

Running Head: DISHONESTY IN THE NAME OF EQUITY

Dishonesty in the Name of Equity

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Abstract

Under what conditions do people act dishonestly to help or hurt others? This paper addresses this question by examining the influence of a previously overlooked factor – the beneficiary or victim of dishonest acts. In two experiments, we randomly pair participants and manipulate their wealth levels through an initial lottery. We then observe how inequity between partners influences the likelihood of one dishonestly helping or hurting the other, while varying the financial incentives for dishonest behavior. The results show that financial self-interest cannot fully explain people's tendency to dishonestly help or hurt others. Rather, such dishonesty is influenced by emotional reactions to wealth-based inequity, even when this behavior bears a personal financial cost. Envy evoked by negative inequity leads to hurting behavior, while guilt induced by positive inequity motivates helping behavior. Finally, inequity between the partner and third parties triggers dishonest helping through empathy with the referent other.

Key words: dishonesty, unethical behavior, emotions, equity, self-interest, incentives, fairness

Dishonesty in the Name of Equity

Fraud, theft, and corporate corruption are just a few examples of widespread unethical practices in today's society. People tend to assume that wrongdoers behave dishonestly purely in pursuit of monetary gains. While financial incentives are certainly an important driver of deceptive behavior, individuals often act dishonestly in order to hurt or help others, even when they receive no personal financial benefits or financially suffer from doing so. This can occur when managers overstate employee performance, when health insurance administrators approve treatments not covered by a policy, or when employees lie to protect friends or coworkers. Under what conditions do people act dishonestly for the sake of others or to their detriment? This paper addresses this question and investigates the mechanisms explaining dishonesty that *helps* or *hurts* others.

Behaving Dishonestly by Helping or Hurting Others

While many factors may influence the decision to behave dishonestly, two mechanisms are particularly important when this dishonesty favors or hurts others. First, people may seek to advance their own financial interest or outcome. Even when their actions appear to show concern for the fate of others, the appearance of such concern may be merely a byproduct of their pursuit of financial gain. Psychological research has found that individuals driven by egoistic motives ignore others' interests and are reluctant to sacrifice their personal outcomes to benefit counterparts (Van Lange, 1999). Tenbrunsel (1998) showed that incentives increase individuals' willingness to misrepresent information to another party in social exchange, consistent with Lewicki's (1983) argument that individuals lie to the extent that lying benefits them. This research is consistent with traditional agency theory models in economics, where individuals

make rational self-interested decisions to deceive based on incentive structures (Jensen & Meckling, 1976; Prendergast, 1999). According to this account, individuals dishonestly help or hurt others when doing so benefits them financially. When an individual's compensation is linked to others' performance, for example, she will have a motivation to misrepresent that performance because the benefits gained by behaving dishonestly directly translate into her own rewards.

A second explanation for dishonesty that favors or hurts others stems from inequity concerns. According to Adams' (1965) equity theory, people evaluate the fairness of their situation in a given setting (e.g., an organization) by comparing the ratio of their own inputs and outcomes with the ratio of inputs and outcomes of a referent (a coworker or a peer). Individuals suffer emotional distress from inequity in these ratios and are motivated to relieve this distress by either modifying their inputs and outcomes, changing their referent other, distorting their perceptions, or quitting the task. Supporting equity theory, several studies have shown that an individual's perception of outcomes as unfair can translate into poor performance (Greenberg, 1988), increased turnover and absenteeism (Schwarzwald, Koslowsky, & Shalit, 1992), and lower commitment to the organization (Schwarzwald et al., 1992). In addition, the effects of negative inequity (i.e., a person is under-rewarded relative to referent others) have been found to be stronger than those of positive inequity (a person is over-rewarded relative to others) in motivating performance (e.g., Bloom, 1999).

Related research in economics has demonstrated that individuals care about fairness and reciprocity toward others, are willing to change the distribution of outcomes at a personal cost, and are willing to reward those who behave cooperatively and to punish those who do not (e.g., Camerer, 2003; Fehr & Schmidt, 1999; 2003). In ultimatum game settings, for example,

individuals tend to reject very uneven proposals, thus preferring no payment to an amount of money that is significantly lower than the counterpart's payoff (Fehr & Gächter, 2000).

