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# Do Happy People Cheat Less? A Field Experiment on Dishonesty

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ABSTRACT

Results of an experimental study designed to examine the effect of happiness on dishonest behavior are reported and analyzed. Passersby on the streets of Tel Aviv were asked to answer the Oxford Happiness Questionnaire (OHQ), which contains 29 multiple-choice questions for measuring Subjective Well-Being (SWB). Each question is answered according to a uniform six-point Likert scale. After filling out the questionnaire, they were invited to perform the Fischbacher and Follmi-Heusi (2013)'s die-under-the-cup (DUTC) task, which incentivizes dishonest behavior. Past research has found a positive relationship between a person's level of honesty and their reported SWB. However, that result is based entirely on a subject's responses to a direct-question survey that simply asks whether he behaves ethically. The present study examines the relationship between dishonest behavior and SWB based on experimental data. Happiness was found to be positively correlated with dishonest behavior, implying that happy people cheat more than unhappy people. A possible explanation for this unexpected result is that happiness may provide the cognitive flexibility necessary to reframe and rationalize dishonest acts. This may pave the way for the commission of dishonest acts by altering how people evaluate the moral implications of their behavior.

## 1. Introduction and literature review

Economists' interest in dishonesty began with the publication of Becker's (1968) classic paper on rational crime. During the past three decades, behavioral economists have carried out numerous experiments both in the lab and in the field in order to understand dishonest behavior. The most prominent type of experiment involves a simple task that is performed by participants in privacy. This has been done with the roll of a die (e.g., Fischerbacher and Foellmi-Heusi, 2013; Arbel et al., 2014; Siniver and Yaniv, 2018), flipping a coin (e.g., Bucciol and Piovesan, 2011; Houser et al., 2012), solving math exercises (e.g., Mazar et al, 2008; Grolleau et al., 2014) or answering a multiple-choice trivia quiz (e.g., Yaniv et al, 2017). The participants are then asked to report the outcome.

While a large amount of effort has been devoted to determining the effect of gender, religion, age and background characteristics (e.g., academic achievement, field of study, profession, etc.) on the extent of dishonest behavior observed in these experiments, more recent studies have focused on the effect of temporary cognitive and emotional states on dishonest behavior. Vincent et al. (2013) found that subjects experiencing a positive affect when facing temptation to behave dishonestly were more likely to do so than subjects experiencing a neutral affect, suggesting that a positive affect provides the cognitive flexibility necessary to reframe and rationalize cheating. Siniver and Yaniv (2019) found dishonesty to be positively (negatively) correlated with post-exam optimism (pessimism). Schurr and Ritov (2016) found that winners of a competition behaved more dishonestly in a subsequent unrelated task than the losers. Mead et al. (2009) and Gino et al. (2011) conducted a series of experiments to show that dishonest behavior increases when cognitive resources have been depleted by prior exertion. Kouchaki and Smith (2014) found that people cheat more in the afternoon, when their cognitive resources are too depleted to resist moral temptation, than in the morning.

In the spirit of this literature, the present study proposes that dishonest behavior is responsive to people's happiness. The terms subjective well-being (SWB), happiness, utility and life satisfaction are often used interchangeably in the literature (Diener, 1984; Veenhoven, 1993; McBride, 2001; Easterlin, 2005). Although it is recognized that a question such as "how happy are you?" cannot be answered objectively, there is a large economic literature that attempts to identify correlates of

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SWB (Frey and Stutzer, 2002; Dolan et al, 2008). Factors associated with happiness include income, distribution of income, age, health, nationality, employment status, education, marital status, religiosity, political affiliation, self-fulfillment, and family characteristics, among others. In spite of the extensive research, it is often difficult to assess direct effects because some of these factors are interrelated and the exact flow of causation is unclear.

To cope with these difficulties, I use the Oxford Happiness Questionnaire (OHQ) in order to measure people's happiness. The OHQ is derived from the Oxford Happiness Inventory (OHI), which is comprised of 29 items, each of which involves the selection of one out of four options that vary from item to item. The OHQ includes similar items to those in the OHI, each of which is presented as a single statement that is endorsed on a uniform six-point Likert scale (see appendix 1). Hills and Argyle (2002) conducted a series of tests to compare the OHI and the OHQ and found that their aggregate scores were strongly correlated and that both measures demonstrated high scale and item reliability. Moreover, in terms of construct validity, the OHQ appears to be the preferred measure.

There is an extensive literature on the subject of happiness (Diener el at., 1999; Frey and Stutzer, 2002; Diener, 2000); however, very little of it examines the relationship between pro-social behavior and happiness. For example, Thoits and Hewitt (2001) found a positive relationship between volunteerism and happiness, and Konow and Early (2008) found a positive correlation between generosity and happiness.

