

The Ethical Dangers of Rational Decision Making

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Abstract

My dissertation explores the rational and emotional foundations of ethical decision making. Traditional research has associated ethical superiority with an analytic, rational decision-making process and has suggested that emotions (e.g., empathy or anger) undermine ethics because they lead people to breach important ethical principles (e.g., the norm of impartiality). In contrast, my dissertation suggests that rational decision making may actually *license* unethical behavior when it reduces the experience of certain emotions such as guilt. Consequently, rational decision making may support ethics in some situations, but interfere with it in others. Thus, rational decision-making can act as a double-edged sword, making it particularly important to consider the effects of individual's emotions on the ethical implications of being rational.

The Ethical Dangers of Rational Decision Making

The decision-making literature is heavily marked by the construct of rationality. Although there are dozens of definitions of rationality (March, 1978), being rational usually means acting wisely and efficiently to choose the appropriate means to advance one's goals (Etzioni, 1988). Neoclassical economic theories, for example, assume that individuals know what is best for them (i.e., utility) and seek to maximize utility with certainty, or expected utility with uncertainty. Although the notion that individuals can maximize their utility has been extensively modified (see Kahneman, 1991; Simon, 1947), the prescriptive nature of rational theories, that individuals should intend to be rational during decision-making, has, with a few exceptions (Etzioni, 1988), received less challenge.

Unsurprisingly, the dominance of the rational model in the decision-making literature minimizes the role of emotion, often equating emotion as the opposite of reason. The Stoic philosophers, for example, viewed emotion as a conceptual error that binds individuals to the material world and to a life of misery (Solomon, 1993). Even though the contemporary view of emotion is less extreme, emotions are nevertheless considered epiphenomenal—that is, not integral to the decision-making process (Loewenstein, Weber, Hsee, and Welch, 2001).

The opposition between the rational model and emotion is more than just a theoretical debate. It also reflects a competition between two fundamentally different modes of information processing—analytic and rational processing versus heuristic and intuitive processing (Epstein, 1983; Epstein, 1991; Epstein, Pacini, Denes-Raj, & Heier, 1996). The rational system operates primarily at the conscious level and is intentional, analytic, primarily verbal, and relatively emotion free. The intuitive system is assumed to be automatic, preconscious, holistic, associationistic, primarily nonverbal, and intimately associated with emotion or affect. These two

systems are consistent with many dual-processing models that psychologists have proposed over the years, including *heuristic* versus *extensional* processing (Tversky & Kahneman, 1983), *implicit* versus *explicit* processing (Weinberger & McClelland, 1991), *first-signal system* versus *second-signal system* (Pavlov, cited in Luria, 1961), and *intuitive processing* versus *thinking-conceptual-logical processing* (Jung, 1964/1968). In each of these models, there is a tradeoff between being rational-analytical and intuitive-experiential. In these varied models, the dominance of rational processing often reduces intuitive processing and, more directly, the experience of emotion.

The prevalence of the rational model and the alienation of emotion in decision making have dominated domains across different professions and industries. In jurisprudence, for instance, the history of penal law and criminal justice has always limited the weight of emotion in court. Modern penal law allows only a narrow role for emotions in the legal realm, so that emotions do not intrude on the true province of law: reason (Bandes, 1999). Emotion is also considered an enemy to professions such as the health care industry. The Western models of caregiving have been dominated by an emphasis on science, technology, and rationality (Goldstein, 1999). Traditional health care organizations support and reward an organizing approach that reflects and maintains the rationality ideal (James, 1993; Smith & Kleinman, 1989). Finally, emotion repression has been the standard at the work place: emotion management is considered key to maintaining professionalism (Kramer & Hess, 2002). “*The successful candidate* will mask his true feelings, negative and positive, in the name of professionalism.” So might read the majority of job descriptions (Schulman, 2002).

Regardless of the dominant and normative role of the rational model in decision making, I contend that some of the consequences of the rational model have not been fully explored. In

particular, recent studies have started to question the peripheral role of emotions in decision making (Loewenstein et al, 2001; Greene, Sommerville, Nystrom, Darley, and Cohen, 2001). Studies have found that emotions such as empathy and guilt are essential in promoting moral behaviors and inhibiting immoral behaviors (Dienstbier, Hillman, Lehnhoff, Hillman, & Valkenaar, 1975; Eisenberg, 2000; Schachter & Latane, 1964). For instance, research has shown that individuals who were tranquilized with Chlorpromazine, a drug used to smooth out emotional experience, tended to engage in immoral behaviors such as cheating (Schachter & Latane, 1964). In essence, this recent research questions the desirability of completely rational decision making.

In my dissertation, I investigate some of the unintended consequences of rational decision making and focus on the narrow topic of morality. I argue that although some emotions can be a source of bias, others can serve as an important inhibitor of immoral behaviors such as cheating and aggression. Hence, the rational model of decision making might contribute to unethical behaviors by reducing the experience of “good” emotions. Thus, my dissertation will first review the existing literature on ethics and the emerging studies on behavior and judgment correlates of emotions in moral situations. I will then discuss the moral consequences of the rational model of decision making. Since my proposal was approved last year, I have collected preliminary data to test my hypotheses. I include the results of those preliminary investigations here.

