

Bounded Ethicality: The Core Argument, with Implications for Management Education, Consumer Research and Research More Broadly

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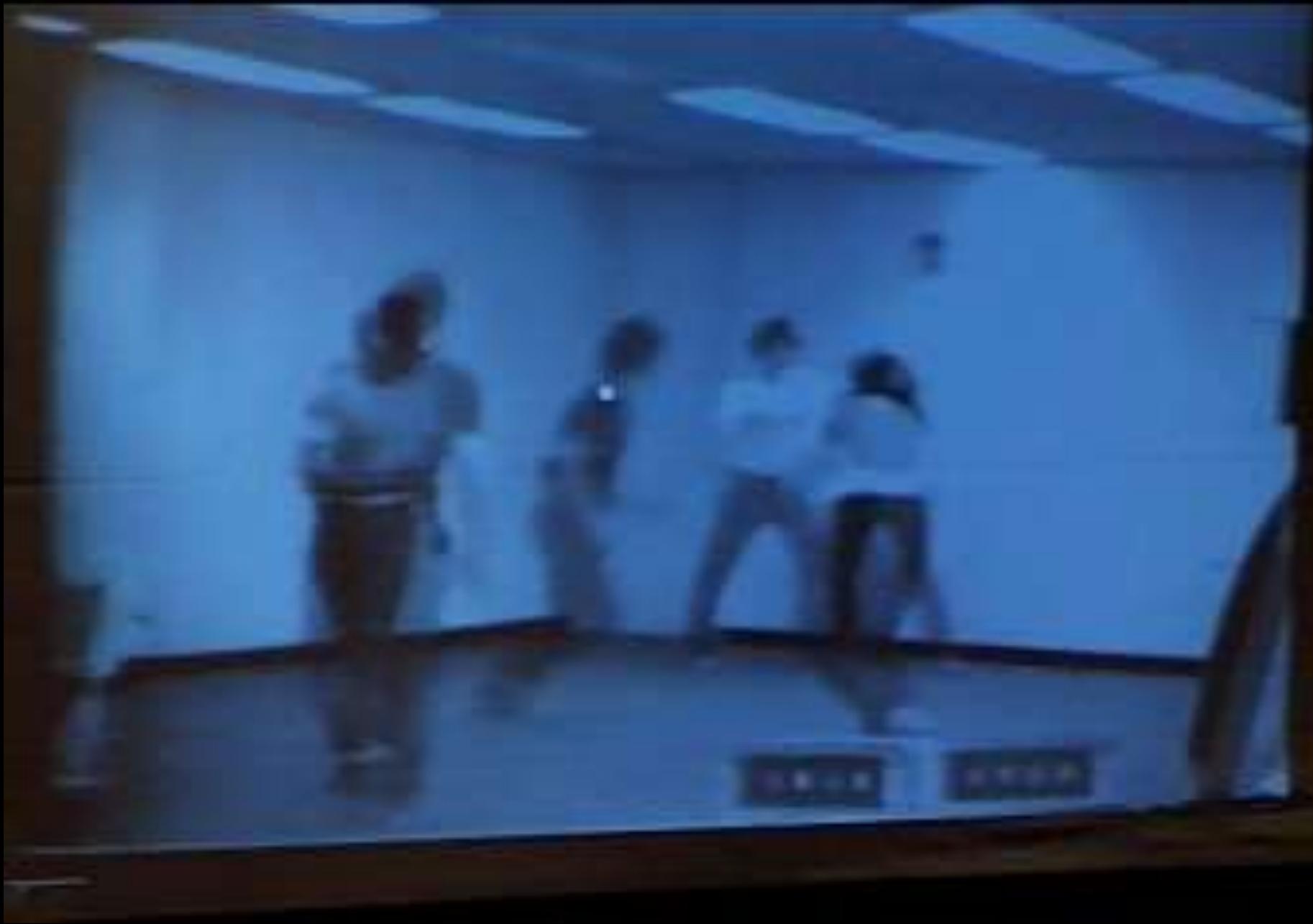
Based on my collaborations with Mahzarin Banaji, Dolly Chugh, Francesca Gino, Joshua Greene, Karim Kassam, George Loewenstein, Don Moore, Neeru Paharia, Lisa Shu, and Ann Tenbrunsel

