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FlashReport

Choice architecture in conflicts of interest: Defaults as physical and psychological barriers to (dis)honesty

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HIGHLIGHTS

- We explore the role defaults versus no defaults can play in encouraging morality.
- Cheating is easier when it requires *accepting* a default, wrong answer.
- Cheating is harder when it requires *overriding* a default, correct answer.
- People have correct intuitions about how defaults affect cheating.
- People expect no difference in moral character to commit either type of cheating.

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ABSTRACT

Default options significantly influence individuals' tendencies to comply with public policy goals such as organ donation. We extend that notion and explore the role defaults can play in encouraging (im)moral conduct in two studies. Building on previous research into omission and commission we show that individuals cheat most when it requires passively accepting a default, incorrect answer (Omission). More importantly, despite equivalent physical effort, individuals cheat less when it requires *overriding* a default, correct answer (Super-commission) than when simply giving an incorrect answer (Commission) — because the former is psychologically harder. Furthermore, while people expect physical and psychological costs to influence cheating, they do not believe that it takes a fundamentally different moral character to overcome either cost. Our findings support a more nuanced perspective on the implication of the different types of costs associated with default options and offer practical insights for policy, such as taxation, to nudge honesty.

Individuals regularly confront conflicts between pursuing actions consistent with their moral self-concepts and pursuing competing economic, social, or personal goals inconsistent with those self-concepts. However, recent research suggests individuals can partially disengage internal moral control to permit immoral conduct without eroding their self-concepts and that the harder it is to disengage the less likely individuals will be to transgress (Bandura, 1986; Bodner and Prelec, 2002; Mazar and Ariely, 2006; Mazar et al., 2008a). This paper investigates a potentially important physical and psychological barrier to (im)morality: a default option.

Immoral acts of omission and commission

Previous studies in moral psychology have shown that individuals tend to judge others' harmful acts of commission, where the immoral acts require an active response, as more morally reprehensible than harmful acts of omission, where the immoral act is the passive response. This omission bias (aka action principle) reflects a belief that harmful commissions involve malicious motives and intentions (Cushman et al., 2006; Singer, 1979; Spranca et al., 1991). In addition, Cushman et al. (2012) demonstrated that actively performing pretend violent actions leads to greater physiological arousal than witnessing such actions — implicating a role for action aversion in moral judgments.

Teper and Inzlicht (2011) posited that the omission bias in moral *judgments* may translate to more cheating *behavior* under omission. However, their empirical evidence may reflect differences in the framing of instructions: an explicit proscription in their commission condition ("do not do X") that was absent in their omission condition ("do X"). In addition, previous research on acts of omission and commission studied the impact of a default *immoral* response. The existence of a default *moral* response and the role it might play in nudging behavior *toward* honesty – another perspective with practical relevance – has been neglected.

Building on these observations, we examine the effects of two opposing default-responses on people's likelihood to *cheat for financial*

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gain: (1) the existence of an incorrect but financially superior default that can be passively accepted to cheat (Omission) or actively rejected to be honest, and (2) the existence of a correct but financially inferior default that can be actively rejected to cheat (Super-commission) or passively accepted to be honest. We also examine cheating in the absence of any default (Commission), where an active response in favor of the incorrect but financially superior option must be given to cheat or an active response in favor of the correct but financially inferior option must be given to be honest.

We hypothesize that the presence of an incorrect but financially superior default *facilitates* moral disengagement in comparison to no default. That is, individuals are more likely to cheat by omission than commission because of the absence of physical effort (action principle) that would signal malicious intentions (intention principle; Cushman et al., 2006). Additionally, we hypothesize that the presence of a correct but financially inferior default further *impedes* moral disengagement in comparison to no default. That is, individuals are less likely to cheat by super-commission than by commission even though both may require the same amount of active, physical effort. This is because cheating by super-commission requires the intentional rejection of the default (i.e., asserting that the correct answer is incorrect), a signal of stronger intentions (intention principle).

In sum, while the introduction of an incorrect but financially superior default can encourage dishonesty, the introduction of a correct but financially inferior default can encourage honesty (in comparison to no default). Thus, physical and psychological barriers both influence (im)moral conduct.

Experiment 1: omission, commission, super-commission

Procedure

One hundred seventy-two students (119 females, $M_{age} = 22.05$, $SD = 4.08$) from the University of Toronto participated in 40-minute sessions in exchange for $7. Participants were asked to engage in a computer-based visual perception ("Dots") task adopted from Mazar and Zhong (2010) that has been used to study deception to earn more money (see also Gino et al., 2010; Mazar et al., 2008b; Sharma et al., 2014; for people's perceptions of this task, see Appendix A).

