Cheating, Corruption, and Concealment

The Roots of Dishonesty

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5 How moral flexibility constrains our moral compass

Francesca Gino

Dishonesty is a widespread phenomenon in today's society. The lengthy history of business scandals at organizations such as Worldcom, Enron, and Fannie Mae is well known. But misconduct is not unique to the business world. In government, in the last few years, numerous high-ranking American politicians have been forcefully or voluntarily removed from office after evidence of unethical behavior came to light. In 2002, for instance, James Traficant was expelled from the U.S. House of Representatives after being convicted on charges of bribery, racketeering, and tax evasion ("House Boots Traficant," 2002). In June 2004, Connecticut governor John G. Rowland resigned to avoid impeachment after an investigation indicated that he had received numerous inappropriate gifts from state contractors (Chedekel, 2004). Many similar cases have unfolded in subsequent years. Similarly, in professional sports, several prominent Major League Baseball players admitted before a grand jury to using illegal steroids (e.g., Mann, 2004), just months after numerous athletes from various countries were disqualified from the 2004 Olympics for similar drug infractions (Robbins, 2004). And international cycling received bad publicity because of the prevalent abuse of performance-enhancing drugs.

As these examples demonstrate, unethical behavior has had a significant negative impact on society over the years. Unethical behavior in the United States has more than tripled since 1940, as reflected in the number of white-collar crimes committed per year (FBI, 2009). Theft alone costs US organizations as much as $660 billion annually and accounts for losses equivalent to 6% of annual revenues (Meiners, 2005). Similarly, estimates suggest that companies across the globe lose about 5% of their business revenues to fraud each year (Association of Certified Fraud Examiners, 2012). A survey conducted by KPMG (2008) found that 74% of 5,065 US managers and employees had observed some form of unethical behavior in their organization. And research by the Compliance and Ethics Leadership Council (2008) conducted in large organizations in five countries shows that 16% of

respondents observed harassment, 15% observed discrimination, 11% witnessed theft, and 7% were aware of falsification of expense claims in their organization.

This evidence suggests that unethical behavior creates high organizational and societal costs, thereby influencing the functioning of organizations (Huberts, Kaptein, & Lasthuizen, 2007). In addition to the potential for large financial losses, unethical behavior can escalate and sometimes (e.g., in cases of Enron and Worldcom) even lead to the downfall of a whole organization (Cohan, 2002) or the implosion of a country's economic and political system (Bull & Newel, 2003; Della Porta & Mény, 1997). Thus, organizations and society more broadly face the challenge of preventing, detecting, and responding to misconduct (Giacalone, Jurkiewicz, & Deckop, 2008; Kidwell & Martin, 2005).

What causes unethical behavior? In this chapter, I will describe recent research in moral psychology and behavioral ethics that points to an important factor that leads people to behave unethically – namely, their ability to justify their behavior. I will focus specifically on "ordinary" unethical behavior – unethical actions committed by people who value and care about morality but behave unethically when faced with an opportunity to cheat. In fact, as moral psychology and behavioral ethics research has shown, even people who care about morality can and often do behave unethically (for a recent review of this work, see Moore & Gino, 2015). They do so through "moral flexibility": that is, by convincing themselves that their behavior is not immoral. Consistent with the work of Gino and Ariely (2012), I define moral flexibility as people's ability to justify their immoral actions by generating multiple and diverse rationales for why these actions are ethically appropriate or consistent with their moral compass. When considered cumulatively, ordinary unethical behavior causes considerable societal damage, despite people's best intentions.

Why people who value morality behave unethically

According to a common definition from Jones (1991), unethical behaviors are actions that have harmful effects on others and are "either illegal or morally unacceptable to the larger community" (p. 367), whether that is a group, an organization, or society more broadly. Based on this definition, examples of unethical behaviors include, among others, violations of ethical norms or standards (whether legal or not), stealing, lying, and cheating (Reynolds & Ceranic, 2007; Treviño, Weaver, & Reynolds, 2006). I use the term "unethical" to include cheating and actions that are dishonest, immoral, or deceptive.

Traditional economic models of crime suggest that individuals commit wrongful acts when the benefits of wrongdoing outweigh the costs (Becker, 1968; see also Jensen & Meckling, 1976; Prendergast, 1999). Based on this cost–benefit model, individuals compare the benefits of engaging in unethical behavior against the costs accrued from apprehension or conviction, discounted by the probability of being caught. A distinguishing feature of these models is their assumption that individuals act out of self-interest and consciously choose to act either ethically or unethically, depending on the ratio of benefits to costs.