Distress from perceived inequity can lead to different emotional reactions that motivate individuals to dishonestly favor or hurt others. Research has demonstrated that emotions can override rational thinking and decision making (Vohs, Baumeister, & Loewenstein, 2007) and might play an important role in driving unethical decisions (Schweitzer & Gibson, 2008).

Related work has shown that emotions are important predictors of helping behavior toward high and low status group members (e.g., Cuddy, Fiske, & Glick, 2007; Cuddy, Rock, & Norton, 2007), suggesting that comparing oneself to a referent other might produce powerful emotional reactions.

Negative inequity may produce feelings of envy toward a referent other which in turn might motivate the individual to hurt the referent other through dishonest acts. Conversely, positive inequity may generate guilt that in turn might motivate the individual to dishonestly help her referent other. Emotional distress may also arise from inequity not directly impacting an individual. When someone feels empathy toward another person, she may suffer emotional distress from inequity that exists between that referent person and a third-party or group. Such empathy allows the focal individual to understand and share the referent other's inequity distress as if she herself were suffering personally from the inequity. While such distress may be weaker than that caused by personal inequity, empathy may motivate dishonest behavior that helps the referent other as if the inequity directly involved the helper.

In summary, the financial self-interest and equity explanations provide different predictions about the likelihood of dishonest behavior that helps or hurts referent others. The financial self-interest explanation suggests that decisions to dishonestly help or hurt another

person are predicted by their compatibility with financial incentives. The equity explanation suggests that perceptions of inequity produce emotional distress (resulting in different emotional reactions) that increases the propensity to act dishonestly. These two mechanisms may either conflict or coincide depending on whether financial incentives motivate dishonest behavior in the same direction as do inequity concerns.

We conducted two laboratory experiments to investigate how these two mechanisms influence individuals' likelihood to dishonestly help and hurt others. In the two studies, participants were randomly assigned to one of two roles: solver or grader. Each solver was also randomly assigned to a grader. At the beginning of the study, participants in both roles became either "wealthy" or "poor" through a lottery in which they had a 50% probability of winning \$20. This lottery, together with the random pairing of solvers and graders, created four pair types: wealthy grader and wealthy solver, poor grader and poor solver, wealthy grader and poor solver, and poor grader and wealthy solver. After the lottery, solvers solved anagrams over multiple rounds. Graders then graded solvers' work after all rounds of the anagram task had been completed. Graders had the opportunity to dishonestly help or hurt solvers by misreporting their performance, a form of dishonesty observable to us after the experiment. If a grader overstated a solver's performance, then the solver earned undeserved money. If the grader understated the solver's performance, then the solver did not earn deserved money.

Our two studies varied whether there were monetary incentives or costs for graders to dishonestly help solvers. In Experiment 1, grader compensation increased with solver performance, aligning financial self-interest with the helpful overstatement of solver performance. In Experiment 2, grader compensation decreased with solver performance, aligning financial self-interest with the hurtful understatement of solver performance. The two studies

allow us to test how the two proposed mechanisms, financial self-interest and emotional reactions to inequity, motivate dishonest behavior that helps or hurts others.

Experiment 1: Effects of Emotional Reactions to Inequity

The first experiment employed a 2 (solver: wealthy vs. poor) X 2 (grader: wealthy vs. poor) between-subjects design. The four conditions differed based on the wealth of the solver and the grader within the same pair, as determined by the initial lottery.

The study consisted of two tasks: the lottery and the anagram task. During the lottery, participants earned either \$20 or nothing based on the outcome of computer-simulated coin flips visible to all participants. For the anagram task, each solver earned \$2 in each of four rounds in which they reached the goal of creating ten valid words (in addition to a \$2 show-up fee). The goal was based on the results of a pilot study conducted with a non-overlapping population ($N = 40$). Each grader's compensation for grading was tied to that of her partner: graders were paid a \$2 show-up fee and \$2 for each round in which their partner reached the goal. Given this incentive structure, graders help both themselves and their partners when they over-report solvers' performance, and they hurt both themselves and their partners when they underreport it.

