Honesty pledges as means to reduce regulatory burden while curbing unethical behavior

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Governments around the world are looking for ways to reduce bureaucratic burden from citizens and business agents in many of their interaction with government bodies (Helm, 2006). Many of the hurdles people need to go through to acquire permits or licenses, for example, are rooted in a mistrust between government to individuals or businesses (Bews & Rossouw, 2002; Cohn, Fehr & Maréchal, 2014). This mistrust results in repeated requirements to validate factual claim with objective documents etc. instead of relying on individuals’ self-reports. This occurs mainly because the government cannot infer ex-ante the proportion of the population who will exploit any leniency and the option to self-report in order to make fraudulent claims (Feldman, 2018). However, research in behavioral ethics has suggested that, for many people, once the ethical requirement is made salient and available when they make the decision, they are less likely to behave unethically (Bazerman & Gino 2012). Namely, if people are asked to pledge (e.g., by adding their signature to an honesty statement) in advance, they claim less unwarranted rewards (Shu et al 2012).

In the current study, we examined whether honesty pledges can indeed be used to reduce regulatory burden while curbing unethical behavior. In a large-scale online study (N=1,195) we tested whether is it more effective to use an ex-ante pledge of honesty vs. applying a more traditional approach of administering a punishment (fine) on incorrect reports. We examined people’s reported performance over a series of multiple tasks, and also tested whether repeating (reminding about) the pledge and/or the fine would reduce over-reporting more than when the pledge/fine is introduced only in the beginning of the task. Participants were given 15 consecutive online problems (adopted from Mazar et al., 2008) in which they could over-report (cheat) to gain a higher bonus. Some of the participants were asked to pledge their honesty before the task, while some were told that if they are caught cheating they will lose all their bonus. In the middle of the task, some participants got a reminder about their pledge, the possibility of a fine, or both. These were compared to a “standard track” condition in which participants had to report the solution to each problem and could not cheat at all.

As Figure 1 shows, the proportion of problems reported as solved was lowest in the “Standard track” condition (M=29.35%, SD=18.25) and highest in the “Fast track” condition that had no pledge or fine (M=59.93%, SD=25.55), suggesting participants’ in the latter condition cheated on about half of the problems. An ANOVA on the total score with pledge and fine as IVs (excluding the “standard track” condition) showed a statistically significant effect for the pledge and the condition, *F* (2, 917) = 17.31, 20.05, respectively, *p* < .001, but no interaction, *F* (4, 917) = 0.21, *p* = 0.94. As can be seen in Figure 1, a full fine reduced reported performance, when no pledge was asked for, to 48.47% (SD=22.69) without repeating the fine notice, or 47.68% (SD=22.34) when fine notice was repeated – an average 11 percent-points decrease, which is about an 18% decrease in proportion. Respectively, introducing a pledge reduced cheating to 49.63% (SD=24.6) when it was given only once, or to 47.7% (SD=25.5) when it was repeated. We conducted another ANOVA, only on the three fine conditions of the groups who received a repeating pledge, to examine whether the fine still had a significant effect. We found a significant effect for the fine, *F* (2, 292) = 5.25, *p* < .01, and the difference between no fine to a full fine was 10.07pp on average, 95% CI [2.26, 17.88] or 8.38pp, 95% CI [0.5, 16.27], when the fine was repeated, *p* < .01 for both differences.

Figure 1. Percentage of problems reported as solved across 15 problems as a function of the honesty pledges used (none, only once before the task, or also in the middle of the task) and the fine imposed on incorrect answers (“full” means losing all bonuses, “repeat” means the notice of the possibility of the fine repeated in the middle of the task).



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