Although traditional versions of these "rational" models provide a parsimonious framework for understanding individuals' unethical actions, they do not focus on social attributes that a decision maker might value, particularly the degree to which people value being honest. For example, whereas standard economic models would expect individuals to cheat to the maximum possible extent if they faced no external costs, laboratory studies repeatedly show that most individuals cheat only a little bit – and far from the maximum amount (e.g., Mazar, Amir, & Ariely 2008; Gino, Ayal, & Ariely, 2009). More specifically, they cheat to the extent they can justify their actions to themselves or to others, allowing them to maintain their self-image as good people (Gino & Ariely, 2012; Mazar et al., 2008). Beyond considering the external costs and benefits based on anticipated punishments and rewards of acting unethically, individuals' decisions to behave dishonestly also depend on the psychological costs and benefits of such behaviors (Messick & Bazerman, 1996).

Self-maintenance model of ordinary unethical behavior

Most psychological research explaining why even people who care about morality end up crossing ethical boundaries has focused on non-economic factors that may affect behavior. The self-concept maintenance model (Mazar et al., 2008; see also Mazar & Ariely, 2006) holds that unethical behavior is driven mainly by internal factors. Specifically, people want to benefit from unethical behavior while protecting their self-image. Mazar et al. (2008) suggest that people act dishonestly for self-interested reasons but not to the point that they would need to alter their image of themselves as honest and ethical. According to this internal explanation for inhibiting dishonesty, people value honesty as a core aspect of their self-concept and work to maintain it (Greenwald, 1980).

In six laboratory experiments, Mazar et al. (2008) show that self-concept maintenance is associated with honest behavior, even when dishonesty would be undetected. In their studies, Mazar et al. (2008) ask

1.69	1.82	2.91
4.67	3.81	3.05
5.82	5.06	4.28
6.36	6.19	4.57

Figure 5.1 Example of a matrix used in laboratory experiments on cheating

participants to work on a multiple-question task in which they will be paid based on their performance. The task consists of two sheets of paper: a test sheet with twenty matrices, each based on a set of twelve three-digit numbers (see Figure 5.1 for an example) and an answer sheet. Participants are given only a limited amount of time to work on the task (e.g., four minutes); their goal is to find the two numbers in each matrix that add up to 10. On the answer sheet, they are instructed to report the total number of correctly solved matrices, which determines their pay on the task. In the control conditions, participants have no opportunity to behave unethically. By contrast, in the "cheating" conditions, they do: once time is up, participants are asked to report the total number of correctly solved matrices on the answer sheet and then tear out the original test sheet from the booklet and place it with their belongings (to recycle later). Thus, participants can inflate their performance on the task in order to receive more money in the study. By comparing participants' performance in the control conditions to that of participants in the cheating conditions, Mazar et al. (2008) could draw inferences about the amount of cheating in their experiments. Using this setup, in one of their studies, Mazar et al. (2008) found that making moral standards salient to participants, either by having them recall the Ten Commandments or sign an honor code, inhibited dishonesty. Similarly, Bersoff (1999) finds that individuals are less likely to dishonestly claim extra money after being reminded of their moral code by discussing ethical dilemmas. Based on this research, Mazar et al. (2008) propose that people do not update their self-concept when committing minor acts of dishonesty, a phenomenon they refer to as the "fudge factor."

The threshold level of each person's fudge factor is influenced by other factors that can lead him or her to view dishonest behavior as legitimate. One such factor is observing desired counterfactuals, or possible alternatives to events that already have occurred (Shalvi, Dana, Handgraaf, & De Dreu, 2011a; Shalvi, Handgraaf, & De Dreu, 2011b). When people think about and observe desired counterfactuals, the contrast between fact and reality becomes smaller, which affects behavior

(Kahneman & Varey, 1990; Morris & Moore, 2000). In a cleverly designed experiment, Shalvi et al. (2011a) set up a situation in which a participant could behave dishonestly without being caught. Specifically, participants had to throw a die underneath a cup. The experimenters inserted a small hole in the bottom of the cup that allowed only the participant to see the throw. Individual participants in one group were asked to throw the die three times and told to remember and report their first throw. They were told that the other throws were intended to show them that the experimenters did not manipulate the die; in reality, this design created an opportunity to present desired counterfactuals. Participants in a second group were only able to throw the die once. Participants in both groups were told they would be paid the number of their first throw in Swiss francs when the experiment ended. So that participants would not feel pressured to be honest, both the die throw and the claimed reward were completely anonymous.

