Unnoticed Unethical Behavior when Gradually Escalated:
Implications for Management of Safety

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ABSTRACT
The authors paid attention to an unethical behavior motivated by the economic incentive or the pursuit of efficiency. When facing a situation under which one must weigh the ethics of safety rule and the efficiency (economic aspect) in the balance, it is difficult to recognize the unethical behavior when it was corroded gradually than when it was corroded abruptly. More concretely, it was explored how the change of actual amount of money and estimate (gradual change, or abrupt change), the reward of approval of the estimate, the revelation probability of dishonesty and the amount of punishment affected the dishonesty (unethical behavior) under the conflict of interest. The participants were less likely to criticize the actions of others, and tended to approve the estimate and receive the reward when their behavior eroded gradually over time than when their behavior changed abruptly. The authors could identify the combined effect of both large amount of punishment (reward of 10% of the estimated value) and low revelation probability (1%) for the contribution of increased percentage approval of the gradual change. In other words, the percentage approval under the gradual change condition was significantly larger than that under the abrupt change condition when the reward and the probability of revelation was 10% and 1%, respectively.

KEYWORDS
Abrupt Erosion, Gradual Erosion of Regulations, Percentage Approval, Safety Management, Unethical Behavior

INTRODUCTION
It has been pointed out that organizational managers and leaders are willing to abandon ethical standard in the face of economics incentives (Hosmer, 1987). Moore, Tetlock, Tanlu & Bazerman (2006) showed that accounting firms must provide independent financial statements and report clients’ mismanagement at the risk of displeasing their clients and losing lucrative service contracts. In such a situation, one tends to choose the violation of social rules or norms and pursue economic incentives. Gino, Schweitzer, Mead, and Ariely (2011) examined how the depletion of self-control regulatory resources led to an unethical behavior, and showed that depletion of self-regulatory resources reduced individual’s moral awareness and promoted to behave unethically and dishonestly.

In the field of behavioral ethics, it has been shown that we tend to overlook others’ unethical behavior when it occurs gradually than when it occurs at a burst (Bazerman & Tenbrunsel, 2012; Gino & Bazerman, 2009). Such properties have been also pointed out by several studies. Hartson and Sherman (2012) showed that the potency of gradual escalations to accept immoral behavior may inhere in their ability to create initial commitments to morally ambiguous behavior. Welch and
Ordóñez (2014) showed that moral disengagement can reduce ethicality when indiscretions were gradually increased.

We are less likely to take others’ and own unethical behavior seriously when it eroded gradually over time rather than when it eroded in one gulp. Such a phenomenon is known as a slippery-slope effect or gradual escalation of unethical behavior. A slippery-slope effect can be defined as follows: a process or series of unethical events that is hard to stop or control once it has begun and that usually leads to a worse or more difficult situation. This could lead inevitably from one action or result to another with unintended consequences. In such a situation, we tend to weigh the ethicality and the economic incentive in the balance, pay more emphasis on the economic incentive, and gradually escalate unethical behaviors.

Gino & Bazerman (2009) made participants play the role of watchman charged with catching the instance of cheating, and found that the participants were less likely to criticize the actions of others when the behavior of others eroded gradually over time than when their behavior changed abruptly. They concluded that this effect can be attributed to implicit biases that result in failing to notice ethical erosion when it occurs not abruptly but gradually. However, Gino & Bazerman (2009) did not examine how the revelation probability of dishonesty (unethical behavior), the reward of approval and the amount of punishment affected the dishonesty (unethical behavior) under the conflict of interest.

Becker (1968) developed mathematically optimal public and private policies to combat illegal behavior as a function of the probability that an offense is discovered and the offender apprehended and convicted, the size of the punishment, and the form of the punishment. Allingham and Sandmo (1972), making use of the mathematical formulation of Becker (1968), analyzed taxpayers’ decision on whether and to what extent to avoid taxes by deliberate underreporting. Moral behavior is shaped by psychological processes (Welsh and Ordóñez, 2014). As pointed out by Gino et al. (2011), Hartson and Sherman (2012), and Welch and Ordóñez (2014), there are several psychological factors to enhance the unethical behavior or the gradual escalation of unethical behavior such as depletion of self-control regulatory resources, initial commitments to morally ambiguous behavior, and gradual increase of indiscretion. As our moral behavior is ruled by irrationality like the slippery slope above mentioned, it might be valid to expect that our moral behavior is not necessarily explained or predicted using a standard economic (mathematical) model of rational self-interest that merely considers incentives and probability of detection proposed by Becker (1968) or Allingham & Sandmo (1972).

We frequently suffer from the trap of cognitive biases (Altman, 2012; Anger, 2012; Ariery, 2009; Ariery, 2010; Ariery, 2012; Kahneman, 2011; Kahneman & Tversky, 1984; Tversky & Kahneman, 1974) such as the slippery slope above. It is reasonable to assume that we sometimes behave irrationally due to the influence of cognitive biases. The cognitive biases are mainly paid attention to in the field of political decision making, behavioral ethics (Bazerman & Moore, 2001), corporate or managerial decision making (Bazerman & Watkins, 2008), economic decision making under uncertainty (Shiller, 2005), and negotiation (Malhotra & Bazerman, 2007), etc. Such cognitive biases unconsciously distort our decision making to an undesirable or mistaken direction (behavior), and at the worst induce bankruptcy of a corporate, failure of negotiation, increases of unethical behaviors, and an economic crisis, etc.

Even in safety management, we are confronted with such a situation where our thinking is biased irrationally, and this eventually becomes a trigger of crucial accidents. It has been pointed out that falling into the trap of such cognitive biases can potentially be a trigger of crucial accidents (Murata & Nakamura, 2014). Although we fully recognize the importance and the rationality of observing safety rules, we weigh the safety (ethicality) and the efficiency (economic incentive), pursue efficiency irrationally, and gradually escalate and erode safety ethics or rules. We irrationally tend to feel less guilty of violating a safety rule when it was done gradually than when it was done at a time, although both behaviors are inherently the same and equally should not be admitted. Cognitive bias such as optimistic bias (gradual erosion of ethicality will not be noticed easily) and outcome bias (one feels that further erosion of ethicality will not be noticed if the initial erosion of ethicality is successful)
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