

Ethical blind spots: explaining unintentional unethical behavior

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People view themselves as more ethical, fair, and objective than others, yet often act against their moral compass. This paper reviews recent research on unintentional unethical behavior and provides an overview of the conditions under which ethical blind spots lead good people to cross ethical boundaries. First, we present the psychological processes that cause individuals to behave unethically without their own awareness. Next, we examine the conditions that lead people to fail to accurately assess others' unethical behavior. We argue that future research needs to move beyond a descriptive framework and focus on finding empirically testable strategies to mitigate unethical behavior.

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Introduction

Recent news stories of unethical behavior, such as Bernie Madoff's Ponzi scheme and British Petroleum's failure to take safety precautions that could have prevented the 2010 Deepwater Horizon oil spill, have put scrutiny on the causes of ethical breaches. Typically, individuals who engaged in intentionally unethical actions can be found at the core of such events. But they are also enabled by a variety of actors who engaged in morally questionable behaviors without even being aware of their negative contributions.

A large body of research has shown that unethical behavior often stems from actions that actors do not recognize as unethical [1,2^{••},3]. This research has proposed that individuals are *boundedly ethical* [1] — that is, they do not always recognize the ethical dimensions of their decisions [2^{••}] because they are subject to systematic and predictable ethical blind spots [2^{••},4^{••}].

Here, we review research on unintended unethical behavior by focusing on three sources of ethical blind spots: (1) implicit biases, (2) temporal distance from an ethical dilemma, and (3) decision biases that lead people to disregard and misevaluate others' ethical lapses. We also identify a fruitful direction for future research by suggesting that the field move beyond description to develop strategies that can mitigate unintentional unethical behavior.

Implicit biases

The literature on implicit social cognition illustrates how unconscious attitudes can lead people to act against their ethical values. People do not always recognize their positive and negative views of others, let alone that these implicit attitudes can result in discriminatory behavior [2^{••},5,6]. For example, individuals may not deliberately discriminate against others, but when they offer preferential treatment to those they like or know personally, the outcome may be unconscious discrimination against those who lack such ties [7]. To take one example of in-group favoritism, many elite U.S. universities give preference to so-called 'legacy' candidates — the children of alumni, a practice that may prevent other deserving students, including some who are more qualified, from being admitted [4^{••}]. Individuals typically fail to recognize the harm that implicit favoritism of in-group members causes to members of social out-groups.

People act against their ethical values without conscious awareness in many other ways. Research shows that individuals maintain an 'illusion of objectivity' [2^{••}] — that is, they incorrectly view themselves as more objective than others [8]. For instance, in negotiations over scarce resources, people tend to believe they deserve a greater share of available resources than what others view to be fair [9,10]. Our fairness judgments are egocentric — biased by our unique perspective — and thus self-serving [11,12^{••},13^{••}], evidence that our judgments are affected by self-interest.

Individuals also show implicit bias when facing decisions that involve trade-offs between their self-interest and the interests of future generations; specifically, they frequently prioritizing the former over the latter [14]. This over-discounting of the future burdens future generations with an environmentally damaged planet [15] and massive national debt [16]. Most people consider themselves environmentally friendly and fiscally responsible, yet they are not willing to incur personal costs to avoid harming future generations [17]. Although implicit biases

fall outside conscious awareness, they have a surprisingly strong influence on our decisions.

Temporal lens

Temporal distance from decisions with ethical dimensions can be another source of unintentional unethical behavior. In particular, temporal distance influences the extent to which people believe they will be able to follow their moral compass [14]. When thinking about the future, we are more likely to think about how we want to behave and to consider our ethical values as a result [15,17,18]. Therefore, individuals overestimate the extent to which they will behave morally in the future [19]. Bazerman, Tenbrunsel, and Wade-Benzoni [20] attribute such forecasting errors to the tension between the side of us that wants immediate gratification — the “want self” — and the side that wants to make responsible and ethical decisions — ‘should self.’ Before making a decision, people predict they will behave in accordance with their ‘should self,’ a choice that supports their moral self-view [15,21,22]. However, when it is time to make a decision, the ‘want self’ becomes dominant [15,17,18]: the immediate gains from the unethical act become much more salient in the present, while the ethical implications fade away [3,4^{••},15].

