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Self-image and moral balancing: An experimental analysis



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ABSTRACT

In our experiment, a dictator game variant, the reported outcome of a die roll determines the endowment (low/high) in a subsequent dictator game. In one treatment the experimenter is present and no cheating is possible, while in another subjects can enter the result of the roll themselves. Moral self-image is also manipulated in the experiment preceding ours. The aim of this experimental set up is to analyze dynamic aspects of moral behavior.

When cheating is possible, substantially more high endowments are claimed and transfers of high-endowed dictators are bigger than when cheating is not possible (mediated by the preceding moral self-image manipulation). The preceding manipulations also have a direct effect on generosity, when subjects have to report the roll of the die truthfully. Moral balancing appears to be an important factor in individual decision making.

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1. Introduction

The dilemma between behaving morally and the tempting alternative that bends the social conventions to our advantage is a constant feature of everyday life. The study of potential factors affecting people's choices in such situations has been the topic of a large body of past and still ongoing research. While the role of outcomes, social interaction (in the form of intentions or emotions), or the situational environment the decision is taken in dominate the analysis of social preferences, our paper focuses on the dynamic aspects of moral behavior. Is an individual's tendency to behave pro-socially a constant, that is, will he act always in the same generous way in a given situation? Or is the decision affected by the context, specifically by the inter-temporal context? Imagine the following situation. A young man just left the subway train, heads up the station with the other passengers, and sees a woman with a baby buggy unable to get up the stairs on her own. Will he be more likely to offer assistance, if he just dodged the fare for the ride? On a more general level, do we have a built-in morality barometer that guides our behavior back to the level we appreciate most?

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Recently, self-image concerns gained increased recognition as a successful determinant of human choices, especially in the realm of moral behavior. While these models vary in their approach and terminology, their central message is arguably a common one. People desire to maintain a comfortable self-image. However, it remains an open question how they react, if there is a discrepancy between actual behavior and their self-image. Moral balancing theory (Nisan and Horenczyk, 1990) suggests that individuals keep account of their self-image over time. In line with the economics literature on self-image it also assumes that people wish at all times to keep their moral status on a level that they consider satisfactory. In addition, moral balancing proposes ways how people deal with deviations from their individual moral self-image. If one's moral self-image dropped below some standard, people would engage in moral cleansing to compensate. Likewise, when the moral self-image is above an ideal level, then people would have a tendency to behave immoral in an act of moral licensing.

The aim of our paper is to study such dynamic aspects of moral behavior in an experimental design that endogenously manipulates subjects' moral self-image. This allows us to analyze the effects of a variation of moral self-image on prosocial behavior. We test whether there are inter-temporal spillovers of (im)moral behavior within our experiment in which a dictator game's endowment depends on the roll of a six-sided die. Subjects who report an odd number receive a high endowment in the subsequent dictator game. Reporting an even number results in a low endowment. In one treatment (*Open Roll*) the experimenter is present and no cheating is possible, while in another (*Hidden Roll*) subjects can enter the result of the roll themselves. Therefore, in *Open Roll* the high endowment is legitimized by the transparent procedure. In contrast, subjects may cheat in *Hidden Roll* in order to claim a high endowment. As a consequence, average moral self-image is potentially lower in *Hidden Roll* and may lead to moral cleansing in the subsequent dictator game. Besides a *stand-alone* treatment our actual experiment was also conducted right after another experiment. This allows us to connect morally relevant information from the previous experiment to behavior in our experiment. In Kataria and Regner (2012), henceforth *Philanthropy*, a donation experiment involving a real effort task, moral self-image is supposedly low/high after one donated little/much in comparison to the other subjects. In Crosetto et al. (2012), henceforth *VCG punishment*, a voluntary contribution game with punishment, moral self-image is supposedly low/high, if one has been lucky/unlucky in the payment procedure.

To the best of our knowledge previous studies on moral balancing used an exogenous variation (priming methods) to induce different levels of moral self-image.² Instead, in our experiment subjects' moral self-image is endogenously manipulated. The potential effect on the self-image is caused by the subjects' own choice when they report the outcome of the roll of the die. In our condition *Hidden Roll*, they can report truthfully but they do not have to. Moreover, subjects are aware of the potential moral cleansing offered by the dictator game, when choosing whether to truthfully report the outcome of the die roll.

Several recent studies used the self-reported outcome of a random event as a measure for cheating (see, for instance, Fischbacher and Heusi, 2008; Shalvi et al., 2010, 2011; Fischbacher and Utikal, 2011; Shalvi and Leiser, 2013). Most comparable to our procedure are the following two studies. Bucciol and Piovesan (2011) used a binary event in a field experiment with children aged 5–15. The children were asked to toss a fair coin (black/white) in private. They knew that they would receive a reward only if they reported an outcome of white. Overall, 86% of the children reported the profitable outcome. Also Houser et al. (2012) used a binary cheating procedure. After playing a dictator game subjects were informed that they would get a chance to get an additional payment. They were told to flip a fair coin and report the outcome which determined the size of the extra payoff. Overall, 74.5% reported the high-payoff outcome.

In our experiment, when cheating is possible (*Hidden Roll* condition) around 85% percent of subjects claimed a high endowment. In the *stand-alone* treatment we do not observe that subjects compensate for their dishonesty. Only when moral self-image is also manipulated in a previous experiment – and controlled for in the data analysis – transfers of high-endowed dictators are higher in *Hidden Roll* than in *Open Roll* (when cheating is not possible). Moreover, our results show that morally relevant variation in a previous experiment carries over and affects the decision making of dictators in *Open Roll*. The worse subjects performed in generating donations in the *Philanthropy* experiment, the more they transfer as a dictator. The more subjects earned in the *VCG punishment* experiment, the more they transfer. Finally, we find evidence for a Robin Hood effect. In the *Philanthropy* condition, when subjects previously took part in an experiment that involved donations, the rate of cheating is significantly higher, if a treacherously earned endowment could be shared with another participant instead of being directly appropriated.

¹ Different approaches exist to model the role the self-image plays in decision making. Festinger (1957) proposed that a person experiences cognitive dissonance when she holds two psychologically conflicting cognitions. This concept has been sharpened in the modern theory of cognitive dissonance (Aronson, 1992; Beauvois and Joule, 1996) which argues that such dissonance primarily revolves around the self and a piece of behavior that violates that self-image, and applied, for instance, by Konow (2000), to a model of other-regarding behavior in dictator games. Bodner and Prelec (2003) as well as Bénabou and Tirole (2011) use a dual self approach to account for self-image as a motivation. Via the dual self which serves as an observer of one's own actions informative signals about the own identity or self-image are provided. Akerlof and Kranton (2000, 2005) incorporate identity in the utility function of individuals. They show that behavior in line with one's identity results in positive payoffs, while behavior that contrasts the own identity has the opposite effect. In their theory of self-concept maintenance, Mazar et al. (2008) suggest that people try to find a balance between two motivational forces (cheating in order to get a high material payoff versus maintaining the self-concept of being honest). In equilibrium the extent of their cheating would still just be compatible with their positive self-concept of being honest. Empirical evidence in favor of self-image concerns includes Dana et al. (2006), Dana et al. (2007), Larson and Capra (2009), Grossman (2010), Matthey and Regner (2011), Lazear et al. (2012), Gneezy et al. (2012) and Cappelen et al. (2013).

² See, among others, Monin and Miller (2001), Sachdeva et al. (2009), Mazar and Zhong (2010), Gneezy et al. (2011), Cornelissen et al. (2012).

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