



Honest on Mondays: Honesty and the temporal separation between decisions and payoffs



Bradley J. Ruffle^{a,b}, Yossef Tobol^{c,d}

^a Department of Economics, Wilfrid Laurier University, Waterloo, ON, Canada N2L 3C5

^b Department of Economics, Ben-Gurion University, Beer Sheva 84105, Israel

^c School of Management, Jerusalem College of Technology, Jerusalem 91160, Israel

^d IZA, Bonn, Germany

ARTICLE INFO

Article history:

Received 18 April 2013

Received in revised form

7 October 2013

Accepted 6 November 2013

Available online 20 November 2013

Jel Classification:

C93

D63

Keywords:

Experimental economics

Honesty

Temporal distance

Soldiers

ABSTRACT

We show that temporally distancing the decision task from the payment of the reward increases honest behavior. Each of 427 Israeli soldiers fulfilling their mandatory military service rolled a six-sided die in private and reported the outcome to the unit's cadet coordinator. For every point reported, the soldier received an additional half-hour early release from the army base on Thursday afternoon. Soldiers who participated on Sunday (the first work day of the week) are significantly more honest than those who participated later in the week. We derive practical implications for eliciting honesty.

© 2013 Elsevier B.V. All rights reserved.

1. Introduction

In this paper, we show that individuals behave more honestly when the decision task is temporally distanced from the reward. We report a field experiment conducted on 427 Israeli soldiers. Following Fischbacher and Föllmi-Heusi's (2013) innovative paradigm to measure (dis)honesty, each soldier rolls a six-sided die in private and reports the outcome to his unit's cadet coordinator. For each point reported, the soldier received an additional half-hour early release from the army base on Thursday. We conducted these experiments on different days of the week. Thus, while the time of payment is held fixed (Thursday afternoon), the time of participation in the experiment varied from Sunday (four days until early release) through Thursday (the same day).

Soldiers who participate on Sunday are honest on average. Namely, their distribution of reported die outcomes cannot be rejected as coming from a uniform distribution. Moreover, they report significantly lower outcomes on average than those who participate on later days of the week whose outcomes do not resemble a uniform distribution. This first-work-day-of-the-week effect is highly robust to the inclusion of individual characteristics and peer effects.

While the traditional economic view claims that individuals merely weigh their personal monetary benefit versus their expected cost of lying, numerous experiments offer a more expansive view of the considerations that individuals bring to bear in deciding whether to tell the truth. For example, a heightened self-awareness can increase honesty, whereas lies that benefit others (Erat and Gneezy, 2012), the perception of having been treated unfairly (Houser et al., 2012) and the ability to reframe a situation to justify one's lie to oneself (Shalvi et al., 2011, 2012; Gino and Ariely, 2012) all induce dishonest behavior (see also

Mazar and Ariely, 2006 for a survey). Our paper's main contribution is to demonstrate for the first time the sensitivity of honesty to the temporal separation between the decision task and the receipt of payment from the task. We conclude the paper with some guidance designed to elicit more honest behavior from employees, clients, students and children.

Our experiment is distinct from other studies on honesty in three important respects. First and foremost, many studies on (dis)honesty vary either the material benefit from dishonesty or the cost of dishonesty (i.e., the probability of detection or the punishment from getting caught). Both of these considerations are held constant in our study. With the die rolled in private, the probability of detection is zero, regardless of the day of the week. Moreover, the potential material benefit to dishonesty is the same on all days of the week. Instead, the subtle distinction between days of the week lies in the *perceived* benefit of dishonesty. According to our results, soldiers value early release from their army base more when the release date is near. To the best of our knowledge, the finding that honest behavior is more likely when the decision task is removed from the payoff is new to the literature.

A second distinctive feature of our experiment is the novelty of the subject pool: soldiers completing their mandatory military service.¹ Unlike student subject pools or even most field experiments targeted at a particular population, soldiers completing their mandatory military service constitute a representative cross-section of 19-year-olds in Israeli society as a whole.² Third, subjects in our experiment cheat not an anonymous firm (e.g., Levitt, 2006; Pruckner and Sausgruber, 2013), unfamiliar wait staff at a restaurant (Azar et al., 2013), anonymous subjects (e.g., Gneezy, 2005) nor the experimenter (e.g., Fischbacher and Föllmi-Heusi, 2013). Rather, our subjects cheat first and foremost their boss (i.e., commanding officer) with whom they interact on a daily basis. To a lesser extent they also cheat their fellow soldiers: a soldier who leaves the army base early necessitates the distribution of his uncompleted duties among those who remain behind.