In the post-decision phase, the ethical implications of a decision arise again, and the ‘should self’ reemerges. As they evaluate their own actions, people reduce the dissonance that results from behavior that contradicts their values [23–26]. Through ‘psychological cleansing,’ a process of moral disengagement [27], individuals can activate or deactivate their ethical values [28]. For instance, Shu, Gino, and Bazerman [27] found that when individuals were given an opportunity to cheat and then did so, they viewed cheating behavior as more acceptable. Similarly, individuals engage in ‘motivated forgetting’ of moral rules after engaging in wrongdoing [29]. These distortions help individuals close the gap between their unethical behavior and their moral self-image. In sum, temporal inconsistencies prevent us from being as ethical as we desire to be.

Failure to notice others’ unethical behavior

Researchers have also examined the biases that lead people to ignore the unethical behaviors of others. This work suggests that a number of irrelevant factors influence the extent to which people are likely to ignore others’ unethical behavior: self-serving biases, the outcome bias, the presence of intermediaries, and the gradual erosion of ethical behavior. For instance, individuals may fail to notice corrupt behavior if it benefits them and fail to recognize their own conflicts of interest [2^{••},30]. The outcome bias can also alter our ethical judgments by leading us to view the same behavior as more unethical and blameworthy if it leads to a bad outcome rather than a good outcome [31,32^{••}]. People are also far less likely to

condemn others’ unethical behavior when he or she orders or influences another person to carry out the decision [33,34].

Another factor that obscures the ability to notice the unethical behavior of others is whether the misconduct happens slowly rather than abruptly. According to a phenomenon known as the slippery slope effect [35^{••}], implicit biases prevent individuals from seeing gradual changes in their environment [36], including the gradual deterioration of ethical behavior. In addition, Gino and colleagues [31] have found that people tend to judge unethical behavior far more harshly when it harms specific, identifiable victims than when it harms a more anonymous group of people [31].

Together, these studies suggest that individuals ignore others’ unethical behavior due to factors that have no particular relevance to the behavior’s ethical content.

Directions for future research

Many important insights have been identified about the conditions under which ethical blind spots emerge, yet effective solutions await discovery. The problems that descriptive work on unintentional unethical behavior identified have been difficult to address, given that people are unaware that their biases underlie them. Current solutions fall into two (not mutually exclusive) categories: (1) moving from System 1 to System 2 processing and (2) strategies aimed at institutional design.

Moving from System 1 to System 2. Behavioral decision research has shown just how difficult it is to debias intuition [37]. However, the identification of System 1 versus and System 2 thinking, and the realization that System 1 is far more biased than System 2, may help [38]. System 1 thinking is defined as fast, automatic, effortless, and emotional, whereas System 2 thinking is slow, deliberate, effortful, and reason based [36,39,40]. When people are cognitively busy or tired, they rely on System 1, and they are more likely to engage in unethical behavior [41^{••},42,43].

Shifting from System 1 to System 2 thinking can provide effective interventions to mitigate unethical behavior. For instance, changing the framing of decisions and offering individuals more time for reflection can reduce automaticity in decision-making and suppress unethical behaviors [44–46]. Kern and Chugh [47] found that when decisions were framed in terms of gains instead of losses, people were less likely to engage in unethical behaviors. Furthermore, giving individuals more time to reflect on their decisions eliminated the tendency to be less ethical in the loss frame [47].

Another tool that can help individuals to move from automatic and emotional System 1 thinking to deliberate

and rational System 2 thinking is joint evaluation [48,49]. Paharia and colleagues [34] show that individuals who evaluate alternatives jointly — rather than separately — make decisions that better align with their ethics. Applying this principle in a laboratory setting, Bohnet, Van Geen, and Bazerman [38] effectively mitigated gender biases in hiring decisions. Their results show that participants massively discriminated based on gender when evaluating one candidate at a time but ignored stereotypes and used performance-based indicators when considering multiple candidates simultaneously.

