



## Greedy bastards: Testing the relationship between wanting more and unethical behavior<sup>☆</sup>



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### ABSTRACT

Greed is often seen as immoral. Although the assumption that greed elicits unethical behavior is widespread, there is surprisingly little empirical research testing this relationship. We present a series of three studies investigating the association between greed and unethical behavior, using different methodologies and samples from the USA, The Netherlands, and Belgium. Study 1 (3 samples, total  $N = 3413$ ) reveals that more greedy individuals find a variety of transgressions more acceptable and justifiable as well as indicate that they have more often engaged in a variety of transgressions compared to less greedy individuals. Study 2 ( $N = 172$ ) replicated these findings in an incentivized behavioral laboratory study where participants decided to accept a bribe or not. Greedy people were more likely to take a bribe and also preferred higher bribes. Study 3 ( $N = 302$ ) examined a potential process relating greed to unethical behavior. Greedy people were more likely to transgress because they found the positive outcomes associated with the transgression more desirable, and therefore displayed lower self-control. Implications for general theories of greed and morality are discussed.

“For the love of money is the root of all evil.”

–Timothy 6:10

“Fraud is the daughter of greed.”

–Jonathan Gash

### 1. Introduction

As the quotes above illustrate, greed is often seen as something bad and unethical. Being greedy means taking more than needed, harming others especially in situations of scarcity. That may be the reason why philosophers like David Hume and Immanuel Kant considered greed as immoral and inappropriate (Wang & Murnighan, 2011). All major religious traditions approach greed as something evil. In Christianity greed is one of the seven deadly sins (Tickle, 2004), in Buddhism it is one of the three poisons that create bad karma (Nath, 1998), and in Hinduism it stands in the way of spiritual development (Sundararajan, 1989). Judaism condemns greed because it stands in the way of other people's opportunity to get what they deserve (Bloch, 1984). In Islam precautions against greed are taken in the form of mandatory

generosity and charity for Muslims (Oka & Kuijt, 2014). Greed is thus often seen as something negative.

Not only philosophers and religions relate greed to immorality and unethical behavior. Greed has been widely discussed as one of the causes of financial scandals and the late 2000s financial crisis. As Gilliland and Anderson (2014, p. 99) put it: “greed has become synonymous with Wall Street, big banks, and indeed much of what is wrong with corporate America.” For example, Jordan Belfort (2014), whose actions inspired the movie ‘The Wolf of Wall Street’, later said that it was greed that drove him to commit fraud and swindle millions of dollars through his firm Stratton Oakmont. Similarly, greed has been argued to be one of the causes of other scandals, such as the fraud at Enron and the Bernie Madoff pyramid scheme (Sarna, 2010). Greed has been argued to be a factor related to corrupt mortgage lending (Morgenson & Rosner, 2011) and employee theft (Caudil, 1988). Haynes, Campbell, and Hitt (2017) reported data showing that CEO greed has a negative relationship with shareholder return.

Despite these observations, it could be doubted whether greed is inherently unethical. In economics, people are often assumed to be rational, self-interested utility maximizers (known as the axiom of

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greed; Lea, Tarpy, & Webley, 1987). Indeed, Krekels and Pandelaere (2015) found that greed is related to productivity orientation; the continuous striving to use time productively, to make progress, and to reach accomplishments. This corresponds with greed being seen as a central motive spurring economic growth and development (Greenfeld, 2001).

There are also instances of greed where notions of ethics do not apply, for instance when others are not negatively affected by greedy behavior. When someone is greedy for new clothes or shoes this is not necessarily unethical and is arguably good for the economy. There may also be instances in which greed can be good for others, for example when greedy behavior is associated with generating surpluses that can be used by others (Oka & Kuijt, 2014). As a case in point, a greedy person who keeps striving to make more money also pays more taxes, which can be allocated to create or maintain public services.

A prototype analysis of greed and its usage in colloquial language confirmed the idea that greed is not necessarily immoral (Seuntjens, Zeelenberg, Breugelmans, & Van de Ven, 2015a). This analysis found that greed was best defined as an insatiable desire to have more of something desirable. Greedy people are seen as continuously striving for more and never being satisfied with their current state of affairs. Greed was found to apply to material goods, and also for non-material desires such as power, status, or sex. The prototype analysis found that immoral behavior and behavior at the expense of others were sometimes mentioned as characteristics of greed, but not as frequent to be considered a central feature of greed.

Thus, even though greed and unethicality are often linked, the relation is not straightforward. Furthermore, in spite of observations and arguments to this effect, empirical studies relating greed to unethical behaviors are hard to find. We think it is important to empirically study this relationship, so in this paper we examine if greed predicts immorality and unethical behavior and why this might be the case.

