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Group reactions to dishonesty ☆

Steffen Keck *

Decision Sciences, INSEAD, France

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ABSTRACT

Groups and individuals were compared for their willingness to incur financial costs in order to punish dishonest behavior by others. Study 1 demonstrated that dishonesty was punished more often by groups than by individuals and that groups' higher willingness to punish dishonesty was mediated by stronger negative affect. Study 2 provided evidence that the increase in negative affect in groups was driven by exposure to other group members' negative feelings and opinions during group discussions. Overall, the results suggest that being part of a group increases negative emotions toward dishonest others and leads to a greater willingness to engage in costly punishment.

Introduction

Lies and other forms of deception are a common feature of daily life (DePaulo, Kashy, Kirkendol, Wyer, & Epstein, 1996) and they are frequently employed in negotiations, bargaining, and other situations involving mixed motives (Tenbrunsel, 1998; Thompson, 2004). The use of deception in such cases is not only considered to be unethical (Thompson, 2004), but when it is discovered, can also lead to a mutually harmful conflict. Previous research has consistently shown that individuals are willing to punish dishonest others even when punishment is financially costly and leaves both parties worse off (Boles, Croson, & Murnighan, 2000; Brandts & Charness, 2003; Wang, Galinsky, & Murnighan, 2009; Wang & Leung, 2009). However, in organizations, critical tasks (such as negotiations) are often carried out by groups rather than by individuals. Thus it is important to take group factors into account when seeking to understand how the use of dishonest tactics affects organizational outcomes.

Cohen, Gunia, Kim-Jun, and Murnighan (2009) and Sutter (2009) compared groups and individuals in terms of their willingness to send a deceptive message to other participants, when this served their financial interest. Both studies found that groups were more likely to do this than were individuals. Cohen et al. (2009) also showed that the higher willingness to engage in deception among groups was fully mediated by a stronger focus on maximizing financial gains. Consistent with these results, Stawiski, Tindale, and Dykema-Engblade (2009) demonstrated (in a simulated computer-mediated negotiation) that groups were less likely than individuals to reveal information that would decrease their bargaining power, even when prompted to do so by the other party. In addition, prior research has also shown that misbehavior in groups tends to increase with group size (see Moreland, Levine, & Wingert, 1996).

Whereas the effects of group decision making on willingness to engage in deception have been widely studied, not much is known about how groups vs. individuals react when deception is used against them. I address this question in the present paper by comparing how groups and individuals react when they become the targets of deceptive tactics. Although group reactions to dishonesty have not been studied directly before, previous work on group decision making suggests some preliminary conclusions that can be expressed as two opposing hypotheses. The first hypothesis predicts that groups will react more strongly than individuals to dishonest behavior by others:

Hypothesis 1 (*escalation hypothesis*). Groups will be more willing than individuals to incur financial costs in order to decrease the payoff of a dishonest target. This effect may be mediated by either higher negative affect or lower perceived responsibility.

One important reason why groups might react more strongly to dishonest behavior is that group members experience more negative affect than do lone individuals. During group interactions attitudes of group members frequently polarize in the direction of their initial proclivities (Isenberg, 1986). For example, a group of individuals who hold moderately negative attitudes towards members of an outgroup will hold even more negative attitudes after interacting with each other (Myers & Bishop, 1970; Smith &

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* Address: Department of Social and Decision Sciences (SDS), Carnegie Mellon University, 5000 Forbes Avenue, BP 208, Pittsburgh, PA 15213, United States.
E-mail address: skeck@andrew.cmu.edu

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Postmes, 2011). One driver of this polarization in groups is the exposure to the views of like-minded others during a group discussion makes group members feel corroborated in their opinions, causing them to become more extreme (see Brauer, Judd, & Gliner, 1995; Myers, 1978). In addition, members of groups frequently engage in social comparisons and try to "one up" each other in an attempt to present a positive image to others (Jellison & Arkin, 1977; Sanders & Baron, 1977). As a consequence of these processes, any anger about dishonest behavior by others felt at the beginning of a group discussion may grow stronger as the discussion proceeds.

An additional possible cause for heightened negative affect in groups is that solely being part of a group can result in increased hostility toward outgroup members, even in the absence of any verbal interaction among group members (e.g., Tajfel, Billig, Bundy, & Flament, 1971). In particular, outgroups that are perceived as violating social norms or posing a threat to one's ingroup often evoke strong negative emotions, such as anger and contempt (see Hewstone, Rubin, & Willis, 2002).

Prior work has shown that for individual decision makers, negative affect is closely linked to the willingness to punish dishonesty (e.g., Cohen et al., 2009; Wang et al., 2009). Even though relationships that hold for individuals might not always generalize to a group level of analysis (e.g., Kozlowski & Klein, 2000), it is reasonable to assume that higher negative affect will also cause a greater willingness to punish dishonest others when members of a group make a joint decision.