Ethics as reason

The ethics literature is characterized by the worship of reason (Haidt, 2001). Concepts of ethics or virtue in ancient history were often associated with the rationalistic view of moral consciousness. Most of the earlier prominent philosophers—Plato and the Stoics in ancient times, Cudworth and Cumberland and Clarke in the seventeenth and early eighteenth centuries—

agreed that moral distinctions were the work of reason (Rashdall, 1914). Contemporary theories of ethical decision making inherited the ancient philosophical, rational theories of ethics and focused on the role of reason and cognition in moral decision making and development.

Right around the time of the cognitive revolution in psychology during the 60s, Kohlberg proposed a model of ethical development that has had enduring impact on studies of ethical decision making. His classic model (Kohlberg, 1981) posits that moral judgments follow a cognitive-moral developmental process from the preconventional (characterized by a concern for the physical or hedonistic consequences of actions) to the conventional (characterized by a concern for the maintenance of role expectations, relationships, and the social system) to the postconventional (characterized by a concern for individual rights and abstract ethical principles). Individuals achieve superior moral or ethical judgment when they progress to postconventional moral reasoning.

Other scholars also came to similar conclusions regarding the role of cognition in ethical decision making (e.g., Jones, 1991; Kohlberg, 1981; Murnighan, Cantelon, & Elyashiv, 2001; Rest, 1986; Trevino, 1986). Jones (1991) and Murnighan et al (2001) consider awareness the precedent of moral behaviors. Both Jones' (1991) 'issue-contingent model' and Murnighan et al's (2001) 'bounded personal ethics model' suggest that individuals are often unaware of applicable ethical norms or the ethical consequences of their decisions, resulting in egocentric decisions that are skewed to benefit the self (Messick & Sentis, 1983). They suggest that increases in individuals' awareness of the moral implications of a situation will increase the morality of their decisions.

With a similar emphasis on cognition and a keen interest in process, Rest (1986) proposed a four-stage model of ethical decision making, in which a person who makes a moral

decision must 1) recognize the moral issue, 2) make a moral judgment, 3) establish moral intent, and 4) make moral decisions. This model is cognitive in nature, much like other models (e.g., Ferrell, Gresham, and Fraedrich, 1989; Trevino, 1986).

Thus, the major theories of ethical decision making consider cognition and reason the key determinants of moral decisions and at least implicitly suggest that emotions are either irrelevant or peripheral. However, despite such convergence, cognitive theories of ethics have not attracted many empirical examinations. Although it is undeniable that people reason in moral situations, it is less certain whether reasoning causes moral judgment and behavior or the other way around. Recent work on the intuitionist approach to moral judgment, for example, suggests the latter possibility—that moral judgment is a result of a quick, automatic, and intuitive evaluation process. Moral reasoning may then be a post hoc construction, generated after reaching a judgment (Haidt, 2001). Improving awareness is also not very effective in stopping unethical business practices (Cleek & Leonard, 1998; Morris, Marks, Allen, & Perry, 1996). Consequently, despite familiarity with a code, “employees of Enron Corp., its subsidiaries, and its affiliated companies are charged with conducting their business affairs in accordance with the highest ethical standards...” top Enron executives have been indicted in one of the largest corporate ethics scandals in United States history. In light of these findings, some scholars have turned their attention to the experience of emotions in ethical decision making.

Ethics as feelings

For centuries, emotion has been viewed as expressing a personal and polarized perspective that can bias judgment and cognition and hence interfere with rational, moral thought (Eisenberg, 2000). More recently, however, philosophers have argued that emotional reactions help people to distinguish moral features in specific contexts, motivate moral behavior, and

undercut immoral behavior. This changing view of emotion in philosophy is consistent with an emerging interest in emotion among moral psychologists, who suggest that emotions are related to or mediate various forms of ethical or unethical behavior.

Moral emotions and moral behavior

All emotions are responses to perceived changes, threats, or opportunities in the world, but in most cases it is the *self* whose interests are directly affected by these events. In contrast, moral emotions are connected to social events that often do not directly affect self-interest (Haidt, 2003). Guilt, for instance, is often triggered by others' misfortunes when a person is responsible for causing the harm. Although different emotions vary in the extent to which they are linked to the interests of society or of other people, some emotions, including guilt and empathy, have been consistently viewed as moral emotions (Eisenberg, 2001; Tangney, 1991; see Haidt, 2003 for a review).

Guilt in developmental and social psychology often refers to regret over wrongdoing. Studies have found a positive relationship between guilt and prosocial moral behavior (Eisenberg, 2000; Eisenberg & Fabes, 1991; Hoffman, 1998). Chapman, Zahn-Waxler, Iannotti, and Cooperman (1987), for instance, found that children who attributed more guilt to the perpetrator of a moral transgression had higher levels of subsequent prosocial behavior in different laboratory settings. Likewise, Zahn-Waxler, Kochanska, Krupnick, & McKnew (1990) found a positive correlation between guilt and "empathy/prosocial" themes in the stories of children of nondepressed mothers. Finally, Tangney (1998) concluded that children who were presented with higher levels of guilt were more likely to try and repair their negative action by doing something positive¹.

¹ Shame is a related but distinct emotion from guilt. It can arise from the public exposure of a defect, failure, or transgression (Smith, Webster, Parrott, Eyre, 2002) or a negative evaluation of the self. Unlike the experience of

Empathy is defined as an affective response that stems from the comprehension of another's emotional state or condition that is identical or very similar to what the other person is feeling or would be expected to feel². In general, empathy-related responding has been found to be associated with prosocial behavior (Eisenberg & Miller, 1987). In a number of studies, both dispositional empathy-related responding, assessed with self- and other reports (Eisenberg & Miller, 1987; Eisenberg & Fabes, 1998), and experimentally induced empathy (Batson, 1998) have been positively related to prosocial behavior.