New Book: Blind Spots, Bazerman and Tenbrunsel, Princeton University Press, 2011

And, inspiration from the recent work of: Simmons/Nelson/Simonsohn and John/Loewenstein/Prelec

Bounded Decision Making

- **Bounded Rationality**
- **Bounded Willpower**
- **Bounded Self-Interest**
- **Bounded Awareness**



Bounded Decision Making

- **Bounded Rationality**
- **Bounded Willpower**
- **Bounded Self-Interest**
- **Bounded Awareness**
 - **Bounded Ethicality**

Bounded Ethicality

Banaji and Bhaskar, 2000; Brief, Dietz, Cohen, Pugh, and Vaslow, 2000; Murnighan, Cantelon, & Elyashiv, 2001; Banaji, Bazerman, and Chugh, 2003

Chugh, Bazerman, and Banaji (2005) definition

Bounded ethicality refers to the systematic and predictable ways in which humans act unethically beyond their own awareness.

Today's Talk

- 1) **Quick overview of bounded ethicality of the focal actor**
- 2) **Quick overview of boundedness in noticing the ethicality of others**
- 3) **An example of nudging ethical behavior**
- 4) **Implications for teaching ethics**
- 5) **Application of bounded ethicality to consumer research**
- 6) **The bounded ethicality of researchers**
- 7) **Responding to our (researcher) bounded ethicality**

Boundedness in Your Ethicality

(Overviews: Banaji, Bazerman, and Chugh, 2003:
Chugh, Bazerman, and Banaji, 2005)

- 1) **Implicit Attitudes (lots of work by Banaji, Greenwald et al.)**
- 2) **In-group/Out-group Biases (Messick op-ed)**
- 3) **Discounting the Future (Wade-Benzoni, 1999, 2002; Bazerman and Watkins, 2008)**
- 4) **Overclaiming Credit (Ross and Sicoly, 1979; Caruso, Epley, and Bazerman, 2006; Epley, Caruso, and Bazerman, 2006)**
- 5) **Moral Disengagement (*Bandura, 1986, 1990; Paharia and Deshpande, 2009; Shu, Gino, and Bazerman, 2009*)**
- 6) **Greater Unethical Behavior under a Loss Frame than under a Gain Frame (*Kern and Chugh, 2009*)**

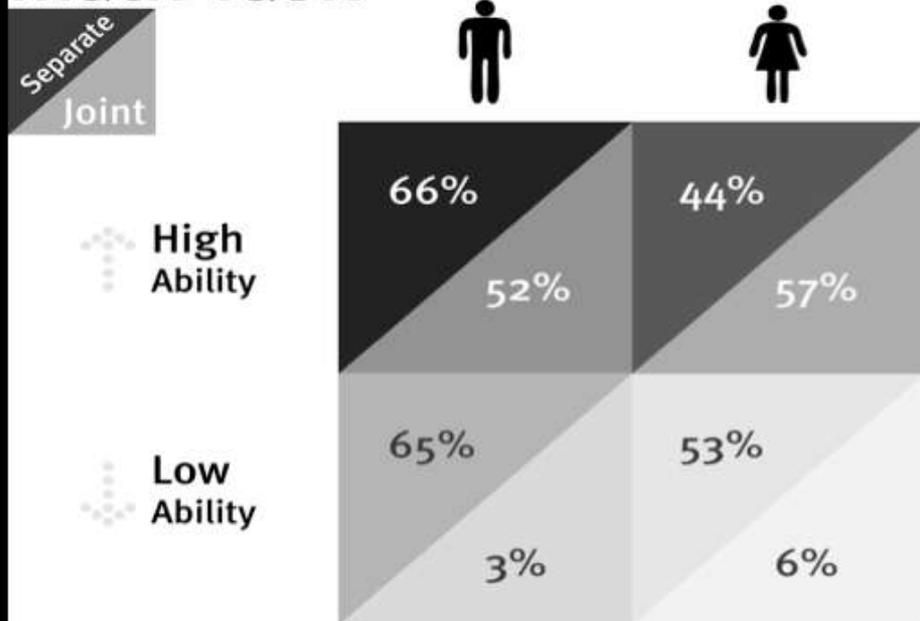
Boundedness in Noticing the Ethicality of Others