Due to this design, the experimenters could not investigate individual differences in behavior, but they could draw inferences about the overall behavior of the sample. If all participants had reported their first throw honestly, no significant differences in die results would be expected between the two groups. In reality, participants who observed two more throws to verify the die reported significantly higher die results for their first throw than did participants who only threw the die once. The finding seems to confirm the hypothesis that observing desired counterfactuals attenuates the degree to which people perceive dishonest behavior as unethical, which enhances dishonesty. In fact, when Shalvi et al. (2011b) asked participants about the ethicality of lying with or without observing counterfactuals, they found that participants perceived lying as less unethical when observing desired counterfactuals.

Observing desired counterfactuals is just one type of justification that people make for their dishonest behavior. People tend to reach the conclusions that they want to reach, and "their ability to do so is constrained by their ability to construct seemingly reasonable justifications for these conclusions" (Kunda, 1990: 480).

Motivated reasoning and the power of justifications

According to the motivated reasoning literature, people attempt to make choices that they believe they can later justify to a dispassionate observer (Kunda, 1990). In other words, people want to reduce dissonance between their actual behavior and how they think they ought to behave. Indeed, people are so averse to negative self-perception that they may

engage in an array of internal reasoning tools to avoid categorizing borderline acts as immoral or dishonest.

Schweitzer and Hsee (2002), for example, have shown that in a negotiation setting in which the costs and benefits to parties were held constant, parties' decisions to disclose private information to the other side were influenced by the "elasticity," or uncertainty, of the private information. In one study, they examined how willing parties would be to disclose harmful, privately held information when negotiating the sale of a car. Sellers were told that the car's odometer had been disconnected but that buyers would believe them if told that the actual mileage was 60,000. Sellers were then divided into two groups: The low-elasticity group was told that the car had been driven between 74,000 and 76,000 miles, and the high-elasticity group was told that the number fell between 60,000 and 90,000 (with equal probabilities within the range for each group).

According to a rational choice model of pure self-interest, sellers from both control groups will tell buyers that the mileage is only 60,000. Yet Schweitzer and Hsee found that the parties tended to disclose values higher than 60,000. More important, for our purposes, the average mileage claimed by the low-elasticity group was significantly higher than that claimed by the high-elasticity group. These results show the importance of motivated reasoning and self-serving justifications in a probabilistic setting: Sellers in the low-elasticity group who represented to buyers a mileage figure below 74,000 would know for certain that they were being deceptive; sellers in the high-elasticity group, on the other hand, could comfortably claim that the mileage was only 60,000 by convincing themselves that this figure was not a misrepresentation. Thus, in this negotiation setting, higher uncertainty regarding the actual mileage of the car allowed sellers to claim a mileage that would better serve their self-interest.

In earlier work, Hsee (1996) explained how "unjustifiable" (motivational) factors affect judgments by referring to the concept of elasticity. Hsee proposed that judgments are more likely to become biased when the relative weight that should be attributed to the justifiable factors is ambiguous. In such cases, unjustifiable factors are likely to come into play and influence people's judgment. To illustrate Hsee's proposition, one could think of a wine expert tasting two different bottles of wine for a competition in which a good friend has produced one of the bottles. If both wines have interesting qualities but their comparison is ambiguous, one showing "nice legs" in the glass and the other offering good tannins, for example, it becomes difficult for the judge to determine the relative weight that should be given to these justifiable factors. In this situation, despite knowing that the winner of the competition should not

be based on liking and sympathy, ambiguity allows the wine expert to unconsciously favor the old friend by rendering a judgment that appears to be impartial and based on justifiable factors.

Hsee's notion of elasticity is akin to Kunda's (1990) notion of reality constraints (see also Pyszczynski & Greenberg, 1987; cf. Kruglanski, 1999). Kunda suggested that in spite of being motivated to reach certain desired conclusions, decision makers still acknowledge the existence of "objective reality." When objective reality is clear and obvious, it reduces one's ability to distort judgments toward motivationally pleasing conclusions. Thus, the ambiguity that is present in the situation makes it possible and easier for people to distort judgment in a motivationally desirable direction. Clarity in the situation, instead, makes distortion difficult to accomplish.

