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The Root Causes of Unethical Behavior

Psychological Traps That Everyone Falls Prey to

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Business literature is replete with stories of unethical behavior in executive suites and board rooms, yet everyone is potentially capable of falling into the same traps. With a little insight into the psychological traps that increase the probability that individuals will behave unethically, perhaps such behavior can be curbed. To date, the authors have delineated a total of 45 traps, including “Obedience to Authority,” “Need for Closure,” “The False Consensus Effect,” “Lost in the Group,” and “Self-Enhancement,” and they fully expect more to be discovered.*

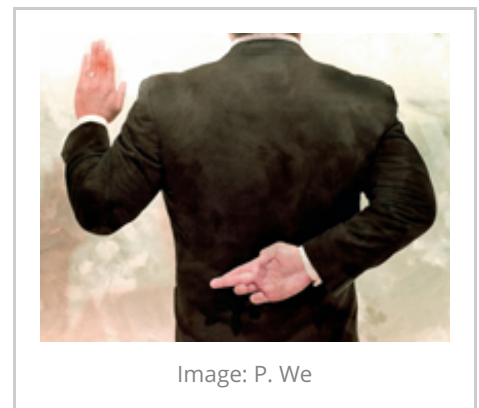


Image: P. We

What Are Psychological Traps and Why Do They Exist?

Psychological traps are the root causes of unethical behavior.

Psychological traps are similar to fish traps. A fish trap is comprised of a wire cage with an entrance shaped like a large funnel that narrows toward the inside of the cage; the design of the funnel directs the fish to swim into the trap. In the same way, an individual or organization is encouraged to move in a certain (unethical) direction once a psychological trap is present. Later, the action turns out to be disastrous and there are usually no simple means of reversing course.^[1]

Because they are psychological in nature, some of these traps distort perceptions of right and wrong so that one actually believes his or her unethical behavior is right. If people are not aware of these traps, they can act as illusions or webs of deception. Once the traps are identified, however, they lose much of their power to ensnare, and people can more easily circumvent them just as voyagers who know the location of quicksand can navigate around it. When danger is clearly identified, one can prepare for it and avoid it.

Depending on their context, traps may be benign and can even exert a positive influence on our lives. For example, empathy is often considered the cornerstone of good ethics but in some circumstances, this personality trait can actually overpower our sense of fairness. This is because traps can incite tunnel vision; the pull to act on them is so strong that people can become blinded to other behavioral options. Individuals that we respect and admire even whole companies can descend rapidly down the path of corruption.

Traps exist because at any given moment in time people experience impulses that motivate them to act. These impulses are reactions to internal or external stimuli. Sometimes, a stimulus is so powerful or triggers such automatic behavior that the individual acts without recognizing that other options exist. At other times, he or she is aware of other choices, but the stimulus' impact overrides these potential actions.

The essential question the authors posed was: What prompts the individual or organization to begin to move in an ill-fated direction? The diverse traps presented in this article provide descriptions of different internal or external stimuli that compel people to begin this movement toward disaster. In addition, the article introduces three main categories of traps: Primary, Personality, and Defensive.

Primary Traps

Primary traps are predominantly comprised of external stimuli. They are the main traps that impel people to move in a certain direction without regard for ethical principles. "Obedience to Authority" is a clear example of a primary trap. Children are primed to obey their parents their survival depends upon it and in school, this conditioning continues. Students automatically know that they must show deference to their teachers. Consequently, later in life, when the boss orders an employee to do something, many people quickly obey without thinking.

If a person of authority orders a subordinate to do something unethical, the compelling need to obey authority serves as such a powerful external stimulus that the individual will likely obey the order without being aware of its opposition to his or her own ethical principles. At other times, the subordinate might be aware that the order is unethical; nonetheless, the impulse to obey is so strong that it overrides his or her judgment.

Personality Traps

Personality traps consist exclusively of internal stimuli in the form of various personality traits that can make people more vulnerable to wrongdoing. An example of a personality trap is the "Need for Closure," that is, "the desire for a definite answer on some topic, *any* answer, as opposed to confusion and ambiguity."¹²¹ It is the tendency to jump on the first opinion that comes to mind, rather than tolerating a state of uncertainty and taking the time to consider a problem or judgment from many different angles.

The need for closure is augmented under work conditions that make processing information more difficult, namely time pressure, fatigue, and excessive background noise. When such conditions exist, it is more difficult to tolerate a state of confusion and ambiguity.