- 1) **Motivated blindness (Chugh and Bazerman, 2007; Moore, Tanlu, and Bazerman, 2010; Bazerman and Tenbrunsel, 2011; Brooks, 2011)**
- 2) **Outcome bias in judging ethics (Baron and Hershey, 1988; Gino, Moore, and Bazerman, 2012)**
- 3) **Slippery slope (*Gino and Bazerman, 2009*)**
- 4) **Indirect blindness in judging unethical behavior (*Paharia, Kassam, Greene, and Bazerman, 2009; Coffman, 2011*)**

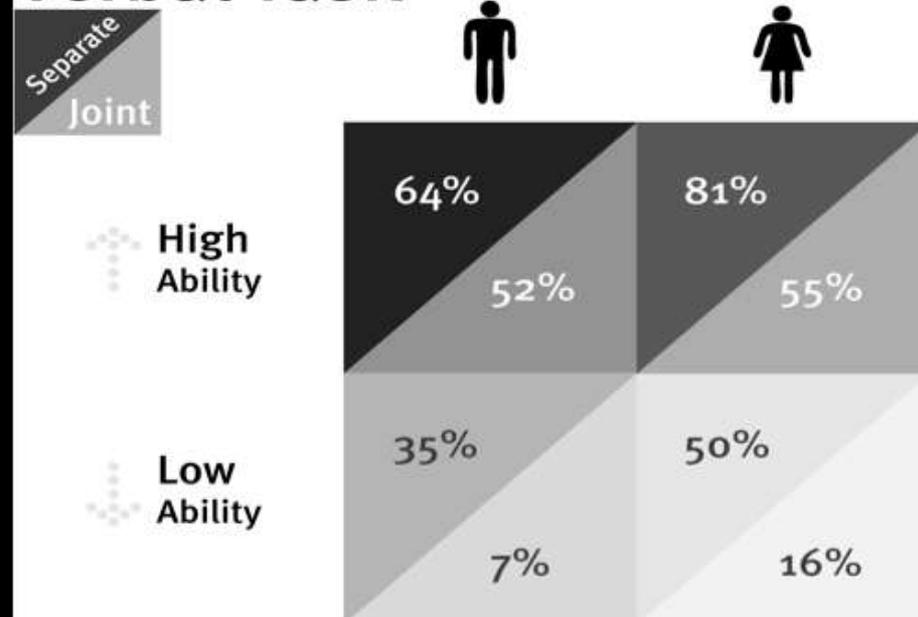
Nudging Ethical Behavior

Bohnet, Van Geen, and Bazerman (almost a working paper)

Math Task



Verbal Task



Bounded Ethicality and Education

Past approaches

- 1) preaching**
- 2) teaching philosophy**
- 3) exposure to 20-30 cases on managerial ethics**

Proposed new direction: Refocus ethics education in management schools on the psychology of the behavior of typical MBA students, not on the intentional unethical behavior of rare circumstances.

Bounded Ethicality and Consumer Research

Partially based on: Bazerman, M.H. Consumer Research for Consumers. Journal of Consumer Research, 2001, 27, 499-504.

“Straw man” about our ethics: “I do basic research, which is apolitical”.