Since graders' compensation is linked to solver performance, graders have a financial incentive to help. The financial self-interest account predicts dishonest helping in each condition. Additionally, it predicts stronger helping behavior when the grader is poor than when she is wealthy (poor grader/wealthy solver \approx poor grader/poor solver $>$ wealthy grader/wealthy solver \approx wealthy grader/wealthy solver), as those without money tend to value additional dollars more than do those with existing wealth (i.e., the decreasing marginal utility of wealth). If equity considerations instead dominate the decision to behave dishonestly, we would observe a different pattern of results. According to the equity mechanism, dishonest hurting is predicted to occur in

the negative-inequity condition, when the grader is expected to experience envy toward the solver (poor grader/wealthy solver), but not in any other conditions. Thus, dishonest reporting by *hurting* is expected to be: poor grader/wealthy solver > wealthy grader/poor solver \approx wealthy grader/wealthy solver \approx poor grader/poor solver. By contrast, dishonest helping is expected to be present when the grader experiences guilt (wealthy grader/poor solver) or empathy toward the solver (poor grader/poor solver). Finally, equity is expected to produce happiness and no emotional distress in the grader and thus no dishonesty is expected in the wealthy grader/wealthy solver condition. Thus, dishonest reporting by *helping* is expected to be: poor grader/poor solver \approx wealthy grader/poor solver > wealthy grader/wealthy solver \approx poor grader/wealthy solver.

The two mechanisms conflict in their predictions of how solver wealth will influence grader behavior under conditions of negative inequity. Equity theory predicts hurting under the negative equity condition (poor grader/wealthy solver) while financial self-interest predicts helping. The equity account, unlike financial self-interest, also predicts that helping under positive equity will be greater than under the universal wealth condition (wealthy grader/poor solver > wealthy grader/wealthy solver).

Methods

Participants. One-hundred seventy eight individuals (51% male, $M_{age} = 23$, $SD = 5.52$) participated in the study. Most participants were students from local universities (83% of them). Participants were randomly assigned to one of two roles (grader or solver), and were made either wealthy or poor through an initial lottery.

Design and procedure. The study was conducted in a large classroom at Carnegie Mellon University. Before beginning the study, the experimenter placed the following material on the tables where participants would work (one participant per table): a consent form, a pen, a copy of

the general instructions, a colored transparent plastic lanyard, as well as Scrabble© dictionaries at the graders' tables. As participants entered the room, they randomly received an index card with an ID number on it. Graders and solvers sat at opposite sides of the room, and their lanyard differed in color. The experimenter asked participants to wear their lanyards around their necks for the duration of the experiment. Participants were told they would receive money during the study and would need to place the money in their lanyards.

As the experimenter explained to participants, the study included three stages. All participants first played in a lottery. Depending on the outcome of a visible virtual (and fair) coin toss, participants received either \$20 (wealthy condition) or \$0 (poor condition). Lottery winners were asked to put the \$20 in their lanyard, such that the money was visible to others for the rest of the experiment.

In the second stage of the study, the solvers completed an anagram task, while the graders completed a filler task. In the anagram task, solvers were asked to create words from different series of seven letters over four rounds and under time pressure (60 seconds per round). They reported the words they created in each round in their workbook.

After the anagram task finished, participants entered the third stage of the study. The solvers were randomly assigned to a grader who would grade their anagram task. As the experimenter announced the random pairings, each solver walked to the grader with whom they were paired and left their lanyard and workbook on the grader's desk. The graders thus fully observed the wealth condition of the referent solver. The grader then completed the solver's answer sheet by indicating whether the solver reached the given goal in each round. The experimenter handed the graders an envelope containing eight one-dollar bills and told them how to grade the solvers' work. Graders completed the answer sheets, placed the solvers' workbooks

in a recycling box, and then paid their referent solver based on their anagram task performance by placing money from the envelope in the solver's lanyard. While the graders were grading, the solvers returned to their own tables and completed a filler task. Graders recorded their own ID number as well as the ID number of their solver on the answer sheet. Given that solvers reported their ID number on the workbook, we were able to match each solver's workbook with their answer sheet once the study was finished.

Once graders finished grading, the experimenter collected the answer sheet and the solver's lanyard and handed a receipt to the graders who were told to leave the envelope with any remaining money on their table. A second experimenter returned the lanyard to the corresponding solver upon completion of their filler task, together with a receipt.