Relatedly, in the moral domain, research has found that people show moral hypocrisy: that is, they derive value from having justifications to dishonestly benefit themselves (Batson, Kobrynowicz, Dinnerstein, Kampf, & Wilson, 1997; Batson, Thompson, Seuferling, Whitney, & Strongman, 1999). In a typical study, participants had to determine whether they or another participant would have to perform an undesirable task. They could either make the decision themselves or toss a coin. People who claimed to have based their decision on a coin toss "won" significantly more often (between 80 and 90%) than an honest toss would predict. Thus, they were able "to appear fair by flipping the coin, yet still serve self-interest by ignoring the coin" (Batson & Thompson, 2001, p. 55). This research supports the notion that people find value in appearing fair and moral: they seek a "fair" procedure (a coin toss) to justify their self-benefitting outcome to others.

Similar results have been found with children (Shaw et al., 2013). In one study, children (6–11 years old) chose how to assign a good or bad prize to themselves and another participant by either unilaterally deciding who would get each prize or by using a "fair" procedure – namely, flipping a coin in private. Older children were more likely to flip the coin than younger children, yet were just as likely as younger children to assign themselves the good prize by reporting winning the coin flip more than chance would dictate. Thus, as children grow older, they become increasingly concerned with appearing fair to others.

As noted by Shalvi et al. (2011a), additional evidence supporting the idea that people seek to appear fair while serving their self-interest comes from work on the ultimatum bargaining game, in which a proposer offers a division of a commodity (e.g., chips to be converted to money), which the responder can accept or reject. If the responder accepts the division, the commodity is divided as proposed; if the responder rejects the

division, neither party receives anything (Güth, Schmittberger, & Schwarze, 1982). In a modified version of this game, Pillutla and Murnighan (1995, 2003; see also Kagel, Kim, & Moser, 1996) provide only proposers with the value of the chips for themselves and for responders. By manipulating the value of the chips for the responders to be lower rather than equal to the value of the proposer's chips, Pillutla and Murninghan disentangle the proposer's desire to act fairly (i.e., propose offers that are fair in monetary terms) from the desire to merely appear fair (i.e., propose offers that seem fair in terms of chips offered but are actually self-serving in monetary terms). Indeed, the results show that proposers made offers that seemed fair but actually were not.

Further empirical evidence supporting the notion that justifications lead people to follow their self-interest while appearing moral comes from early work by Snyder, Kleck, Strenta, and Mentzer (1979). In their study, people had to choose one of the two rooms in which to watch a movie and fill out a questionnaire: one in which a handicapped person was present and one in which a non-handicapped person was present. When the same movie clip was being shown in both rooms, people were more likely to sit with the handicapped individual. But when different movies were being presented, creating a justification for selecting one room over the other, the majority avoided the handicapped person. Thus, giving a justification allowed and promoted more morally questionable behavior (i.e., avoiding a handicapped person).

Such work clearly indicates that people find value in appearing fair and moral in the eyes of others. But in many situations, we act in solitude and need not justify our (un)ethical behavior to anyone but ourselves. Mazar et al. (2008) demonstrated that people place value on maintaining an honest self-concept – that is, on feeling honest in addition to appearing honest. Although participants in their studies could (and did) lie anonymously, they refrained from lying to the fullest extent possible. Mazar and colleagues suggested that people have a desire to hold a positive self-image that includes viewing themselves as ethical and honest. Lying or cheating "just a bit" allows one to serve two desires: the desire to benefit financially and the desire to maintain an honest self-concept.

More generally, justifications are pieces of information that enable people to construe rule-violating behaviors as legitimate and thus engage in them without suffering psychological costs. In fact, people can continue to feel honest, even when lying a lot, as long as they have a justification for their unethical acts (Shalvi, Gino, Barkan, & Ayal, 2015). Not only are justifications an effective way to resolve ethical dilemmas, but they often come to mind even before an unethical behavior occurs (Shalvi et al., 2015). Recent research shows that coming up with

justifications for one's questionable behavior is a common and natural human process (Gino & Ariely, 2012; see also Shalvi et al., 2015).

