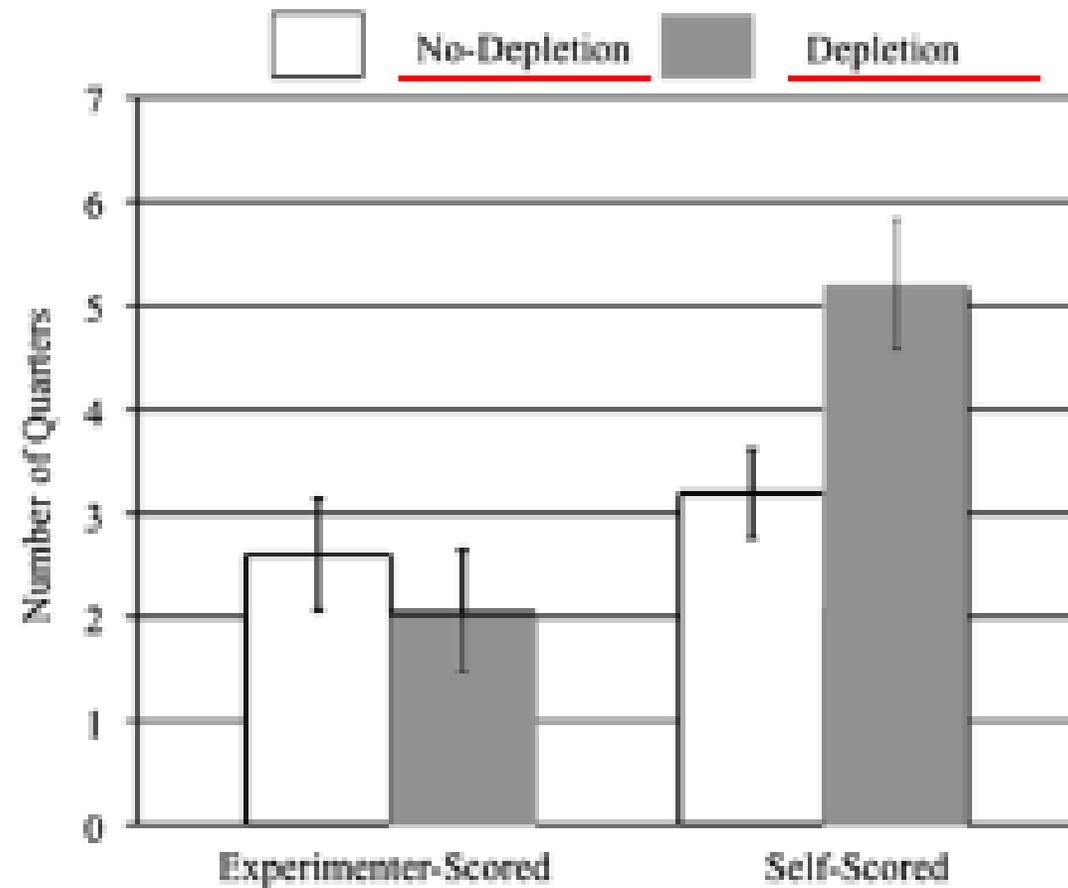
Prosocial behavior

## ABSTRACT

The opportunity to profit from dishonesty evokes a motivational conflict between the temptation to cheat for selfish gain and the desire to act in a socially appropriate manner. Honesty may depend on self-control given that self-control is the capacity that enables people to override antisocial selfish responses in favor of socially desirable responses. Two experiments tested the hypothesis that dishonesty would increase when people's self-control resources were depleted by an initial act of self-control. Depleted participants misrepresented their performance for monetary gain to a greater extent than did non-depleted participants (Experiment 1). Perhaps more troubling, depleted participants were more likely than non-depleted participants to expose themselves to the temptation to cheat, thereby aggravating the effects of depletion on cheating (Experiment 2). Results indicate that dishonesty increases when people's capacity to exert self-control is impaired, and that people may be particularly vulnerable to this effect because they do not predict it.

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- Depletion
- System 1 vs System 2
- “moral muscle”
- honesty



**Fig. 1.** Number of quarters taken by participants for performance on a matrix task as a function of depletion condition and cheating condition (Experiment 1). Error bars represent standard errors.

# “Bounded Ethicality” *(...bounded rationality)*

## # In-group discrimination

Messick (1994) argues that mortgage loan discrimination against minorities is much more likely to result from lenders' unconscious favoritism toward in-groups than from explicit hostility toward out-groups.

[http://articles.chicagotribune.com/1994-03-01/news/9403010062\\_1\\_minority-applications-credit-worthiness-discrimination](http://articles.chicagotribune.com/1994-03-01/news/9403010062_1_minority-applications-credit-worthiness-discrimination)

# # Moral balance

**Nisan's (1991) moral balance model** suggests that people compute a personal moral balance based on their actions that are morally relevant within a given time frame and do not go below their minimum. At any point, good deeds raise the balance and bad ones lower it.

