

# Employees at socially-conscious companies are more likely to lie

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Do as I say, not as I do.

By [Corinne Purtill](#) January 4, 2018

A strong ethos of corporate social responsibility can be good for a company's bottom line. Employees who believe in their company's environmental and social values are more loyal, more satisfied, and in some cases more productive than those uninspired by their employer's moral standards.

Corporate social responsibility measures make employees feel good about themselves—so good, in fact, that they may be willing to let their personal ethics slide at the company's expense.

In [a recent paper](#), economists John A. List and Fatemeh Momeni, both at the University of Chicago, found that working for a socially responsible company may unconsciously motivate employees to act more irresponsibly themselves. The study is a working paper published by National Bureau of Economics Research, which means it hasn't yet been reviewed by other academics.

To test their theory, the researchers hired more than 3,000 people online to do some simple transcription work. Workers got 10% of their pay upfront, and were still paid for any assignments they marked as illegible and were unable to complete—conditions ripe for

potential cheating.

In some conditions, the researchers informed participants that they would donate the equivalent of a percentage of the workers' salaries to Unicef's educational programs. The more generous the employers were to charity, the more willing the employees were to take advantage of their employer. When the researchers donated the equivalent of 5% of workers' wages to charity, cheating rose 25%. When they matched 28% of wages with a donation, the proportion of cheaters increased by more than 50%.

The more the researchers emphasized the employees' personal connection to their charitable efforts, the more unethical the workers became. When the researchers described the charitable portion of the salary as a "donation to the charity on behalf of the workers," as opposed to simply a "donation to the charity," the share of cheaters rose 30%.

The culprit, the researchers argued, is moral self-licensing: the permission, conscious or not, that people give themselves to do something "bad" after they've done something "good." This self-licensing can be as anodyne as a dieter's willingness to treat himself to candy after a trip to the gym. It can also be far more consequential, as journalist Malcolm Gladwell pointed out in an episode of his *Revisionist History* podcast. A group that congratulates itself for welcoming someone it sees as an outsider, such as the first female Australian prime minister, for example, or the first black president of the US, may use that decision to justify ugly behavior to other outsiders later (*I can't be sexist/racist—look who I voted for!*)

The effect of self-licensing doesn't mean that companies should drop their social responsibility efforts. Multiple studies have found that people are more likely to act unethically when they believe they're in an unethical environment, or when they're not engaged in their work—both things that a strong culture of corporate responsibility combats. Managers need to find a balance between getting their workers to support their company's social and environmental values, without letting that pride go to their heads.