Self-serving justifications can be viewed as a form of "moral disengagement" in which cognitive mechanisms deactivate moral self-regulation. Moral disengagement, the process by which an individual convinces himself that ethically questionable behavior is actually moral (Bandura, 1986, 1990, 1999), has been found to mediate the relationship between individuals' moral principles and unethical behaviors. Through moral disengagement, individuals can alter their perceptions of morally questionable behaviors, alleviating the cognitive dissonance that would have resulted had they engaged in a behavior that was at odds with their beliefs (Bandura, 1990; Baumeister & Heatherton, 1996; Festinger, 1957). Detert, Trevino, and Sweitzer (2008) identify individual differences (low empathy, lack of moral identity, trait cynicism, and locus of control) that are antecedents to moral disengagement, which itself mediates the relationship between individual differences and unethical decision-making.

Creativity and unethical behavior

Across cultures and societies, being able to generate novel ideas and think creatively about problems is considered an important skill for individuals and organizations. Individuals with strong creativity personality traits are able to perceive information that others cannot (Carson, Peterson, & Higgins, 2003), develop original ideas, and identify multiple solutions to a problem (Guilford, 1968, 1982). Individuals' creative problem-solving leads to new products and services, which, in turn, create jobs for other people (e.g., Sternberg, 1999a, 1999b). Similarly, new inventions, original scientific findings, and novel social programs are fundamental requirements for societies to advance and organizations to adapt to changing environments and succeed in the marketplace (Oldham & Cummings, 1996; Scott & Bruce, 1994). Organizations benefit from fostering a culture of innovation, as innovation has a positive impact on firm's performance, growth, and survivability.

Psychological research on creativity has been conducted from different perspectives (Sternberg, 1999a; Wolfradt & Pretz, 2001): some work has focused on evaluating the creativity of products and accomplishments; other work has examined the cognitive processes that lead to creative ideas and the environmental factors that influence creative thinking and problem-solving; and still other research has examined the relationship between individuals' personality and creativity. While different in their focus of interest, these approaches share a common basic premise:

because creativity leads to effective problem-solving, it should be stimulated, especially when individuals do not have a creative personality by nature.

Creativity is generally defined as the ability to produce ideas that are both novel (i.e., original, unexpected) and appropriate (i.e., useful, adaptive to task constraints) (Amabile, 1983, 1988). Notably, this definition makes no mention of ethical concerns, yet the fact that many innovative organizations have been at the center of ethics scandals suggests a possible relationship between creativity and morality. For six consecutive years, *Fortune* magazine chose Enron as America's Most Innovative Company; in 2001, this same company became the largest bankruptcy in American history (McLean & Elkind, 2003). Enron's business practices, as some noticed, were both creative and corrupt (Salter, 2008). Moreover, many instances of misconduct and corruption, from cheating on taxes and academic dishonesty to software piracy, are characterized by high levels of creativity. The ability to think creatively might allow individuals to envision original ways to break rules and find multiple reasons to justify their dishonest behavior. In response to calls from Hilton (2010) and Sternberg (2001), research has started examining the effects of creativity on moral decision-making and perceptions in a variety of ethical situations (Gino & Ariely, 2012).

Research has suggested that two main components underlie creative performance: divergent thinking (Guilford, 1968, 1982) and cognitive flexibility (Spiro & Jehng, 1990). Divergent thinking refers to the ability to develop original ideas and envision multiple solutions to a given problem. It involves thinking "without boundaries" and outside the box (Thompson, 2008, p. 226). Cognitive flexibility is the ability to restructure knowledge in multiple ways depending on changing situational demands (i.e., the complexity of the situation).

Gino and Ariely (2012) suggest that high levels of divergent thinking and cognitive flexibility are likely to be associated with unethical decision-making and dishonest behavior. Divergent thinking may help individuals develop original ways to bypass moral rules. Similarly, cognitive flexibility could help them reinterpret available information in a self-serving way (e.g., when justifying their immoral actions or choices). Thus, both a creative personality and creative thinking may lead individuals to relax their ethical standards or moral values, especially when self-interest is activated.

Gino and Ariely (2012) conducted five studies that found a link between creativity and dishonesty. Their studies showed that creativity (assessed as an individual difference) was a better predictor of dishonesty than intelligence, and that creative people (as compared to less creative

ones) more frequently engage in dishonest behavior in the workplace. More precisely, in surveys depicting real-world scenarios, Gino and Ariely (2012) found that people in departments and jobs requiring higher levels of creativity were more likely to report that they had behaved unethically in the past. Related research has found that creativity can lead to corporate espionage and employee theft (James, Clark, & Cropanzano, 1999). But it is not only a creative personality that is associated with greater unethical behavior. When people are placed in environments that encourage creativity, they are at risk of greater dishonesty. In fact, Gino and Ariely (2012) also found that people who were primed with a creative mindset were more motivated to think outside the box on a divergent-thinking test, a motivation that led to increased levels of cheating on a performance-based task. By cheating, participants were able to walk away with a larger payoff. The creative mindset increased rationales and possible justifications for cheating, and these rationales led to increased dishonesty.