An alternative reason why groups might react more aggressively than individuals to dishonesty is that group members are often less identifiable than individual decision makers and thus may be assigned less responsibility for their decisions. Weaker identifiability might cause group members to be less inhibited in their behavior after a provocation and to react more strongly to it (e.g., Meier, Hinsz, & Heimerdinger, 2007). In line with this argument, Schopler et al. (1995) showed that nonidentifiability was positively correlated with competitive behavior in social dilemmas.

The general prediction that members of groups will punish dishonest behavior by others more than will individuals is also consistent with prior findings that showed that groups retaliate more strongly than individuals when they are the target of verbal and physical aggression (Meier et al., 2007). For example, groups are more likely than individuals to deliver electrical shocks to a target person after being insulted by that person (Jaffe, Shapir, & Yinon, 1981; Jaffe & Yinon, 1979), they retaliate more after being the target of aggressive behavior (e.g., being allocated a portion of hot sauce to consume; see Meier & Hinsz, 2004), and they are more likely to engage in verbal aggression and threats when another person persistently annoys them during a work task (Pruitt, Parker, & Mikolic, 1997).

In contrast to the reasoning and results described so far, a number of prior findings point in the opposite prediction, suggesting that groups will punish dishonest behavior less harshly than individuals if it is costly to do so.

Hypothesis 2 (*moderation hypothesis*). Groups will be less willing than individuals to incur financial costs in order to decrease the payoffs of a dishonest target. This effect may be mediated by groups' higher focus on their financial self-interest.

Prior research has found that compared with individuals, groups tend to act more in line with economic rationality, that is to maximize their own financial payoffs (Bornstein, Kugler, & Ziegelmeyer, 2004; Bornstein & Yaniv, 1998; Robert & Carnevale, 1997). Higher economic rationality can be attributed to a stronger focus in groups on obtaining financial gains at the expense of others (Luhan, Kocher, & Sutter, 2009; Morgan & Tindale, 2002; Wildschut, Pinter, Vevea, Insko, & Schopler, 2003), as well as to the greater ability of groups to detect profit-maximizing strategies (e.g., Cooper & Kagel, 2005; Laughlin & Earley, 1982). If punitive actions are costly and future interactions with the transgressor(s) seem unlikely, then higher levels of rationality should make groups less likely to punish dishonest behavior. In other words, a focus on maximizing their financial self-interest – which induces groups to behave more competitively in social dilemmas (Wildschut et al., 2003) and makes them more likely to engage in deception (Cohen et al., 2009) – should also make groups less likely to take mutually harmful measures when they are the target of deceptive tactics.

In line with this hypothesis, groups have been found to show *lower* levels of positive reciprocity when they are trusted by others (Cox, 2002). So, we might expect a similar result for negatively reciprocal behavior, such as punishment for dishonesty. Research on group decisions in ultimatum bargaining games also points in this direction. In such games, one player offers a certain fraction of a fixed pie to another party, who can either accept the offer or reject it. The latter option leaves both parties with a zero payoff. Consistent with the notion that groups are less willing to engage in costly punishment, Bornstein and Yaniv (1998) found that groups received (on average) less generous offers than did individuals, but were no more willing than individuals to reject those offers.

The previous discussion of the *escalation* and the *moderation* hypotheses focused on groups as decision makers. An alternative way to analyze reactions to dishonesty in intergroup relationships is to focus on whether the source of the dishonest behavior is a group or an individual. Research by Hoyle, Pinkley, and Insko (1989) suggests that people generally associate more negative traits (e.g., "abrasiveness") and fewer positive traits (e.g., "agreeableness") with groups than with individuals. As a consequence, people may see dishonest behavior as more hostile and provocative when it comes from a group and thus feel angrier about it (Pruitt et al., 1997). Moreover, social impact theory (Latane, 1981) suggests that actions originating from a larger number of people have a stronger impact on people than do actions by a sole individual. At the same time, impact decreases with the number of targets of that action. Thus, dishonesty might lead to stronger reactions when its source is a group rather than an individual, and this would be particularly true if the target of the dishonesty is a sole individual and not another group. Whereas the main hypotheses in this paper concern the role of groups as decision makers, this line of reasoning points to the importance of also controlling for possible differences when punishment decisions are directed against another group vs. an individual (cf. Wildschut, Insko, & Pinter, 2007; Winquist & Larson, 2004).

Study 1

The goal of Study 1 was to directly test the predictions of the *escalation* and the *moderation* hypotheses concerning the willingness of groups and individuals to punish dishonest others. Moreover, I tested whether stronger negative affect, diffusion of responsibility, or a greater focus on self-interest might mediate the relationship between the type of decision maker (groups vs. individuals) and willingness to punish dishonesty. Finally, I also explored whether there were any differences in punishment decisions depending on whether the target of the punishment was an individual or a group.

Method

Study 1 followed a 2 (decision maker: groups vs. individuals) × 2 (punishment target: groups vs. individuals) between-subject design. Research assistants recruited 118 French-speaking participants (55 men and 63 women aged 18–32 years, M_{age} = 22