Emotions in moral decision making: neuropsychological view

Recent developments in functional neuroimaging have spawned an array of studies tracing emotional reactions in the brain following exposure to moral scenarios. Moll et al. (2002) showed that emotions play a pivotal role in moral experience by assigning human values to events, objects, and actions. Specifically, Moll et al. found that viewing emotionally charged moral stimuli increased activation of the right medial orbitofrontal cortex (OFC), the medial frontal gyrus (MedFG), and the cortex surrounding the right posterior superior temporal sulcus (STS) more than viewing similarly emotional but non-moral stimuli. This suggests that the medial OFC/MedFG and the STS, which are critical elements of a cortical–limbic network, enables humans to link emotional experience to moral appraisals (see Moll, Oliveira-Souza, & Eslinger, 2003 for a review). Greene et al (2001) also demonstrated the involvement of emotions in value judgment. They showed that the experience of emotions lead to differential responses to structurally equivalent moral dilemmas³.

guilt, the experience of shame often motivates an avoidance response, leading to more rather than less externalizing problems (Tangney, Wagner, Hill-Barlow, Marschall, & Gramzow, 1996).

2 Some scholars differentiate empathy from sympathy. Others use them interchangeably (Batson, 1998).

3 Participants read two structurally similar moral dilemmas. In both dilemmas, a runaway trolley is headed for five people who will be killed if it proceeds on its present course. In the trolley dilemma, the only way to save them is to hit a switch that will turn the trolley onto an alternate set of tracks where it will kill one person instead of five, whereas the other dilemma, the footbridge dilemma, requires pushing a stranger onto the tracks. The stranger will

In summary, these studies paint a very different picture of the role of emotion in moral judgment and decision making. Instead of being irrelevant or peripheral, emotion is closely linked to moral appraisals and might directly feed into moral judgment. Thus, reducing the experience of emotion might bring unintended moral consequences.

The ethical dangers of rational decision making

By definition, analytic, rational thinking is more detached from emotional experience than intuitive and experiential processing⁴(Epstein, 1983; Tversky & Kahneman, 1983; Weinberger & McClelland, 1991). Due to reduced emotional engagement, strictly rational processing may have unintended moral consequences. Depending on the specific emotions (e.g., empathy versus guilt) that are involved, the consequences of rational decision making might be either desirable or undesirable.

The good

Multiple approaches in psychology generally agree that emotion is a spontaneous and rapid response system (Cole, Martin, & Dennis, 2004). Thus, emotional states can often conflict with goals in specific situations. For instance, studies have shown that feeling empathetic toward a person often leads to actions that increase the welfare of that person, despite the possibility that such differential treatment can violate common moral principles such as impartiality (Batson, Duncan, Ackerman, Buckley, & Birch, 1981). Thus, the rational model of decision making can help maintain impartiality and equity by reducing the physical and psychological experience of empathy. This is also one of the major reasons for adopting the rational model in the workplace

die, but his body will stop the trolley from reaching the others. In both dilemmas, participants need to decide whether it is appropriate to kill 1 person to save 5 others. Most people think it is acceptable to pull the switch but not to push a person on to the track.

⁴ I am not suggesting that emotion plays no role in rational decision making, but rather that it is a matter of degree. There is a tension between rational and intuitive decision making in the experience of emotion. When individuals engage in analytical thinking, they tend to experience less emotion.

or in court. Intuitive processing in these situations might intensify people's experience of empathy, which motivates behaviors that may benefit a subset of people while violating the norm of fairness.

The bad

Although some emotions might lead to biased decisions and compromise the principle of impartiality, others are central in regulating immoral behaviors such as cheating and aggression (Dienstbier et al, 1975; Eisenberg, 2000). Emotions such as guilt can provide information about the relative desirability of decision-making options (Damasio, 1994). Hence blocking the experience of those emotions can impair decision making and reduce decision-makers' abilities to regulate unethical behaviors, as demonstrated in cases of psychopaths and sociopaths.

It has been long noted that patients with ventromedial prefrontal cortex (VMPFC) damage (Damasio, 1994), which causes the loss of emotional responsiveness to the world in general and to one's behavioral choices in particular, display social inability. Although these patients show no reduction in their reasoning abilities, they are unable to make adaptive value-based decisions in a variety of practical and moral contexts. They experience less emotion and feeling when they respond to value-threatening situations (Bechara, Damasio, Damasio, & Anderson, 1994; Damasio, Tranel, & Damasio, 1990).

Similar evidence can be found in research by Dienstbier and his colleagues (Dienstbier et al, 1975; Dienstbier, 1985). In one of their studies, Dienstbier (Dienstbier, 1985) gave half of their participants a placebo and told them that it might cause symptoms similar to 'peripheral arousal symptoms' such as trembling hands or increasing heart rate. These participants were then engaged in a task in which they had opportunities to cheat without worrying about being caught. As a result, they cheated more than those in a control condition, in which no placebo was given.

Thus, individuals seem to choose more unethical behaviors if they can attribute their physical experience of guilt-related emotions to an external cause.