All about antecedents: triggering creativity can also encourage dishonesty

As humans, we regularly come up with justifications that help us rationalize the choice to behave unethically. As I discussed, creativity can facilitate this process. This suggests that the same factors that can encourage creativity may end up also encouraging unethical behavior. Table 5.1 presents a summary of research that has examined various triggers to creative performance (see Column (1)). The same triggers (as shown in Column (2)) have also been found to promote unethical behavior. For instance, Vohs, Redden, and Rahinel (2013) showed that messy environments lead to greater creativity. In one of their experiments, participants were asked to come up with new uses for Ping-Pong balls, a task commonly used to assess creative performance. Overall, participants in the messy room generated the same number of ideas for new uses as their clean-room counterparts, but the ideas of those in the messy room were rated as more interesting and creative when evaluated by impartial judges. The researchers also found that when participants were given a choice between a new product and an established one, those in the messy room were more likely to prefer the novel one, indicating that being in a disorderly context releases people from conventionality. Participants in a tidy room, instead, preferred the established product over the new one.

However, untidiness promotes not only creativity but also unethical behavior. For instance, clean and tidy environments encourage more

Table 5.1 *Factors that encourage greater creativity and greater dishonesty*

Antecedent	(1) DV: creativity	(2) DV: unethical behavior
Untidiness	Those who worked in the untidy room were much more creative overall, and they also produced more "highly creative" ideas (Vohs, Redden, & Rahinel, 2013)	Untidiness promotes creativity unethical behavior. Clean and tidy environments encourage more moral decisions (Liljenquist, Zhong, & Galinsky, 2008; Vohs et al., 2013)
Living abroad	Living abroad is related to creative behavior; priming living-abroad experiences increases creativity (Maddux & Galinsky, 2009)	Living abroad is related to unethical behavior; priming living-abroad experiences increases cheating (Chakroff, Quoidbach, & Gino, 2015)
Darkness	Dim illumination and priming darkness improve creativity (Steidle & Werth, 2013)	Dim lighting encourages dishonest and unethical behavior (Zhong, Bohns, & Gino, 2010)
Entitlement	Feeling entitled makes people more creative (Zitek & Vincent, 2015)	Entitlement increases selfish behavior and reduces helping (Zitek, Jordan, Monin, & Leach, 2010; Campbell Bonacci, Shelton, Exline, & Bushman, 2004)
Positive affect	Positive affect improved performance on creative tasks (Isen, Daubman, & Nowicki, 1987)	Positive affect promotes dishonesty by making people more cognitively flexible and thus more able to justify their actions (Vincent, Emich, & Goncalo, 2013)
Power	People primed with power produce ideas less influenced by the presence of salient examples, which typically act as barriers to creativity, as compared with participants who had not been primed with power (Galinsky, Magee, Gruenfeld, Whitson, & Liljenquist, 2008)	Individuals who experienced power by engaging in expansive postures were more likely to steal money, cheat on a test, and commit traffic violations in a driving simulation (Yap, Wazlawek, Lucas, Cuddy, & Carney, 2013)

moral decisions (Liljenquist, Zhong, & Galinsky, 2008; Vohs et al., 2013), while the disgust that is often associated with dirty or untidy environments increases unethical and selfish actions. This is consistent with the "broken windows" theory of crime, which suggests that damage and disrepair in the environment promote lawless behavior (Wilson & Kelling, 1982). Similarly, related research has found that the presence of graffiti leads to more theft (Keizer, Lindenberg, & Steg, 2008).

As noted by Gino and Wiltermuth (2014), both creativity and unethical behavior involve rule breaking; they are associated with feeling free from constraints and the use of a risky, explorative processing style. So, as long as the antecedent of interest in a research investigation involves these

factors and is likely to expand a person's cognitive flexibility, then it is also likely to be an antecedent to both creative performance and unethical behavior.