Ancient moral philosophers, and especially Aristotle (Aristotle, 1987) and his followers, typically shared the assumption that ethics is primarily concerned with how human beings can achieve a life of "happiness" or "human flourishing". Aristotle argued that happiness arises from a life of virtue and that virtues are acquired by behaving according to high moral standards. Plato (Plato, 2000) argued that "the just man is happy, and the unjust man is miserable". In contrast, Kant (2016) argued that a happy person is not necessarily a morally good person and a vicious person is not necessarily unhappy. Harvey (2011) found that people who agree that it is never justifiable to engage in ethically questionable behavior report that they are more satisfied with their lives than people who are more tolerant of unethical conduct and concluded that there is a positive relationship between ethics and happiness. The present study adds to this literature by empirically exploring the relationship between happiness and dishonest behavior and the question of whether happy people cheat less than unhappy people.

## 2. The experiment

Passersby on the streets of Tel Aviv were asked to answer an OHQ consisting of 29 multiple-choice questions. Respondents answered using a six-point Likert scale. The instructions given to each respondent were as follows: "Below are a number of statements about happiness. Please indicate to what extent you agree or disagree with each statement by entering a number alongside it according to the following scale: 1=strongly disagree, 2=moderately disagree, 3=slightly disagree, 4=slightly agree, 5=moderately agree, 6=strongly agree. Read the statements carefully because some are phrased positively and others negatively." At the end of the questionnaire, they were asked to indicate their gender, age, marital status and whether they were traditional[1] or not.

After filling out the questionnaire, they were invited to perform the Fischbacher and Follmi-Heusi (2013)'s die-under-the-cup (DUTC) task, which incentivizes dishonest behavior. In this task, participants roll a six-sided fair die in private and are promised a payoff according to the outcome they report to the experimenter (e.g., 1,2,3,4,5 or 6 dollars for the corresponding die number). Thus, the DUTC task provides an incentive to over-report the die-rolling outcome. The task's disadvantage is that it is only able to measure the aggregate level of dishonesty of the group (rather than that of each individual) by comparing the average reported outcome to the expected outcome, i.e. 3.5, in a fair die roll.

The passersby were offered a payoff of 10 NIS (about 3 USD) per dot on the die, according to their report. I decided in advance to collect data from 200 passersby (half males and half females). However, because not everyone approached was willing to participate (for whatever reason), a total of 219 passersby were approached (an acceptance rate of 91 percent). Table 1 presents descriptive statistics for the 200 subjects (100 males and 100 females) who participated. The mean reported outcome was 4.43, which is significantly higher than the statistical expectation of 3.5 ($t=9.95$, $p<0.001$). The mean outcome reported by males and females was 4.35 and 4.51, respectively, which is also higher than 3.5 ($t=9.55$, $p<0.001$ for males; $t=10.15$, $p<0.001$ for females). The mean reported SWB was 3.90 (3.85 for males and 3.95 for females). The average age was 29.35 (SD=7.7). Also, 59 percent of the sample were married and 35 percent were traditional.

Table 2 presents the results of regressing the reported die outcome on the subject's level of happiness (SWB), and four demographic variables (gender, marital status, age and traditional person). The coefficient of happiness is positive and significant ($t=6.69$) meaning that happy people cheat more than unhappy people. This is also the case for only males ($t=3.62$) and for only females ($t=6.06$). Column II presents the coefficient of a two-way interaction between gender and happiness which is statistically insignificant, implying that the positive effect of happiness on the reported outcome is not related to gender. Notice further that being traditional has a statistically significant negative effect on the reported outcome, implying that traditional subjects cheated less than non-traditional, whereas the effect of gender, age and marital status are statistically insignificant.

## 3. Summary and conclusion

Many philosophers have argued that an individual's happiness is increased when he/she behaves ethically. Harvey (2011) provides empirical evidence that ethical behavior is correlated with happiness. His findings are entirely based on the subject's responses to a direct-question survey that simply asks whether the subject behaves ethically. In contrast, in the present study the relationship between SWB and dishonest behavior is based on the subject's behavior. Although conventional wisdom suggests that happy people are less likely to cheat than unhappy people, the findings indicate otherwise. In a regression of the reported die outcome on a person's level of happiness (SWB) and four demographic variables (gender, marital status, age and traditional person), the coefficient of happiness is positive and significant ($t=6.69$) meaning that happy people cheat more than unhappy people. A possible explanation for this unexpected result is that happiness may provide the cognitive flexibility necessary to reframe and rationalize dishonest acts.