In summary, although the rational model of decision-making might prevent violations of impartiality, it may also introduce the risk of licensing unethical behaviors. Thus, the rational model of decision making is a double-edged sword that can bring both desirable and undesirable moral consequences depending on which specific emotions are inhibited in decision-making situations. Because we have embraced the rational model of decision making in almost every aspect of our lives, possibly without fully understanding its consequences, this paper focuses on unveiling some of the undesirable consequences of the rational model of decision making.

The current studies

To date, I have examined the undesirable moral consequences of rational decision making in 2 studies that are currently under way. Thus, results reported in this paper are preliminary. In study 1, I show that rational decision making can license cheating. In study 2, I replicated study 1's finding in an important business setting—negotiations—and show that individuals who were told to make rational decisions in a negotiation context cheated more than those who were told to adopt an intuitive decision-making style. In addition, I hope to complement these two studies with two future studies. In study 3, I will use an implicit prime to activate rational versus intuitive modes of decision making, to replicate the findings of study 1 and 2 with a different methodology. Finally, in study 4 I hope to show that the difference between rational and intuitive processing can be reduced when individuals in the intuitive processing condition are able to attribute part of their emotional experience to external factors such as room temperature.

Study 1: Rational decision making and cheating

Although the idea of rational decision making goes back in time in philosophy, it is most strongly advocated by economists. According to neoclassical economics, individuals should engage in deliberate calculations to maximize their utility or expected utility. Thus, I expect that individuals who have had extensive economics training to be more likely to cheat in situations that generate conflict between self- and other-interest.

Further, studies have shown that individuals are able to switch between rational and intuitive decision making styles depending on environmental cues (Epstein, 1983). Thus, I manipulated rational versus intuitive decision-making styles through a priming procedure, expecting that a more rational approach to decision-making will also lead to increased cheating (relative to an intuitive approach).

Method

Sample

In total, 45 undergraduate students from Northwestern University were recruited via posters around the campus. Among them, 27% were male; 49% Asian, 36% Caucasian, and 9% African American; 24% were economics major⁵, 13% psychology, 16% biology, and 13% engineering.

Design and Procedure

The experiment was a 2 (decision-making style: rational decision making versus intuitive decision making) \times 2 (economics experience: yes vs. no) between participants design.

Participants were led to a separate room upon their arrival and stayed there throughout the experiment. They were told that they were going to engage in a series of decision-making tasks, some of which might involve other participants in the same experiment, and were given some insights from previous studies to aid their decisions. Those in the rational decision-making

⁵ Among economics students, 50% of them were male.

condition were told that, “studies show that a decision-maker should be rational and analytic. You need to carefully appraise and rationally evaluate the situation. During the decision-making, it is important for you to remain objective and avoid being influenced by your personal feelings or emotions.” Those in the intuitive decision-making condition were told that, “studies show that a decision-maker should be open to his or her intuitions and feelings. You need to trust your intuition about the situation and make decisions based on your gut feelings. During the decision-making, it is important for you to trust your intuition about the situation and make decisions based on your gut feelings.” Participants were also told to write down some notes about how they should act and what they should do to make decisions according to these insights. This served as a manipulation check.

Participants were then asked to engage in a cheating game that was adopted from Gneezy (2005). They were told that they had been matched with another (ostensible) student in a different room from the same experiment and that neither of them would know the identity of other. The experiment established two possible monetary payments to participants and their counterparts: option A gives their counterparts more money (i.e., \$5 to participant and \$15 to counterpart); option B gives participants more money (\$15 versus \$5). Although their counterparts were the ones that were going to choose between the two options (A or B), only the participants knew about the monetary consequences of each option, and they were told that both they and their counterparts were aware of this rule. Participants then chose to send one of two messages to their counterparts: “option A will earn you more money than option B” and “option B will earn you more money than option A.” Thus, those who sent the second message lied to benefit themselves.

After they completed the cheating game, participants were asked to provide demographic information, including gender, age, school year, academic department, the number of economics classes they have taken, and familiarity with economic theory. These latter two measures tap into the amount of knowledge of economics that participants had.

Analysis and results

I expected that participants in the rational decision-making condition would cheat more than those in the intuitive condition. I also expected that those with economics backgrounds would cheat more than those without.

Results supported my hypotheses. In general, an economics background had a significant impact on participants' behavior. Participants who had taken more than two economics classes were more likely to cheat than those who had taken two or less (68% vs. 31%, Chi-Square = 6.25, $p = .01$). The same pattern was found for participants' self-reported familiarity with economic theory: participants who reported high familiarity with economics theories cheated more than those who reported low familiarity (71% vs. 32%, Chi-Square = 6.28, $p = .01$)⁶. Finally, majoring in economics significantly increased the likelihood of cheating (73% vs. 38%, for economics students and others, respectively; Chi-Square = 3.97, $p = .046$) (see figure 1). Although these different measures of economics backgrounds are likely to be correlated, they are nevertheless consistent.

[Insert figure 1 about here]

I hypothesized that an economics background licenses cheating because economic theories advocate a rational, analytic, and objective decision-making style, which should reduce the experience of important moral emotions such as guilt. Most economic theories also legitimize self-interest and emphasize maximization of utility, or money in many situations. Thus, when

⁶ I split the sample by the mean of self-reported familiarity ($M = 3.31$, $S.D. = 1.82$).

economics students faced self versus other conflict, they chose to maximize their own interests. Thus it is hard to know whether economics majors cheated more because of law of self interest or the drive to be rational, both of which are foundations of economic theory. To determine whether decision-making style has an impact on cheating behavior independent of economics education, I primed the two styles of processing.