As their final task, all participants filled out a questionnaire measuring their emotional reactions to their partners' lottery outcome. We measured four different emotions: envy, empathy, happiness, and guilt. For each measure, we used a 7-point Likert-type scale anchored at 1: Strongly disagree and 7: Strongly agree. Envy was measured using a previously validated scale (Moran & Schweitzer, 2008), which includes items such as "I feel envy toward my counterpart" ($\alpha = .92$). We assessed empathy with a scale adapted from Batson (1998) ($\alpha = .97$). We measured guilt ($\alpha = .89$) and happiness ($\alpha = .88$) by using a three-item scale for each emotional state (e.g., "The thought of my counterpart's lottery outcome makes me feel guilty").

As they completed this final task, participants returned the signed receipt to the experimenter and left with their earned money.

Results

For each grader, we coded any underreporting or over-reporting as either helping or hurting. Figure 1 depicts the percentage of graders engaging in helping, hurting, and honest

reporting by condition. Graders' behavior significantly differed across the four conditions in terms of helping behavior ($\chi^2 [3, N = 89] = 57.59, p < .001$), honest reporting ($\chi^2 [3, N = 89] = 47.79, p < .001$), and hurting behavior ($\chi^2 [3, N = 89] = 19.59, p < .001$). Helping was much more prevalent than hurting, consistent with financial self-interest arguments.

The results, presented in Table 1, show that equity considerations dominate financial self-interest in predicting helping and hurting behavior. Financial incentives to help lead to at least one helper in each condition, but only in the positive inequity condition (wealthy grader/poor solver) and the empathy condition (poor grader/poor solver) is dishonest helping widespread. In these two conditions, the predictions of financial incentives are aligned with those of equity theory. In the one condition where financial incentives conflict with equity considerations (poor grader/wealthy solver) by suggesting helping, a large number of graders *hurt* wealthy solvers, despite this behavior's financial cost. This result demonstrates people's willingness to act against financial self-interest in order to reduce emotional distress from inequity. In essence, reducing negative inequity is worth real money to poor graders.

We next examined the types of emotional distress (or lack thereof) from the different types of inequity in our four conditions, using graders' answers to items measuring emotional reactions to their referent solver's lottery outcome. As expected, empathy ratings were highest in the poor grader/poor solver condition compared with all other pairings, $t(87) = 15.84, p < .001$. Envy ratings were highest in the poor grader/wealthy solver condition compared with all other pairings, $t(87) = 8.31, p < .001$. Guilt ratings were highest in the wealthy grader/poor solver condition compared with all other pairings, $t(87) = 5.67, p < .001$. Finally, happiness ratings were highest in the wealthy grader/wealthy solver condition compared with all other pairings, $t(87) = 12.15, p < .001$, and consistent with equitable wealth bringing the most happiness.

Finally, we examined whether emotional reactions to inequity mediated the effects of the wealth manipulation on an individual's choice to engage in dishonest helping and hurting. As recommended by MacKinnon and Dwyer (1993), we used a mediation analysis with standardized coefficients from logistic regressions to test for mediation. In each condition, our wealth manipulation was a significant predictor of the dependent variable of interest, with the effect of the wealth manipulation reduced to non-significance when specific emotions were included in the logistic regression model. The results, summarized in Table 2, suggest that specific emotions (e.g., envy) mediate the effects of inequity on dishonest behavior that helps or hurts referent others (the effect of negative inequity on hurting).

Discussion

Overall, these results provide support for the predictions based on emotional reactions to inequity. Individuals still help in conditions of equity, suggesting that financial self-interest drives some dishonest behavior, but emotional reactions to positive and negative inequity appear to have a much stronger influence on the decision to dishonestly report performance. Poor graders, despite the opportunity to increase financial earnings through dishonest helping, rarely do so for wealthy solvers. Instead, they are often willing to dishonestly hurt such solvers at a further financial cost to themselves.

Experiment 2: Effects of Costs of Helping

While Experiment 1 shows that emotional reactions to inequity drive both dishonest helping and hurting behavior, it does so only in the presence of financial incentives to dishonestly help. Consequently, we conducted Experiment 2 to examine the role of self-interest and equity concerns when graders incur monetary costs from helping and instead gain from hurting. To do so, we used a limited pool of money to compensate both grader and solver within

each dyad such that graders' payoffs decreased with increases in solvers' reported performance. Thus, graders hurt themselves when helping their partners through over-reported performance, and helped themselves when hurting their partners through underreporting.