**Table 1**
Descriptive statistics (means).

| | All | Male | Female |
|---|---|---|---|
| **Gender**[1] | 0.50 (0.50) | - | - |
| **Marital status**[2] | 0.59 (0.49) | 0.58 (0.49) | 0.59 (0.49) |
| **Age** | 29.35 (7.71) | 30.11 (8.14) | 28.58 (7.21) |
| **Traditional Person**[3] | 0.35 (0.48) | 0.37 (0.49) | 0.33 (0.47) |
| **Happiness**[4] | 3.90 (1.14) | 3.85 (1.16) | 3.95 (1.13) |
| **Reported die Outcome** | 4.43 (1.36) | 4.35 (1.39) | 4.51 (1.34) |
| **N** | 200 | 100 | 100 |

[1] Male = 1; Female = 0.
[2] Married = 1; Single = 0.
[3] Traditional = 1, Non-traditional = 0.
[4] Happiness: The mean reported SWB.*Standard deviations appear in parentheses.

[1] In Israel, the term "traditional" refers to one who observes the Jewish tradition, such as having a Shabbat meal, but is not necessarily religious.

**Table 2**
Regression of reported die outcome on the happiness and demographic variables.

| | All | | Male | Female |
|---|---|---|---|---|
| | I | II | III | IV |
| **Constant** | 2.436* | 1.977* | 3.209* | 1.364 |
| | (0.482) | (0.584) | (0.666) | (0.69) |
| **Gender**[1] | -0.96 | 0.722 | - | - |
| | (0.174) | (0.617) | | |
| **Marital status**[2] | 0.109 | 0.103 | 0.059 | 0.123 |
| | (0.201) | (0.201) | (0.298) | (0.275) |
| **Age** | 0.006 | 0.07 (0.013) | -0.006 | 0.024 |
| | (0.013) | | (0.017) | (0.019) |
| **Traditional Person**[3] | -0.509* | -0.521* | -0.686* | -0.370 |
| | (0.195) | (0.195) | (0.291) | (0.262) |
| **Happiness**[4] | 0.510* | 0.619* | 0.402* | 0.634* |
| | (0.076) | (0.110) | (0.111) | (0.105) |
| **(Gender)x (Happiness)** | - | -0.210 | - | - |
| | | (0.152) | | |
| **$R^2$** | 0.213 | 0.221 | 0.289 | 0.180 |
| **N** | 200 | 200 | 100 | 100 |

[1] Male = 1; Female = 0.
[2] Married = 1; Single = 0.
[3] Traditional = 1, Non-traditional = 0.
[4] Happiness: The mean reported SWB.
* Statistically significant at 0.01 level.Note: Standard error appear in parentheses.

This may pave the way for the commission of dishonest acts by altering how people evaluate the moral implications of their behavior. Thus, happy people may be more competent at stretching the definition of honesty to include behaviors that might ordinarily be viewed as dishonest. Cognitively flexible people may also be morally flexible.

## Appendix 1. The Oxford Happiness Questionnaire

INSTRUCTIONS: Below are a number of statements about happiness. Would you please indicate how much you agree or disagree with each by entering a number alongside it according to the following code:

1=strongly disagree; 2=moderately disagree; 3=slightly disagree;

4=slightly agree; 5=moderately agree; 6=strongly agree.

You will need to read the statements carefully because some are phrased positively and others negatively. Don't take too long over individual questions; there are no 'right' or 'wrong' answers and no trick questions. The first answer that comes into your head is probably the right one for you. If you find some of the questions difficult, please give the answer that is true for you in general or for most of the time.

1*. I don't feel particularly pleased with the way I am (-)
2. I am intensely interested in other people
3*. I feel that life is very rewarding
4. I have very warm feelings towards almost everyone
5. I rarely wake up feeling rested (-)
6. I am not particularly optimistic about the future (-)
7. I find most things amusing
8. I am always committed and involved
9. Life is good
10. I do not think that the world is a good place (-)
11. I laugh a lot
12*. I am well satisfied about everything in my life
13*. I don't think I look attractive (-)
14. There is a gap between what I would like to do and what I have done (-)
15. I am very happy
16*. I find beauty in some things
17. I always have a cheerful effect on others
18*. I can fit in everything I want to
19. I feel that I am not especially in control of my life (-)
20. I feel able to take anything on
21*. I feel fully mentally alert
22. I often experience joy and elation
23. I do not find it easy to make decisions (-)
24. I do not have a particular sense of meaning and purpose in my life (-)
25. I feel I have a great deal of energy
26. I usually have a good influence on events
27. I do not have fun with other people (-)
28. I don't feel particularly healthy (-)
29*. I do not have particularly happy memories of the past (-)

Notes. Items marked (-) should be scored in reverse. * Indicates components of the OHQ short scale. The sum of the item scores is an overall

measure of happiness, with high scores indicating greater happiness

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