Results of the manipulation check on the effectiveness of the rational and intuitive instructions suggested that 5 participants did not follow instructions⁷. Eliminating these 5 reduced the sample to 40. Further, most participants in the rational condition wrote in the manipulation check that they should take time to think through the situation and weigh the pros and cons of each alternative; none mentioned anything related to self-interest. This suggests that they were able to differentiate the decision-making process from the outcome (i.e., rational decision making does not simply mean maximization of self-interest).

Preliminary results showed that the rational decision-making prime tended to increase the likelihood of cheating (50% vs. 30% for rational vs. intuitive, Chi-square = 1.67, $p = .197$). More importantly, because an economics background might attach different meanings to rational versus intuitive decision making, I conducted separate analysis for economics students and students from other majors. Among non-economics students, those who were told to make a rational, analytic, and objective decision cheated more than those who were told to make an instinctive and intuitive decision (46% vs. 14%, Chi-Square = 3.97, $p = .046$) (see figure 3). Among economics students, however, there was no difference between rational and intuitive

⁷ They wrote about the opposite of what their instructions told them to do. For instance, one participant in the intuitive condition wrote about how reason is important in making decisions.

conditions. In fact, economics students in the rational condition cheated somewhat less than those in the intuitive condition (60% vs. 80%, Chi-Square = .48, $p = .49$) (see figure 2)⁸.

[Insert figure 2 and 3 about here]

In summary, these results suggest that economics education might have some unexpected shortcomings when it comes to self-interest and ethics. On the one hand, a rational and analytic decision-making style may block the experience of moral emotions that are important in inhibiting unethical acts. On the other hand, the exclusive focus on self-interest in most economics theories might limit individuals' moral scope, leading them to make decisions solely based on calculations of self-interest, with less consideration of moral consequences.

Study 2: Rational but deceptive

Study 1 showed that rationally-oriented decision-makers feel licensed to cheat behaviors in an experimental setting. In study 2, I demonstrate the same undesirable consequences in an important business context—negotiations.

Method

Sample

In total, 72 MBA students who were enrolled in a negotiation class at Northwestern University participated in this study.

Design and Procedure

This study had a single factor design (decision-making style: rational vs. intuitive decision making). Students in the class were randomly assigned to different roles of a negotiation case called Bullard Houses, which is a normal part of the class's exercises. Half of them assumed the role of a real estate agent who represents a seller; the other half assumed the role of an agent representing the buyer.

⁸ It may be that the sample size is too small to detect any reliable differences.

The seller represents a family cherishes its ancestral home but is experiencing financial difficulties. They are therefore eager to sell the house only to a buyer who respects its history, i.e., only use the house for residential purposes. The family has several options and has instructed their agent (i.e., the negotiator) to negotiate with the buyer that offered the best price while maintaining residential aspects of their home. The buyer in this negotiation is a hotel group that wants to buy the house and convert it to a large scale commercial hotel. Aware of the principles of the seller, they also hired an agent to negotiate and instructed the agent not to reveal any information regarding the use of the house. The seller needs strict confidentiality to both gain proper permits and to prevent the price from being driven up. Being evaluated on both purchase price and the confidentiality of the use of the purchase, the buyer's agent could act ethically by following the buyer's instruction and telling the seller's agent that he or she cannot reveal the buyer's intended use of the house. However, doing so would probably result in an impasse.

In the experiment, the buyer's agents were randomly assigned to a rational or intuitive condition⁹. Before they negotiated, those in the rational decision-making condition were told, "before the negotiation, your fellow partners gave you some advice to help you better prepare for the negotiation. They reaffirmed that a successful agent should be rational and analytic. You need to carefully appraise the situation and rationally evaluate your strategy. During the negotiation, it is important for you to remain objective and avoid being influenced by your personal feelings or emotions." Likewise, those in the intuitive decision-making condition were told, "before the negotiation, your fellow partner gave you some advice to help you better prepare for the negotiation. They reaffirmed that a successful agent should be open to his or her intuitions and feelings. That is, you should trust your intuition about the situation and make

⁹ Seller's agents did not receive any manipulation.

decisions based on your gut feelings. During the negotiation it is important for you to rely on your instincts.”

The dependent variable in this study was whether students reached an agreement. Because of the seller’s constraints on the use of the house, the likelihood of making a deal is small if the buyer’s agents remain truthful during the negotiations. Thus, I expected that buyer’s agents in the intuitive condition would be more likely to represent the family’s interests, and therefore less likely to strike a deal than the agents in the rational condition. Like study 1, I expected that a rational approach would focus buyer’s agents’ attention on financial outcomes and help them to ignore their guilty feelings from telling a lie. Thus, rationally primed negotiators should have been more likely to reach agreements that violated the seller’s non-financial wishes.

Analysis and results

Early results revealed the predicted differences in the negotiation outcomes of the rationally and intuitively primed bargainers. Among the 17 rational buyer’s agents, only 2 (12%) had impasses, whereas 7 of 19 (37%) intuitive buyer’s agents had impasses (Chi-Square = 3.01, $p = .08$)¹⁰ (see figure 4). In other words, rational buyer’s agents were considerably more likely than those in the intuitive condition to strike a deal. Thus, consistent with Study 1, Study 2 suggests that buyer’s agents in the rational decision-making condition were less truthful to the seller during the negotiation than those in the intuitive condition.