**Monin & Miller (2001)** conducted experiments in which they found that **a prior moral act can license later morally questionable behavior**. In one study, participants were presented with job selection tasks. In one such task, half the participants could select a stellar **African American** applicant and thus establish nonracist credentials. The other half of the participants were in a control condition and were asked to pick from an all-**white** applicant pool. Compared with participants in the control condition, participants in the **black-candidate** condition were more likely to express that a second, unrelated job in a police force would be better suited for a **white** person.

...Christmas donations



# # Moral Hypocrisy & Incomplete lying

(social image concerns)

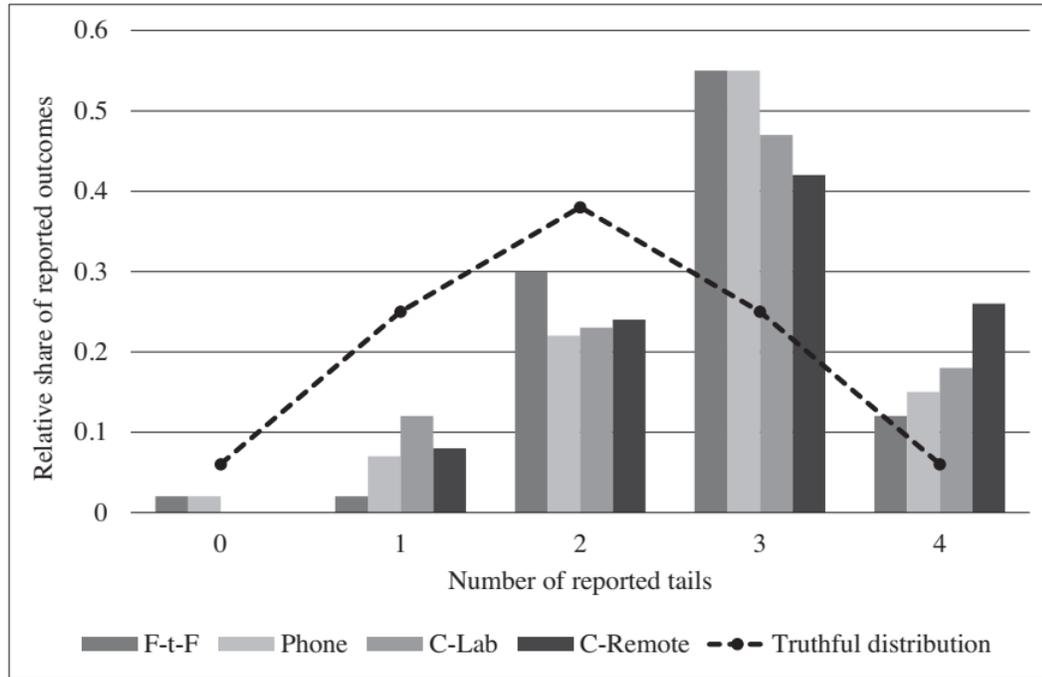


Fig. 1. Relative share of reported outcomes by treatment. Notes: Based on  $N = 246$  observations.



- Toss the coin for 5 times
- You'll get 1 EUR each time you self-report "tail"
- 4 out of 5 "tail"...

*To know more on this topic...*

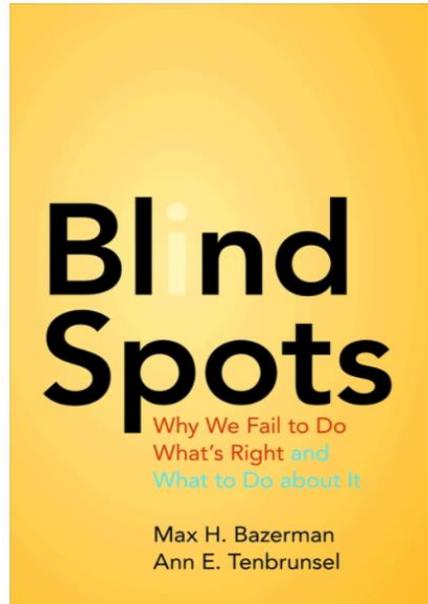


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Economics & Finance

*Blind Spots: Why We Fail to Do What's Right and What to Do about It*

Max H. Bazerman and Ann E. Tenbrunsel



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youtube.com/watch?v=k9Xs2qNldBw

YouTube GB cologne bazerman

**Bounded Ethicality**  
Prof. Max Bazerman, Harvard Business School

EUROPEAN CONFERENCE  
COLOGNE 2012  
SEPTEMBER 12-15

0:09 / 1:01:27

Bounded Ethicality // Max Bazerman at the European Conference Cologne 2012

2,106 views • Oct 2, 2012

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