Since these intervention strategies target very specific instances of unethical behavior, there may be cases where they lead to unintended consequences. For instance, joint evaluation may not always yield positive behavior change. Sezer, Zhang, Gino, and Bazerman [50] looked at joint evaluation in relation to evaluating others' intentions and outcomes. We found that joint evaluation enhanced the outcome bias; participants were more likely to punish fair intentions that led to unfavorable outcomes than unfair intentions leading to favorable outcomes when evaluating them jointly. These results demonstrate that clarifying the effectiveness of remedies for unintentional unethical behavior is challenging. Future endeavors need to further our understanding of appropriate and effective interventions.

Strategies aimed at institutional design. Strategies that aim to change the design of institutions — for example, by changing incentives, tasks, and policies — may also promote or 'nudge' people toward more ethical choices [7,51,52]. For instance, conflicts of interest in the auditing industry prevent auditors from making unbiased judgments about their own clients [30,53]. Similarly,

rating agencies that assess the creditworthiness of debt issuers are incentivized to give positive ratings to their clients. Policymakers can intervene to remove conflicts of interest by eliminating these external agencies' dependence on the firms they examine [51]. However, addressing the issue of conflicts of interest through mandated disclosure may backfire [54,55]. Research shows that disclosures of conflicts of interest lead individuals to perceive biased evaluations as ethically more permissible [54].

Other work suggests that introducing ethical codes can be an effective remedy to immoral behavior [22,27,56]. Such codes target unethical behavior by drawing people's attention to ethical values [22]. Further, research shows the importance of drawing attention to ethical values at the right time. Shu, Mazar, Gino, Ariely, and Bazerman [57] found that having people sign statements of honesty at the top of a form decreases dishonest self-reports much more effectively than having them sign at the bottom. As this suggests, making morality salient before people face an opportunity to cheat decreases their tendency to do so.

At the same time, these design changes need to be aligned with other policies that are in place. For example, if institutions set unrealistically high goals, individuals may feel pressured to engage in unethical behavior despite having an honor code [58]. An honor code framed in terms of goals to be achieved can also lead to an increase in unethical behavior [59]. Similarly, fostering individuals' moral self-regard [25] can give them license to act unethically in the future [60,61].

Research on sanctioning systems has suggested increasing punishment as an alternative way to respond to unethical

Table 1

Ethical blind spots and current solutions.

| Sources of ethical blind spots | Examples | |
|--|---|--|
| Implicit biases | <ul style="list-style-type: none"> • Implicit attitudes • Egocentric biases • Over-discounting the future | |
| Temporal lens | <ul style="list-style-type: none"> • Ethical fading in the present • Moral disengagement and motivated forgetting about the past unethical behavior | |
| Failure to notice others' unethical behavior | <ul style="list-style-type: none"> • Conflicts of interest • Outcome bias • Intermediaries • Slippery slope | |
| Current solutions | Examples | Issues to consider |
| Moving from System 1 to System 2 processing | <ul style="list-style-type: none"> • Framing of decisions as losses or gains • Reducing time pressure to allow deliberation • Joint evaluation | <ul style="list-style-type: none"> • These interventions target very specific instances. |
| Strategies aimed at institutional design | <ul style="list-style-type: none"> • Eliminating conflicts of interest • Signing ethical codes at the bottom • Sanctioning systems | <ul style="list-style-type: none"> • These strategies need to be aligned with other policies in place; otherwise interventions may backfire |

behavior [62]; however, changes in the design of the incentives might backfire. For example, Tenbrunsel and Messick [63] discovered that weak sanctioning systems — those with both a small probability of detecting unethical behavior and small punishments — actually increase unethical behavior relative to having no sanctioning system. Additionally, they found that in these systems, individuals viewed their decisions from a business frame rather than from an ethics frame. This ethical fading in turn allowed individuals to behave unethically [63]. These findings suggest that institutional reformers need to exercise caution, as interventions can backfire.

Conclusion

Research conducted in recent decades has provided important insights that highlight the prevalence of blind spots in ethical decision making. We have discussed the main sources of unintentional unethical behavior identified by recent work and have suggested that researchers should strengthen their efforts to uncover techniques for improving ethical decision making while carefully considering the boundary conditions of their recommendations (Table 1).

Conflict of interest statement

There are no known conflicts of interest.

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