Choices:

DV: Buy/not buy versus making a rational consumer decision

Routine vs. non-routine: cereal/soda versus house/car/retirement/savings/health

The Bounded Ethicality of Researchers

Inspired by:

John, Leslie K., George Loewenstein, and Drazen Prelec.
Measuring the Prevalence of Questionable Research Practices with Incentives for Truth-telling. *Psychological Science* (forthcoming).

Simmons, Joseph P., Leif D. Nelson and Uri Simonsohn.
False-Positive Psychology : Undisclosed Flexibility in Data Collection and Analysis Allows Presenting. *Psychological Science*, 2011 22: 1359.

John et al.'s 10 questionable research practices

- 1) Failing to report all of a study's dependent measures
- 2) Deciding whether to collect more data after looking to see whether the results were significant
- 3) Failing to report all of a study's conditions
- 4) Stopping collecting data earlier than planned because one found the result that one had been looking for
- 5) Rounding off a p value (e.g. reporting that a p value of .054 is less than .05)
- 6) Selectively reporting studies that 'worked'
- 7) Deciding whether to exclude data after looking at the impact of doing so on the results
- 8) Reporting an unexpected finding as having been predicted from the start
- 9) Claiming that results are unaffected by demographic variables (e.g., gender) when one is actually unsure (or knows that they do)
- 10) Falsifying data (note from Max: this one isn't bounded ethicality)

Simmons et al. - False Positive Psychology

- 1) **Choosing among dependent variables**
- 2) **Choosing sample size**
- 3) **Using covariates**
- 4) **Reporting subsets of experimental conditions**

Critical result: This subset of questionable research practices can dramatically affect false positives, and leads researchers, even basically honest ones, to dramatically overstate their results.

How should we respond to our bounded ethicality?

Strategy A:

- 1) **Question minor details of the methodology by John et al. and Simmons et al. – knowing full well that their basic claims are correct**
- 2) **Falsely accuse the messengers/researchers of being unethical in order to get attention**
 - 2a) **Suggest that the messengers/researchers could not even pass a basic methods class using the methodology that they used in their papers**
- 3) **Focus on rare cases where using a “questionable research practice” was justified as a means of fending off criticism for the majority of time when it is not**
- 4) **Focus on and exaggerate the costs (“you are destroying social psychology”), rather than focusing on what is needed to save the morality of social psychology**
- 5) **Justifying the suppression of the new ideas based on harming the “in-group” (keep social psychology’s secrets from the press)**
- 6) **Call for more research**

And, Strategy A Works

It is well used, and has provided massive profits for industries that have fended off ethical changes – e.g., tobacco, climate deniers, and the auditing industry (Bazerman and Tenbrunsel, 2011). Consider the strategies used by these industries to prevent ethical change.

- 1) **Question details of methods, and falsely imply that the details undermine the basic claims**
- 2) **Falsely accuse the critiques of being politically motivated**
- 3) **Suggest that there is doubt in the research community, long after the science is clear**
- 4) **Focus on and exaggerate the costs of corrective action, rather than focusing on what is needed by society**
- 5) **Justify the lack of transparency in what you do and what you know for as long as you can get away with it**
- 6) **Call for more research**

How should we respond to our bounded ethicality?

Strategy B:

- 1) **Admit that we have a problem**
- 2) **Each of us consider changes in our research practices that we need to make to be the person that we strive to be**
- 3) **Develop strategies for the field, for editors, for reviewers, and for authors**
- 4) **Develop a wise debate on which of these strategies will create a field that we can all be proud to be a member**

How should we respond to our bounded ethicality?

You have a choice

You can continue to use questionable research practices, and ignore the questionable practices of those around you, including co-authors. But, if you now do so, you are on the side of immorality. You are no longer the innocent auditor affected by ordinary psychological processes; you will now be part of the problem, like those who acted to prevent change in our accounting system. You also have choices on whether to support change by our intellectual societies and journals. I encourage you to become part of the solution, rather than an ongoing part of the problem.