The task consisted of two identical rounds of 100 trials (one practice round, one paid round). Each trial displayed a pattern of 20 dots scattered inside a box divided by a diagonal line. The dots were displayed for 1 s after which participants' task was to indicate whether the left or right side of the diagonal line had had more dots.[1] The instructions emphasized accuracy but financially rewarded people to give a specific answer that was not always accurate (see Appendix B). Specifically, in the experimental conditions participants were informed that "because most people can more easily estimate the number of dots on the left side" they would earn only 0.5¢ for trials identified as having more dots on the left, but 5¢ for trials identified as having more dots on the right (no matter if correct or incorrect). This unequal payment scheme created a direct conflict between earning more money and responding honestly when there were more dots on the lower-pay, left side (60 out of 100 trials). This type of conflict mimics the conflict one might experience when completing a tax return or filing an insurance claim.

As individuals could unintentionally err on either side (e.g., due to perceptual limitations), we calculated each participant's "biased" error rate toward the higher pay side (percentage of trials *incorrectly* identified as having more dots on the higher-pay side minus percentage of trials *incorrectly* identified as having more dots on the lower-pay side) as a measure of cheating. That is, honest participants were expected to have a biased error rate of zero, and participants who were maximally cheating for higher pay to have a biased error rate of +100.

We manipulated the physical and psychological effort to cheat for higher pay across three conditions. In the *Omission*-condition, participants read that their response would be automatically recorded as "more on the right" unless they indicated "more on the left" within two seconds (for details, see Appendix B). Thus, cheating for higher pay did not require any physical action. Participants in the *Commission*-condition were forced to give a response indicating which side had more dots before continuing to the next trial. Thus, on trials with more dots on the left, cheating for higher pay required a physical action: actively indicating "more on the right." Finally, in the *Super-commission*-condition, participants read that their responses would be automatically recorded as "more on the left" unless they indicated "more on the right" within two seconds. Thus, cheating for higher pay required the same physical action from participants as the *Commission*-condition. However, cheating also required overriding a default, correct answer. Finally, we included a *Control*-condition that required an act of commission to respond but did not involve a conflict due to an equal payment scheme (2.3¢ for either side). Participants were randomly assigned to four between-subject conditions: one equal pay (control) and three unequal pay conditions. Their total pay if completely honest was the same: $2.30. In addition to examining participants' biased error rates we measured reaction times to capture the hypothesized differences in ease or difficulty of the mental processing required for moral disengagement.

We added several potential process measures after the visual perception. First, given people's aversion performing harmful actions (Cushman et al., 2012), we elicited self-reported mood and arousal ("How do you feel right now?") as potential mediators. Next, we administered a cognitive depletion task adopted from Baumeister et al. (1998), that required solving 20 anagrams within 5 min. This was done to examine the extent to which the hypothesized differences in mental processing required for moral disengagement in our tasks might be cognitively depleting and in turn affect the amount of cheating (e.g., Mead et al., 2009). Finally, we asked participants to estimate how many of the 100 trials they had solved correctly in the Dots-task. We subtracted from those estimates the number of trials participants actually solved correctly to measure the accuracy of their performance perceptions. Previous research (Chance et al., 2011; Mijovic-Prelec and Prelec, 2010) suggests that people who manage to transgress without eroding their self-concept are able to deceive themselves: they reinterpret their dishonest performance and thus, overestimate their true performance, suggesting a positive correlation between our biased error rate and overestimation of true performance measures. We hypothesized that the variations in physical and psychological costs for cheating established in our three experimental conditions not only affect the amount of cheating, but also affect the relationship between the magnitude of cheating and magnitude of overestimation: The more difficult the moral disengagement, the less likely is self-deception, reducing the positive correlation.

Results

In the following we present all paid-round results. First, as can be seen in Fig. 1A, an ANOVA revealed a highly significant effect of condition on biased error rate and thus, amount of cheating for higher pay. Individuals cheated most in the *Omission*-condition, which required the least amount of effort, followed by the *Commission*-condition ($t(168) = 2.82$, $p < .01$, $d = -43$). Most importantly, when the act of commission involved overriding a default response that was accurate (*Super-commission*-condition), cheating was eliminated. That is, errors toward the higher-pay side were no more likely than errors toward the lower-pay side (difference from a biased error rate of 0: $t(41) = 1.15$, $p = .26$, $d = .18$; difference from *Commission*-condition: $t(168) = 2.01$, $p < .05$, $d = .31$). In addition, there was no significant difference ($t(168) = 1.25$, $p = .21$, $d = .19$) between participants in the

[1] In general, 1 s is enough time for people to identify the correct answer. People are fairly accurate in this task (Sharma et al., 2014).