Methods

Participants. One-hundred sixty four students (56% male, $M_{age} = 21$, $SD = 1.60$) from local universities participated in the study. Participants were randomly assigned to one of two roles (grader or solver), and were made either wealthy or poor through a lottery.

Design and procedure. The study was conducted in a large classroom at the University of North Carolina in Chapel Hill. Experiment 2 used the same design and procedure as Experiment 1, with the one difference of financial costs for graders to dishonestly help. Graders were paid a \$2 show-up fee as solvers and were given \$8 to use to pay both their solver and themselves. They were told that their solver would receive \$2 for each round in which they reached the goal, and that, as graders, they would receive the remaining money after paying their solver. As in Experiment 1, all participants first participated in a lottery with a 50% chance to earn \$20.

The equity implications for dishonest helping and hurting remain the same as in Experiment 1. Financial self-interest now predicts dishonest hurting in each condition because graders incur costs from financially compensating solvers. Additionally, it predicts stronger hurting behavior when the grader is poor than when she is wealthy (poor grader/wealthy solver \approx poor grader/poor solver $>$ wealthy grader/wealthy solver \approx wealthy grader/poor solver), due to decreasing marginal utility of money.

Results

Figure 2 depicts the percentage of graders engaging in helping, hurting, and honest reporting by condition. Graders' behavior significantly differed across the four conditions in

terms of helping behavior ($\chi^2 [3, N = 82] = 51.50, p < .001$), honest reporting ($\chi^2 [3, N = 82] = 33.28, p < .001$), and hurting behavior ($\chi^2 [3, N = 82] = 26.37, p < .001$). Contrary to financial self-interest arguments, helping was much more prevalent than hurting.

The results, summarized in Table 1, show that equity considerations dominate financial self-interest in predicting helping and hurting behavior. Dishonest hurting only occurs in the one condition predicted by equity (poor grader/wealthy solver). In all other conditions, while financial self-interest is aligned with hurting, graders either help or report honestly.

We next examined graders' emotional reactions to the lottery outcome of their referent solver across conditions. As expected, empathy ratings ($\alpha = .96$) were highest in the poor grader/poor solver condition compared with all other pairings, $t(80) = 5.25, p < .001$. Envy ratings ($\alpha = .96$) were highest in the poor grader/wealthy solver condition compared with all other pairings, $t(80) = 8.04, p < .001$. Guilt ratings ($\alpha = .97$) were highest in the wealthy grader/poor solver condition compared with all other pairings, $t(80) = 10.42, p < .001$. Finally, happiness ratings ($\alpha = .92$) were highest in the wealthy grader/wealthy solver condition compared with all other pairings, $t(80) = 15.83, p < .001$.

As in Experiment 1, we conducted mediation analyses to examine whether emotional reactions to inequity mediated the effects of the wealth manipulation on dishonest helping and hurting. In each condition, the effect of the wealth manipulation was reduced to non-significance when specific emotions were included in the equation, and our wealth manipulation was a significant predictor of the dependent variable of interest (see Table 2).

Discussion

Consistent with the findings of Experiment 1, these results suggest that financial self-interest and egoistic motives cannot entirely explain the likelihood of individuals engaging in

helpful or hurtful dishonesty. Emotional reactions to inequity appear to have a much stronger influence on dishonest reporting of performance than financial self-interest. Indeed, while graders incurred a cost when helping solvers, we still observed high levels of dishonest helping when the solver did not win the initial lottery (wealthy grader/poor solver and poor grader/poor solver conditions). Again, when faced with a choice between financial gain and restoring equity, individuals chose equity.

General Discussion and Conclusion

The results of our two experiments show that people engage in dishonest behavior to relieve emotional distress from wealth-based inequity. Individuals increase hurting behavior and reduce helping behavior in the presence of negative inequity, and they dishonestly help those with whom the inequity is positive. Inequity produces real emotional reactions that appear to drive dishonest behavior, both through direct comparisons with others and through empathetic concern for referent partners. Our results also demonstrate that while these dishonest behaviors are influenced by financial self-interest, this motivation is weaker than the need to reduce inequity at our study's small compensation levels. Remarkably, individuals are willing to pay, or forego pay, in order to relieve emotional distress.