[Insert figure 4 about here]

Study 3: Implicit Decision Style Prime

In study 1 and 2, the experimenter told participants to use either a rational or intuitive style of decision making. These instructions may elicit a wide range of reactions from the

¹⁰ More data is going to be collected in the fall.

decision-makers, which in turn can affect their decisions. Thus, in study 3, I plan to use an implicit manipulation of rational vs. intuitive decision style. Rather than explicitly telling participants what to do, I will implicitly prime participants using words like ‘Reasoning’, ‘Objective’, ‘Rational’, and ‘Analytical’ in the rational condition and ‘Feeling’, ‘Intuitive’, ‘Instinctive’, and ‘Emotional’ in the intuitive condition. Similar tasks have been used to activate stereotypes and regulatory focuses in previous studies. Bargh, Chen, and Burrows (1996), for example, primed an elderly stereotype using words such as ‘lonely’, ‘grey’, and ‘wise’ and showed participants primed those words walked more slowly down the hallway when leaving the experiment than did control participants, consistent with the content of the elderly stereotype.

Method

Design and Procedure

Similar to study 1, study 3 will be a 2-level (rational prime vs. intuitive prime) single-factor design. Participants will be told that they are going to engage in a series of unrelated tasks. The first task will be a word completion task in which the prime will be administered. Participants in the rational prime condition will be asked to complete words including ‘Reasoning’, ‘Objective’, ‘Rational’, and ‘Analytical’ (i.e., RE_S_NING, OBJE_TI_E, R_TI__AL, A_ALYT_CAL). Those in the intuitive prime condition will be asked to complete words including ‘Feeling’, ‘Intuitive’, ‘Instinctive’, and ‘Emotional’ (i.e., FE_LI_G, INT_ITI_E, INSTI_C_IVE, E_OT_ON_L). Finally, I will include neutral words such as ‘Table’, ‘Bowl’, ‘Road’, and ‘Bag’ in both conditions (i.e., TA_LE, B_WL, RO_D, BA_). After the manipulation, participants will be given the same task as in study 1. I expect to replicate study 1’s findings using this implicit decision-making prime.

Study 4: Misattribution of Moral Emotions

Studies 1 and 2 showed that a rational style of processing in some situations will lead to unintended consequences such as licensing unethical behavior. I argue that this is due to the possibility that rational processing can interfere with the experience and influence of moral emotions, which is a key in inhibiting immoral behaviors. In this study, I intend to show that differences in emotional experience can account for the differences in moral behaviors between the rational and the intuitive styles of processing. My reasoning is that if emotion indeed plays an important role, reducing emotional experiences in the intuitive style of processing should diminish differences in moral behavior between the rational and intuitive style of processing.

I will use the misattribution paradigm to reduce emotional experience in the intuitive style of processing. Both Dienstbier et al (1975) and Cialdini, Schaller, Houlihan, Arps, Fultz, and Beaman (1987) have used placebos as the source of misattribution in their studies. Dienstbier and colleagues, for example, gave participants a placebo before the experiment and told them that it would cause increased heart rate, sweaty palms, or other symptoms that match peripheral symptoms of many moral emotions such as guilt and shame. Participants who took those placebos, then, misattributed their actual feelings resulting from experiencing guilt or distress to the placebo, which reduced their subjective experience of guilt or distress in moral situations.

Method

Design and Procedure

This study will be a 2 (processing style: rational vs. intuitive) by 2 (misattribution vs. no misattribution) between-subject design.

Similar to study 2, participants will be assigned to different roles of the Bullard Houses negotiation case. Half of them will represent a seller. Before the negotiation, students will be

randomly assigned to the rational or intuitive conditions and receive the same decision-making style manipulation as in study 1. Further, they will also be randomly assigned to a misattribution or no misattribution condition. Those in the misattribution condition will be told that, “You might have noticed that it is pretty hot in this room. This is because there is something wrong in the school air conditioning system so the temperature is higher than normal. We apologize for this inconvenience. Even I can feel sweaty palms and feel that my face is flushed in this room just standing here giving you instructions.” Participants in the *no misattribution condition* will not receive this instruction. Hence, participants in the misattribution condition can attribute part of their emotional experience (e.g., sweaty palms or increased heart rate) to the temperature in the room (which will be the same in the two attribution conditions), whereas those in the no misattribution condition cannot. I expect that any differences in cheating behavior between the rational and intuitive conditions will be reduced in the misattribution condition (see figure 5).

[Insert figure 5 about here]

Discussion and Conclusion

It has been a standard practice across business professions and law systems to emphasize rational decision making and marginalize the experience and influence of emotion. Although well meant, the moral consequences of emotions in decision making have not been fully explored. In 4 studies, I hope to show that individuals who adopt a rational decision-making style tend to engage in unethical behaviors when they experience conflict between their own and others’ interest. This suggests that the rational model of decision making is a double-edged sword and highlights the urgency for policy makers to learn more about the moral consequences of being rational, as well as the role of emotions in ethical decision making.