In the next section, we describe our experimental design, procedures and sample. In Section 3, we present the results of our experiment. Section 4 concludes with some policy implications.

2. The experiment

2.1. Experimental design and procedures

Between December 28, 2010 and June 19, 2011, 427 soldiers from 27 different permanent and provisional military bases throughout Israel and 15 distinct army units participated in our experiment.³ The participating soldiers knew nothing of the experiment in advance. Our arrival was unannounced. Moreover, to avoid possible subject-pool contamination, we visited each army base only once. Within each participating army company, all soldiers took part. All soldiers were in training, meaning they were serving their first of three years (first of two years for female soldiers) of required military service.

To coordinate the experiments, we contacted the commanding officer of each participating army unit and requested a block of time prior to the soldiers' breakfast hour for the purpose of conducting the experiment. To avoid diffusing our observations across all days of the week, we requested Sunday, Wednesday or Thursday when possible.

All of the experiments were conducted just prior to the soldiers' breakfast hour in the dining hall. The cadet coordinator (CC) of the participating army unit⁴ called each soldier by name one-at-a-time to a room or large tent with two entrances/exits located on the army base that was used for the purpose of the experiment. Each participating soldier entered through one designated entrance. The CC then read the rules of the experiment to the soldier from a script as follows. The soldier was first told that he would be asked to roll a six-sided die in private and then to report the outcome to the CC. For each point on the die, the soldier would be released on Thursday half an hour ahead of the scheduled time. To avoid any possible confusion, the exact payment in the form of hours of early release for each of the six possible outcomes was enumerated. The soldier was explained that after all soldiers in the unit had completed the experiment, the CC would submit the list of early release times to the unit commander who had previously approved the experiment and the terms of early release.

After the soldier was handed a six-sided die, he proceeded to a table at the other side of the room or tent where, out of sight of the CC, he rolled the die in private.⁵ After rolling the die, the soldier returned to the CC to report the outcome.

¹ Goette et al. (2012) compare the in-group cooperativeness and willingness to punish of extant groups of Swiss soldiers with those of randomly formed minimal groups of soldiers. The distinction enables the researchers to demonstrate the importance of social ties for behavior, beyond the arbitrary labeling of a group upon which the minimal groups paradigm focuses. Lahav et al. (2011) distribute questionnaires on trains traveling between major Israeli cities to soldiers, teenagers and university students and show that soldiers have higher subjective discount rates than non-soldiers. Warner and Pleeter (2001) exploit a natural experiment conducted by the U.S. Department of Defense to reduce military personnel in which mid-career personnel were offered the choice between a lump-sum separation payment and an annuity valued at considerably more in present terms. The majority's preference for the lump-sum payment implies personal discount rates exceeding 18 percent.

² We discuss further the representativeness of our sample in Sections 2.2 and 3.2.

³ A military unit may be spread over more than one military base. Think of a combat unit located at numerous military bases along the border(s). Nonetheless, the geographic separation between bases and the military culture are such that bases operate independently from one another with minimal or no contact between them. Throughout the entire time period of our experiments, relative quiet prevailed in Israel. There were no wars or military confrontations with Hizbullah or Hamas, nor were any flotillas sent to the Gaza Strip from Turkey or elsewhere.

⁴ We had the cadet coordinator conduct the experiment to put subjects at ease because the CC is one of them. Namely, the CC is a soldier chosen (on a rotating basis) from the same military unit for which he serves. The CC's job is to serve as a liaison between the soldiers of the unit and the commanding officer.

⁵ While we use the masculine pronoun throughout the text, it is meant to apply equally to women and men for the soldiers, cadet coordinators and commanding officers. Indeed, Israeli women are also required to complete mandatory military service and 42% of our sample of soldiers is female (see Table 1).

Download English Version:

<https://daneshyari.com/en/article/5066849>

Download Persian Version:

<https://daneshyari.com/article/5066849>

[Daneshyari.com](https://daneshyari.com)