However, in order for people to start the justification process and use it in self-serving ways to justify their own unethical behavior, they need to recognize the behavior as potentially problematic from a moral standpoint in the first place. To behave honestly when facing an ethical choice, people must recognize ethical issues and transform ethical intentions into ethical actions (Jones, 1991; Rest, 1986). Identifying the moral issue (moral awareness) is, indeed, the critical first step in the multi-stage process people are thought to go through when making ethical decisions (Ferrell & Gresham, 1985; Jones, 1991; Rest, 1986; Reynolds, 2006; Treviño, 1986). Moral awareness is an interpretive process through which a person recognizes that a moral problem exists in a situation or that a moral standard or principle is relevant to it (Rest, 1986). Building on this definition, Reynolds (2006) refers to moral awareness as an individual's "determination that a situation contains moral content and legitimately can be considered from a moral point of view" (p. 233). A person can thus show different levels of moral awareness across different situations (Treviño, 1986).

Both recognizing ethical issues in a decision and reasoning through it require cognitive resources (e.g., Bazerman, Gino, Shu, & Tsay, 2011; Dilchert, Ones, Davis, & Rostow, 2007; Kohlberg, 1969). People self-regulate their behaviors and expend energy doing so. Such self-regulatory resources are limited, the same way energy or strength is (Baumeister & Heatherton, 1996; Heatherton & Baumeister, 1996). The same resource is used for different self-regulatory tasks, including regulation of cognition and thought, emotion, impulsive and appetitive behaviors, and performances (e.g., Baumeister, Bratslavsky, Finkenauer, & Vohs, 2001; Muraven, Tice, & Baumeister, 1998; see also Vohs & Baumeister, 2004). Accordingly, if a person attempts to engage in several demanding self-regulatory tasks at the same time or in sequence, the chance of success at any one of them is significantly reduced.

Factors such as sleep deprivation, stress, and performance pressure negatively impact individuals' self-regulatory resources. As such, they reduce people's creative performance (see, for instance, Amabile, Hadley, & Kramer, 2002). However, through the same process of taxing one's self-regulatory resources, these factors have been found to increase unethical behavior (see Table 5.2). In fact, research has found that depleted people lack the necessary self-regulatory resources to resist temptations to engage in unethical behavior (Gino, Schweitzer, Mead, & Ariely, 2011; Mead, Baumeister, Gino, Schweitzer, & Ariely, 2009).

Table 5.2 *Factors that encourage lower creativity but greater dishonesty*

Antecedent	(1) DV: creativity	(2) DV: unethical behavior
Sleep deprivation	Sleep deprivation impairs cognitive ability and creative performance (Home, 1988; Wimmer, Hoffmann, Bonato, & Moffitt, 1992)	Sleep deprivation increases unethical behavior (Christian & Ellis, 2011)
Stress and anxiety	Strong negative correlations between stress and creative climate (Talbot, Cooper, & Barrows, 1992)	Anxiety makes people feel threatened and more likely to act unethically (Kouchaki & Desai, 2015)
Performance pressure	Performance pressure and task demands impair creative performance (Amabile, Hadley, & Kramer, 2002)	Performance pressure increases unethical behavior (Moore & Kouchaki, 2015)

This work shows that when individuals' self-regulatory resources are depleted, they are more likely to behave unethically. This is because, this research shows, depletion of one's self-regulatory resources reduces individuals' ability to recognize and reason through a moral issue. Given that moral awareness relies on the very same cognitive resources that are taxed by self-regulatory resource depletion, when these self-regulatory resources are depleted, people are more likely to engage in unethical behavior, unless they see morality as central to their own identity (Gino et al., 2011).

Similarly, organizational factors such as time pressure, stress, anxiety, and overwork deplete employees' self-regulatory resources, thus creating conditions where employees are more likely to be dishonest (Barnes, Schaubroeck, Huth, & Ghumman, 2011; Christian & Ellis, 2011).

Looking ahead: directions for future research

The research I have discussed shows that people who value morality often show moral flexibility, behaving unethically if they are able to convince themselves that their behavior is not immoral. As this body of research suggests, morality is malleable. Given the desire to perceive oneself as moral and good and the temptation to behave unethically in the moment, people often cheat "just a little bit" – enough to profit from the behavior but not enough that they need to change their views of how moral they are.

One fruitful direction for future work in this area would be to examine when justifications for unethical behavior emerge in the decision-making

process. According to Festinger's (1957) cognitive dissonance theory, aversive tensions are assumed to arise when willful behavior is at odds with an actor's attitudes or core values (Steele, 1988). In line with this theoretical framework, individuals become motivated to assuage these tensions by changing their attitudes to either reduce or remove the discrepancy between their attitude and behavior. Consequently, cognitive dissonance theory proposes specific instances in which motivation influences and biases individuals' attitudes (i.e., judgments toward an entity). It is possible that justifications occur after unethical behavior, when people experience dissonance. But it is also possible (in line with research on moral flexibility; see Gino & Ariely, 2012) that the justification process also occurs prior to the decision to behave unethically.