### 1.1. Dispositional greed

We test the effect of greed on unethical behavior by using the natural variation that exists between people in how greedy they are. Recently, several reliable and valid instruments have been developed to assess an individual's dispositional greed (Seuntjens, Zeelenberg, Breugelmans, & Van de Ven, 2015b; see also Krekels & Pandelaere, 2015; Mussel, Reiter, Osinsky, & Hewig, 2015; Veselka, Giammarco, & Vernon, 2014).<sup>1</sup> Dispositional greed has been found to be a stable personality trait that correlates positively with maximization tendencies, envy, materialism, and having a proself orientation. It correlates negatively with self-control, perspective taking, and empathic concern. Moreover, and relevant for the current discussion on whether greed is related to unethical behavior, is that greed is positively associated with a variety of pathological personality traits: antagonism, disinhibition, detachment, negative affectivity, and psychoticism (Vrabel, Zeigler-Hill, McCabe, & Baker, in press).

These individual differences in greed seem to develop during childhood. Krekels (2015) found that greed was negatively associated with childhood SES, but not with current SES. Similarly, Chen (2018) found that individuals growing up in more unpredictable environments were more likely to be greedy as adults. Thus, greed seems to develop as a way to deal with harsh childhood circumstances and to get one's fair share. This might explain why greed is predictive of behavior in

<sup>1</sup> In the present studies we measure greed with the Dispositional Greed Scale (DGS; Seuntjens, Zeelenberg, Breugelmans, & Van de Ven, 2015b), because at the time of data collection (2010, 2012, 2014 and the final study in 2015) the other measures were not yet published. Recent research shows that all scales are highly correlated and measure the same construct (Mussel et al., 2018). Meanwhile, the DGS has been translated to Japanese (Masui, Shimotsukasa, Sawada, & Oshio, 2018) and Chinese (Liu et al., 2019).

economic dilemmas (Seuntjens, Zeelenberg, Breugelmans, & Van de Ven, 2015b). Greedy individuals make lower offers in dictator games and ultimatum games and harvest more in resource dilemma. Note that from an economic perspective, self-interested behavior in such dilemma games is not unethical, because individuals are assumed to strive for optimal outcomes. In the current research, we measure individual differences in greed and relate these to a variety of unethical behaviors.

### 1.2. Greed and unethical behavior

Only a few articles address the effects of greed on unethical behavior. Unfortunately, because of measurement problems and definitional issues these studies could not appropriately examine the relation between greed and unethical behavior. Let us explain for each of these studies why we think this is the case.

Some studies on social decision making argue that greedy people display more unethical behavior. For example, Steinel and De Dreu (2004) argued that greedy people were more likely to withhold information from others in a negotiation setting. Cohen, Gunia, Kim-Jun, and Murnighan (2009) argued that groups were greedier than individuals and as a result were more likely to lie. Studies in these papers were typically set up to test multiple motivations such as fear and greed, with greed then being typically assessed with a single item asking participants if they were motivated by “enhancing one's outcomes”. This item may tap into one element of greed, but problematic is that it is also likely to also tap into other motives such as need or self-interest. The item does not pick up the excessive and insatiable elements that characterize greed (Seuntjens, Zeelenberg, & Breugelmans, 2015a) and therefore they cannot be taken as valid operationalizations of the unique motive of greed.

In other studies, greed was not measured but inferred from people's behavioral decisions (Poppe & Utens, 1986; Rapoport & Eshed-Levy, 1989). For example, Gneezy, Saccardo, and Van Veldhuizen (2015) argued that greed is a reason for people to accept bribes. Because greed was not measured in their study this claim cannot be verified. Motives and behaviors need to be independently assessed if any statement about their relationships (causal or correlational) can be tested. We provide such a test of whether greed influences the acceptance of bribes in Study 2.

A few other studies found that inducing people with a calculative mindset leads to greed and unethical behavior. Wang, Malhotra, and Murnighan (2011) found that enhancing economic principles such as maximizing utility induces greed. In other work Wang, Zhong, and Murnighan (2014) investigated how a calculating mindset influences ethical decisions. Participants were repeatedly exposed to calculations, and as a result were more likely to adopt a mathematical approach to solve problems (ignoring negative consequences for others). Participants also displayed more selfish and dishonest behavior to gain higher payoffs. Related to this, Kouchaki, Smith-Crowe, Brief, and Sousa (2013) found that the mere exposure to money resulted in adopting a business decision frame and more unethical behavior. These studies point in the direction of greed being associated with unethical behavior; however, this relationship was not tested directly. Perhaps manipulations of a mathematical mindset or money primes also have other effects that could have led to unethical behavior.

Lastly, the research that is most widely cited as showing that greed leads to unethical behavior is work by Piff, Stancato, Côté, Mendoza-Denton, and Keltner (2012). They found that those in higher social classes acted more unethically, and found that this relationship was mediated by “attitudes towards greed.” People from a higher social class had more favorable attitudes towards greed and were more likely to engage in unethical behavior. Unfortunately, independent replications of this work have failed to find this effect (Trautmann, Van de Kuilen, & Zeckhauser, 2013). More important for our argument is that attitudes towards greed (whether someone sees greed as something good or bad) are different from experiences of greed (being greedy).

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