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Figures (results and predictions)

Figure 1. The percentage of cheating by economics majors and non-economics majors

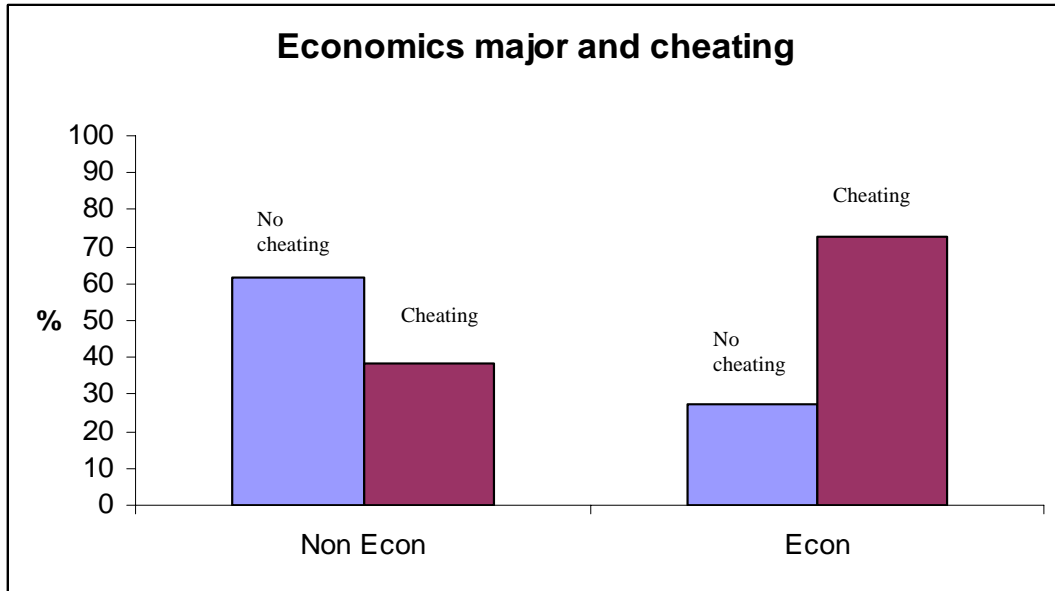


Figure 2. The percentage of cheating following rational vs. intuitive instructions among economics students

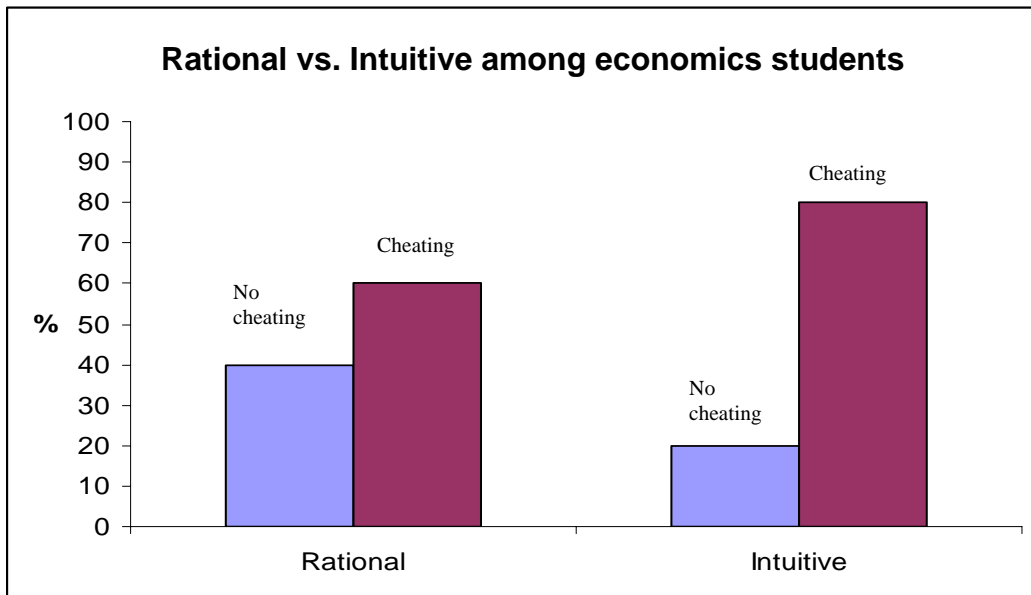


Figure 3. The percentage of cheating following rational vs. intuitive instructions among non-economics students