While the need for closure is influenced by situational factors, it is also a personality trait some people are more able to tolerate states of ambiguity than others. Arie Kruglanski has developed a "Need for Closure Scale" to measure this personality dimension those with a high tendency towards the trait are more apt to endorse

items on the scale, such as “I usually make important decisions quickly and confidently,” “I do not usually consult many different opinions before forming my own view,” “When I’m confused about an important issue, I feel very upset,” or “It’s annoying to listen to someone who cannot seem to make up his or her mind.”^[3] Kruglanski and his colleagues have established that those who score high on the scale are more prone to stay with established impressions in the face of contradictory evidence.^[4]

So, what does this mean in the real world? Let us say that a CEO has a high need for closure. Based on the CEO’s previous encounters with the CFO, he respects and likes him; however, the CFO has not been with his company long. One day over lunch, the CEO learns from a colleague that the CFO has accepted a bribe. “Impossible,” says the CEO. “He is not like that. He would not do such a thing!” Because of the CEO’s high need for closure, he stays with his established impressions and does not even consider the possibility that the CFO has acted illegally.

Within an organization, if coworkers ignore, justify, or condone unethical behavior, this supports the view of the transgressor that he or she did not do anything wrong or, if they did, that it is not that big a deal. Coworkers with a high need for closure can potentially cling to established impressions and, in so doing, discount unethical behavior.

Defensive Traps

Defensive traps are a very different category. Although some of them can, at times, be counted as primary traps, defensive traps are basically attempts to find easy ways to reverse course after a transgression has been committed. For the most part, defensive traps are maneuvers that are reactions to two internal stimuli: guilt and shame. Guilt and especially shame are very painful emotions because they call into question the positive view that people have of themselves.

Defensive traps are insidious because they are often very successful at annihilating or at least minimizing guilt and shame. They help people deny their transgressions, thus setting them up for repeated unethical behavior. An example of a defensive trap is the “False Consensus Effect.”

Consider this example: Thomas Gabor, professor of criminology at the University of Ottawa, interviewed employees that had illegally stolen equipment and materials from their jobs. A common rationalization was exemplified by the following employee's statement: "We are as good as management. They commit employee theft. Everybody does it. If I don't take it, someone else will."^[5]

Psychologists call this type of rationalization the "False Consensus Effect." When people do something unethical, they appease their guilt by falsely assuming that it is something everyone does, and thereby minimize their transgressions "It's not that bad; it's something that happens all the time!" The insidious thing about the false consensus effect (as with most other traps) is that the person actually believes his or her own self-deception.

Gina Agostinelli conducted an interesting experiment at the University of New Mexico that validated the false consensus effect.^[6] Two-hundred-and-thirty-five subjects participated in her study, and these subjects were randomly assigned to either two conditions: a *failure condition* or a *neutral condition*. Agostinelli administered a test that was described as a "decision-making problem that many career centers use to help companies hire employees...a valid indicator of future job success that measured general problem-solving abilities under time pressure."

Following the test, subjects relegated to the *failure* condition were given false feedback: "Your score is poor and indicates that you are not good at solving problems under time pressure and cannot make important decisions efficiently." Subjects in the neutral condition were given no feedback. All subjects were then given a questionnaire that asked them to estimate how well the general public would do on the problem-solving test.

The magnitude of the false consensus effect was impressive. In the neutral condition, 40 percent of subjects estimated that the public would be successful with the problem-solving test. In the failure condition, subjects estimated that only 15 percent of the public would be successful! Subjects who "failed" the test estimated that a large number of people would also fail the test, as in "If I fail, most people would."

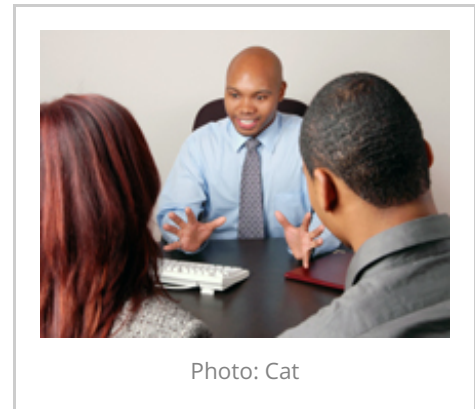
Executive Tactics

How can a company create a corporate culture in which psychological traps are less likely to nudge managers and employees toward unethical behavior? Let us focus on the three traps that were used as examples: “Obedience to Authority,” “Need for Closure,” and the “False Consensus Effect.”

Obedience to Authority

When trying to keep the trap of obedience to authority at bay, the most important thing an executive can do is to hire a psychologist to be part of his or her ethics and compliance team.

Psychology can explain the nature of traps and often help structure the proper approach to avoiding or remediating them.