Taken together, the findings highlight the importance of emotional reactions to pay equity and inequity in driving dishonest behaviors. This work joins the stream of research examining the "when and why" of dishonesty. Prior research has found that both motives and characteristics of the perpetrators (Loe, Ferrell, & Mansfield, 2000; Ford & Richardson, 1994) as well as organizational and environmental pressures (Flannery & May, 2000; Schweitzer & Croson, 1999; Weaver, Trevino, & Cochran, 1999) can influence individuals' unethical behavior. While these factors are important variables in the study of dishonesty, our evidence shows that

examining the victims and beneficiaries of ethically questionable actions, a previously overlooked factor, can also provide significant explanatory power. Our findings suggest that negative emotional reactions to inequity (such as envy) are powerful drivers of dishonest behavior that hurts a referent other. But, as our results show, even positive emotions (such as empathy) can have negative consequences when dishonesty is economically or socially costly.

The results have important practical implications. They suggest that organizations and their managers should pay close attention to inequities, since they are likely to result in dishonesty in the workplace. Such dishonesty is particularly worrisome when it consists of a person hurting the performance of another, but dishonest helping can also be costly to organizations when it accommodates poor performance or obfuscates weak or unmotivated individuals.

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Tables

Table 1

Summary of predictions and results, Experiments 1 and 2.

		Predictions		Results	
		Equity theory	Financial self-interest	Fisher's Exact	Theory supported
<u>Experiment 1</u>					
Helping	Positive inequity	$WG/PS \approx PG/PS > 0$	$WG/PS < PG/PS$	FE = .047	Both
		$WG/PS > WG/WS$	$WG/PS \approx WG/WS$	FE = .000	Equity
	Empathetic inequity	$PG/PS > WG/WS$	$PG/PS > WG/WS$	FE = .000	Both
		$PG/WS \approx 0$	$PG/WS > 0$	FE = 1.000	Equity
		$WG/WS \approx 0$	$WG/WS > 0$	FE = 1.000	Equity
Hurting	Negative inequity	$PG/WS > PG/PS$	$PG/WS \approx PG/PS \approx 0$	FE = .021	Equity
		$PG/WS > WG/WS$	$PG/WS \approx WG/WS \approx 0$	FE = .021	Equity
<u>Experiment 2</u>					
Helping	Positive inequity	$WG/PS \approx PG/PS$	$WG/PS \approx 0$	FE = .155	Equity
		$WG/PS > WG/WS$		FE = .000	Equity
	Empathetic inequity	$PG/PS > WG/WS$	$PG/PS \approx 0$	FE = .000	Equity
		$PG/WS \approx 0$	$PG/WS \approx 0$	FE = 1.000	Both
		$WG/WS \approx 0$	$WG/WS \approx 0$	FE = 1.000	Both
Hurting	Negative inequity	$PG/WS > PG/PS$		FE = .001	Equity

$PG/WS > WG/WS$	$PG/WS > WG/WS$	FE = .001	Both
$PG/PS \approx WG/WS \approx 0$	$PG/PS > WG/WS$	FE = 1.000	Equity
$WG/PS \approx 0$	$WG/PS > 0$	FE = 1.000	Equity

Note: WG refers to wealthy grader, WS refers to wealthy solver, PG refers to poor grader, and PS refers to poor solver. All Fisher's exact tests are on counts of helping and hurting graders.

Table 2

Outcomes of mediation analyses, Experiments 1 and 2.

	Wealthy grader/wealthy solver condition		Poor grader/poor solver condition		Poor grader/wealthy solver condition		Wealthy grader/poor solver condition	
	Happiness		Empathy		Envy		Guilt	
Emotion used as mediator (M)	Honest Reporting		Helping		Hurting		Helping	
Dependent variable (DV)	Honest Reporting		Helping		Hurting		Helping	
Independent variable (IV) ²	Dummy for wealthy grader/wealthy solver condition		Dummy for poor grader/poor solver condition		Dummy for poor grader/wealthy solver condition		Dummy for wealthy grader/poor solver condition	
	Expt 1	Expt 2	Expt 1	Expt 2	Expt 1	Expt 2	Expt 1	Expt 2
coefficient a ¹	0.59	0.61	0.65	0.46	0.54	0.49	0.36	0.51
coefficient b	0.72	0.33	0.88	0.56	0.14	0.27	0.55	0.64
coefficient c'	0.30	0.68	0.07	0.58	0.88	0.78	0.08	-0.08
coefficient c	0.82	0.98	0.82	0.98	0.98	0.98	0.33	0.27
Sobel test statistic	Z = 2.73**	Z = 3.52**	Z = 2.74**	Z = 2.19*	Z = 2.12*	Z = 1.98*	Z = 3.43**	Z = 2.08*

¹ Regression coefficients standardized for comparisons across types of models. Before standardization, *a* was obtained from an OLS regression, while *b*, *c* and *c'* were obtained from logistic regressions.