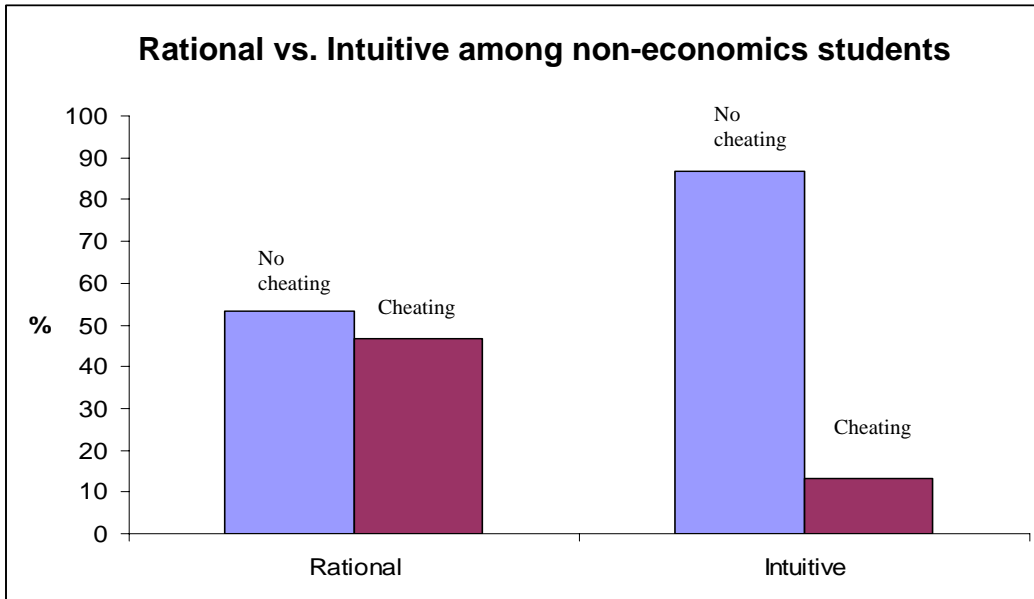
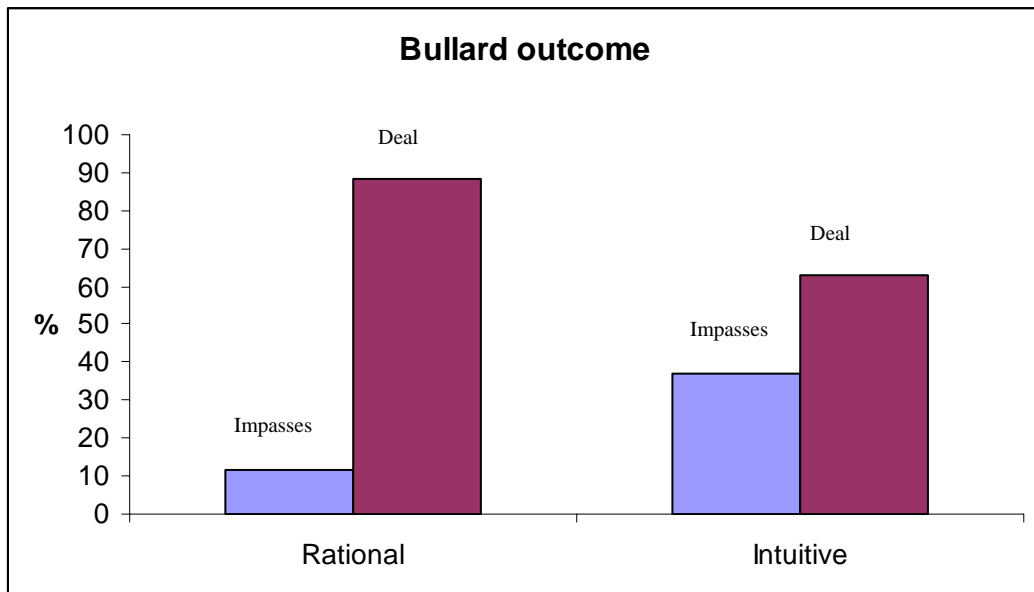
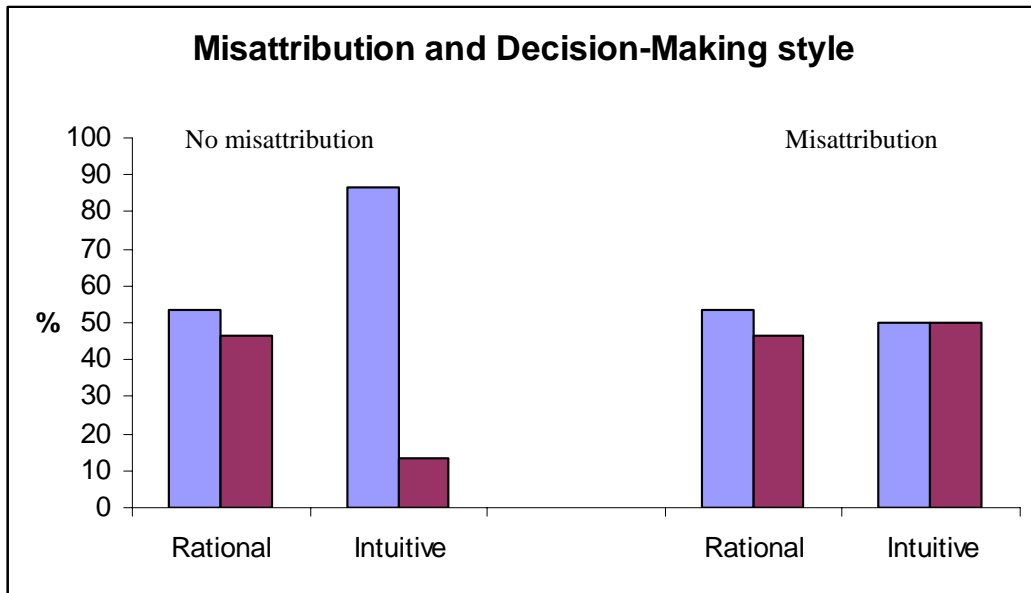


Figure 4. The percentage of Bullard Houses negotiation agreements¹¹.



¹¹ Higher impasse rates means that a negotiator was more truthful.

Figure 5. Predictions for the percentage of cheating when participants can or cannot attribute their feelings to environmental conditions, and as a result of their decision-making style ¹²



¹² For each pair of columns, the left column represents no cheating and right column represents cheating.