Joseph Badaracco, an ethics professor at Harvard Business School, conducted 30 extensive interviews with recent MBA graduates who had faced ethical dilemmas in the business world.^[7] Many of the Harvard managers interviewed in Badaracco’s study confronted the trap of obedience to authority they had been overtly told to act unethically by their bosses. One manager was instructed “to make up data to support a new product introduction.” When he objected, his boss cut him off and said, “Just do it.”

When ordered to act unethically, these entry-level managers experienced intense anxiety. If they did not obey, they worried that they would lose their boss’ support, which was crucial to being perceived as “a candidate for the fast track and a team player.” Ultimately, employees worried about destroying their careers and losing their jobs.^[8]

The crucial problem these managers faced was the intense anxiety that resulted from the obedience to authority trap. Emotions can bring people to their knees, and many of the traps incite powerful emotions that pull a person toward wrongdoing. The managers were able to cope with their anxiety by reassuring themselves that they were still young and their careers were just beginning. They told themselves that they

could always find work in another company if being ethical resulted in the loss of their jobs. For the most part, the managers were able to resolve their dilemmas because of this flexibility.

The managers acknowledged, however, that had they been older, with families and invested status in the company, finding new employment would have been a much less likely option. So, what about middle managers who do not have this flexibility, who have spent years climbing the corporate ladder and have a family to support. What do they do when intense anxiety hits?

If middle managers are in a company that has a psychologist as part of its ethics team, the psychologist can help them cope with their anxiety when confronted with the trap of obedience to authority, as psychologists are well trained to mitigate intense anxiety.

Need for Closure

Psychological traps are insidious because they are often invisible. Managers with a high need for closure, for instance, are usually neither aware of having such a trait nor that it might lead them to disregard the unethical behavior of their coworkers. If managers know that they have a high need for closure and are aware of its implications, they are more likely to avoid being trapped.

To contend with the need for closure, the most important thing an executive can do is to have a psychologist administer the "Need for Closure Scale" so that managers and employees are aware of whether they have a personality trait that might incline them to act unethically.

False Consensus Effect

This trap is easily identifiable it basically sounds like: "What I (or we) did is not bad; it's something that everybody does." Once the company is aware of the false consensus effect, it is a signal that a transgression has already been committed. In such cases, established reporting and disciplinary procedures that are usually part of the company's code of business conduct and ethics should come into play.

Conclusion

Because there are more traps than the three outlined in this article, there will likely be more than three tactics developed to deal with these traps. Nonetheless, the authors have identified the following tactics as universally important:

1. Employ a psychologist to help coworkers contend with the strong emotions incited by traps;
2. Ensure that the psychologist tests coworkers to make them aware of potential personality traps; and
3. Recognize defensive traps as signs that transgressions have already been committed.

It should also be noted that one's behavior can be affected by more than one trap simultaneously. Developing tactics to manage traps is an ongoing challenge, especially as more traps are discovered. But the fact that traps accurately define the root causes of unethical behavior will make this task easier and the solutions more effective and efficient.

*Editor's Note: The material in this article has been adapted from the book by the same authors: [The Ethical Executive: Becoming Aware of the Root Causes of Unethical Behavior: 45 Psychological Traps that Every One of Us Fall Prey To](#), (Stanford University Press, 2008).

[1] J. Platt, "Social Traps," *American Psychologist*, 28 (August 1973): 641-651.

[2] A.W. Kruglanski, *Lay Epistemics and Human Knowledge: Cognitive and Motivational Bases*, (New York: Plenum Press, 1989): 14.

[3] Arie Kruglanski, Donna Webster, and Adena Klem, "Motivated Resistance and Openness to Persuasion in the Presence or Absence of Prior Information," *Journal of Personality and Social Psychology*, 65, no. 5, (1993): 861-876.

[4] Arie Kruglanski and Donna Webster, "Motivated Closing of the Mind: Seizing and Freezing," *Psychological Review*, 103, no. 2, (1996): 263-283.

[5] Thomas Gabor, *Everybody Does It*, (Toronto: University of Toronto Press, 1994): 183.

[6] Gina Agostinelli, Steven J. Sherman, Clark C. Presson, and Laurie Chain, "Self-Protection and Self-Enhancement Biases in Estimates of Population Prevalence," *Personality and Social Psychology Bulletin*, 18, no. 5, (1992): 631-642.

[7] J.L. Badaracco and A.P. Webb, "Business Ethics: A View From the Trenches," *California Management Review*, 37, no. 2, (1995): 8-28.

[8] Ibid.

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