

## ***Prof. Dan Ariely* – two reasons why the MBA Oath Club works**

- Ariely is the Alfred P. Sloan Professor of Behavioral Economics - MIT  
*and*
- James B. Duke Professor of Behavioral Economics - Duke University



*Dan Ariely –TED Talk*

### **1. The Ten Commandments Effect**

Ten Commandments Effect: <http://irevolution.net/2009/01/02/crowdsourcing-honesty/>

In a series of fascinating experiments, Ariely seeks to understand what factors influence our decisions to be honest, especially when we can get away with dishonesty. In one experiment, participants complete a very simple math exercise. When done, the first set of participants (control group) are asked to hand in their answers for independent grading but the second set are subsequently given the answers and asked to report their own scores. At no point do the latter hand in their answers; hence the temptation to cheat.

In this experiment, some students are asked [before the math exercise] to list the names of 10 books they read in high school while others are asked to write down as many of the Ten Commandments as they can recall prior to the math exercise. Ariely's wanted to know whether this would have any effect on the honesty of those participants reporting their scores? The statistically significant results surprised even him: "The students who had been asked to recall the Ten Commandments had not cheated at all." In fact, they averaged the same score as the (control) group that could not cheat.

In contrast, participants who were asked to list their 10 high school books and self-report their scores cheated: they claimed grades that were 33% higher than those who could not cheat (control group).

"What especially impressed me about the experiment (...) was that the students who could remember only one or two commandments were as affected by them as the students who remembered nearly all ten. This indicated that it was not the Commandments themselves that encouraged honesty, but the mere contemplation of a moral benchmark of some kind."

Ariely carried out a follow up experiment in which he asked some of his MIT students to sign an honor code instead of listing the Commandments. The results were identical. What's more, "the effect of signing a statement about an honor code is particularly amazing when we take into account that MIT doesn't even have an honor code."

In short, we are far more likely to be honest when reminded of morality, especially when temptation strikes. Ariely thus concludes that the act of taking an oath can make all the difference.

## 2. The Carnegie-Mellon Sweatshirt Effect

Carnegie Mellon Sweatshirt Effect: <http://www.marketplace.org/topics/life/when-people-cheat-wall-street>

(TEXT OF INTERVIEW: from Nation Public Radio's (NPR) *Marketplace* program)

**[NPR's] Kai Ryssdal:** All the scheming and double dealing in the news doesn't speak too highly of the world of (...) finance (...) Luckily enough for us, behavioral economist Dan Ariely's been doing some research on just that topic.

**Dan Ariely:** We got the group of students and we gave them a set of very simple math questions [but not enough time to finish all of them] (...) We gave them 50 cents per correct question (...) we pre-paid them; they had all the money in the envelope and we said, "When you finish, give us back the money you didn't make" (...) The most interesting thing is that we had a student that we hired, an acting student at Carnegie Mellon, who stood up after a few seconds and said "I solved everything," -- clearly [he was] cheating because nobody can solve all these questions in 30 seconds -- "What should I do?" And the experimenter said, "If you finished, go home." Now, what will this create? Will people cheat more or cheat less? Well, it turns out it depended on what kind of sweatshirt (...) [the acting student] was wearing.

**Ryssdal:** I'm sorry, what kind of sweatshirt?

**Ariely:** Yes, what kind of sweatshirt.

**Ryssdal:** OK.

**Ariely:** Here's the story. We ran this at Carnegie Mellon, in Pittsburgh. And in Pittsburgh there are two universities: Carnegie Mellon [and] University of Pittsburgh. All the students who participated were Carnegie Mellon students. If the cheating student, the acting student, was wearing a Carnegie Mellon sweatshirt, he basically got people to cheat more. But if he was wearing a University of Pittsburgh sweatshirt, he got people to cheat less. What is basically happening here is that when he stood there with a Carnegie Mellon sweatshirt, he gave a social justification for a new social norm to emerge about cheating. But when he was wearing a University of Pittsburgh sweatshirt, all of the sudden people said, "This is cheating. This is what the other people in the bad school are doing. This is not what we're doing." And therefore cheated actually less.

**Ryssdal:** Dan Ariely teaches behavioral economics at Duke University. His book on the topic at hand is called *Predictably Irrational*. Dan, thanks a lot.

**Ariely:** My pleasure.

*[Note: Being a Lifetime Member of the INCAE MBA Oath Club is being a member of group that believes that cheating "is what the other people" do.]*

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To find out even more about Professor Ariely's research check out his TED Talk

[http://www.ted.com/talks/dan\\_ariely\\_on\\_our\\_buggy\\_moral\\_code.html](http://www.ted.com/talks/dan_ariely_on_our_buggy_moral_code.html)