Coefficient *a* refers to the effect of the IV on M; coefficient *b* refers to the effect of M on DV, when controlling for IV; coefficient *c* refers to the effect of IV on DV; and coefficient *c'* refers to the effect of IV on DV, when controlling for M.

² Each dummy is equal to 1 when the variable matches the condition of interest and 0 otherwise. Dummies for the other conditions were included as control variables.

Note: For each mediation analysis, only the emotion listed was a significant mediator; the remaining three emotions were not, $Z_s < 1$, $p_s > .10$.

* $p < .05$ ** $p < .01$ *** $p < .001$

Figures Captions

Figure 1. Percentage of overstatements, understatements, and honest reporting by condition, Experiment 1.

Figure 2. Percentage of overstatements, understatements, and honest reporting by condition, Experiment 2.

Figure 1.

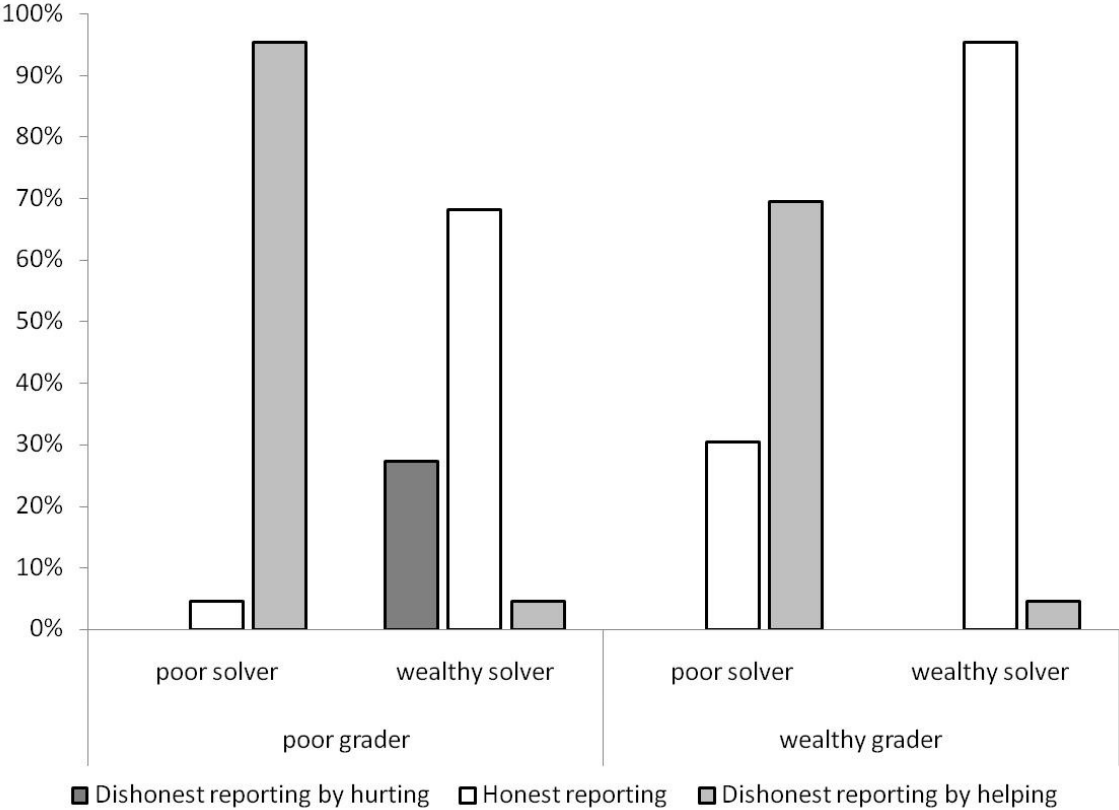


Figure 2.