Future work could also examine how to create conditions for people to use creativity to do good rather than to justify their unethical actions. When people encounter difficult ethical challenges, research has shown, they generally ask themselves the question, "What should I do?" Organizations, too, frame the principles to guide managerial conduct in terms of "should." Despite the pervasiveness of having a "should" mindset when confronting moral dilemmas, however, Zhang, Gino, and Margolis (2016) suggest that many ethical challenges benefit from the application of unconventional thinking. They show that when facing ethical dilemmas where two ethical principles are in conflict with one another (e.g., being loyal to a friend and telling the truth to one's own boss), shifting one's mindset from "What should I do?" to "What could I do?" generates moral insight, defined as the realization that ostensibly competing values are not entirely incompatible. When people are motivated to behave ethically, moral insight allows for the exploration of more possible solutions beyond the apparent constraints of the problem provided and for the formulation of creative solutions that satisfy multiple moral imperatives. Thus, adopting a "could" mindset opens a broader range of possibilities and brings us one step closer to moral insight. In this research, then, creativity triggered by a "could" mindset leads to "good": it leads people to resolve ethical dilemmas without compromising their values.

Similarly, one could examine this question in organizational settings. In the workplace, leaders play a critical role in shaping employees' behaviors. Thus, research could examine whether ethical leadership moderates the negative relationship between creativity and unethical behavior, such that the negative relationship becomes weaker when ethical leadership is higher rather than lower. In a team with low ethical leadership, employees who are highly creative will have to exert greater effort to deal with unethical behaviors. In a team with high ethical leadership,

employees may not have to worry about ethical concerns and thus can be creative without their behavior turning into misconduct.

Future work could also examine in more detail the psychological factors that underlie the creative process when people behave unethically or ethically. Gino and Ariely (2012) propose that divergent thinking and cognitive flexibility typically operate together, helping people find creative solutions to difficult problems that can be interpreted from different points of view. However, better process data would further our understanding of the relationship between creativity and dishonesty.

Another fruitful venue for future research would be to investigate the relationship between cognitive flexibility and self-regulatory resource depletion. It is possible (especially in the moral domain) that flexibility is enabled by disinhibition – that is, lack of self-control. For instance, we all probably know sleep-deprived individuals who behave in disinhibited ways and have a hard time exhibiting self-control. Depletion, then, could lead to less controlled processing and thus greater creativity. Though this prediction is contrary to existing work showing that having a reduced executive function impairs cognitive flexibility (e.g., Home, 1988) and several studies suggesting that an increase in cognitive resources leads to more flexibility in thought (and thus creativity), further research examining the self-regulatory resource depletion and creativity link may uncover important insights.

Finally, with the goal of reducing ethical misconduct, future research could seek to identify simple interventions for reducing or eliminating the process of generating the self-serving justifications to which we all so easily succumb.

Conclusion

Unethical behavior, in its various forms, is among the greatest personal and societal challenges of our time. In addition to encompassing the most sensational scams covered in the media, it manifests as ordinary unethical behavior, which seems to be both widespread and socially costly. Such behavior includes unethical actions committed by people who care about morality. Drawing on recent research in moral psychology and behavioral ethics, this chapter described individuals' common ability to justify their immoral actions by generating multiple and diverse rationales for why these actions are ethically appropriate (i.e., moral flexibility). The chapter explained why ordinary unethical behavior occurs and discussed various antecedents to moral flexibility that are likely to prompt people who care about morality to behave dishonestly while still feeling moral.

The body of research I presented suggests that factors that increase people's cognitive flexibility and cognitive resources more generally are likely to result in higher levels of creativity *and* higher levels of unethical behavior. By contrast, factors that tax people's cognitive resources have a negative impact on creative performance. Such factors also reduce individuals' moral awareness, the first step in the ethical decision-making processes. As a result, they increase dishonesty.

In the hope of encouraging work that explains ordinary and unethical behavior and identifies interventions that can reduce it, I ended the chapter by suggesting potentially fruitful venues for future research regarding how self-serving justifications result in ethical misconduct.

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