

Incrementalism

This video introduces the behavioral ethics bias known as incentive gaming. Incentive gaming, or “gaming the system,” occurs when we figure out ways to increase our rewards for performance without actually improving our performance.

To learn about a related behavioral ethics concept that also covers issues of risk and reward, watch *Loss Aversion*. To learn about ways to encourage ethical workplaces and avoid incentive gaming, watch *Ethical Leadership, Part 2: Best Practices*.

The case study on this page, “Gaming the System: The VA Scandal,” describes how incentives that were meant to spur more efficient and productive healthcare for veterans did not have the desired outcome. For a related case study about an investment banker who took big risks to try to game his way out of major losses, read “The Collapse of Barings Bank.”

Behavioral ethics draws upon behavioral psychology, cognitive science, evolutionary biology, and related disciplines to determine how and why people make the ethical and unethical decisions that they do. Much behavioral ethics research addresses the question of why good people do bad things. Many behavioral ethics concepts are explored in detail in *Concepts Unwrapped*, as well as in the video case study *In It to Win: The Jack Abramoff Story*. Anyone who watches all (or even a good part) of these videos will have a solid introduction to behavioral ethics.



Discussion Questions

1. Psychologist Dan Ariely says, “The first dishonest act is the most important one to prevent.” Why does he say that? Do you agree?
2. Can you think of a situation where you were a victim of the slippery slope phenomenon?
3. Have you seen a friend or read about someone in the newspaper who started cutting little corners and was soon in big trouble?
4. Cynthia Cooper, whistleblower of the infamous WorldCom financial fraud, wrote: “People don’t wake up and say, ‘I think I’ll become a criminal today.’ Instead, it’s often a slippery slope and we lose our footing one step at a time.” Do you agree? Why or why not?
5. Clayton Christensen, a professor at the Harvard Business School, has stated that one of the most important lessons of his life is that it is easier to do the right thing a hundred percent of the time than ninety-eight percent of the time.” Do you agree? Why or why not?
6. What can people do to prevent a mistake from snowballing down the slippery slope?

Additional Resources

Cooper, Cynthia. 2008. *Extraordinary Circumstances: The Journey of a Corporate Whistleblower*. Hoboken, NJ: John Wiley & Sons, Inc.

Gino, Francesca, and Max H. Bazerman. 2009. "When Misconduct Goes Unnoticed: The Acceptability of Gradual Erosion." *Journal of Experimental Social Psychology* 45 (4): 708-719.

Gourevitch, Philip. 2008. "Exposure: The Woman Behind the Camera at Abu Ghraib." *New Yorker*, March 24.

Hoyk, Robert, and Paul Hersey. 2008. *The Ethical Executive: Becoming Aware of the Root Causes of Unethical Behavior: 45 Psychological Traps That Every One of Us Falls Prey To*. Stanford, CA: Stanford University Press.

For resources on teaching behavioral ethics, an article written by Ethics Unwrapped authors Minette Drumwright, Robert Prentice, and Cara Biasucci introduces key concepts in behavioral ethics and approaches to effective ethics instruction—including sample classroom assignments. The article, published in the *Decision Sciences Journal of Innovative Education*, may be downloaded here: "[Behavioral Ethics and Teaching Ethical Decision Making](#)."

A detailed article by Robert Prentice with extensive resources for teaching behavioral ethics, published in *Journal of Legal Studies Education*, may be downloaded here: "[Teaching Behavioral Ethics](#)."

An article by Robert Prentice discussing how behavioral ethics can improve the ethicality of human decision-making, published in the *Notre Dame Journal of Law, Ethics & Public Policy*, may be downloaded here: "[Behavioral Ethics: Can It Help Lawyers \(And Others\) Be their Best Selves?](#)"

A dated but still serviceable introductory article about teaching behavioral ethics can be accessed through Google Scholar by searching: Prentice, Robert A. 2004. "Teaching Ethics, Heuristics, and Biases." *Journal of Business Ethics Education* 1 (1): 57-74.

Transcript of Narration

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"People tend to believe that they have good moral character, and therefore they're confident that that when they face issues with moral dimensions they'll make good choices. However, Cynthia Cooper who

was the whistleblower in the infamous WorldCom fraud wrote that, “People don’t wake up one day and say, ‘Today’s the day I think I’ll start my life of crime.’ Instead, it’s often a slippery slope we slowly lose our ethical footing one step at a time.” This process is what behavioral ethicists call “incrementalism.”

As an example think about the Abu Ghraib prison site, and the mistreatment of some of the inmates there. A female wrote: “In the beginning, you see somebody naked and you see underwear on their head and you’re like, ‘Oh, that’s pretty bad — I can’t believe I just saw that.’ And then you go to bed and you come back the next day and you see something worse. Well, it seems like the day before wasn’t so bad.”

This is the slippery slope at work. And if we’re not careful we can easily go from minor transgressions in our workplace such as taking a few office supplies home for personal use or lightly padding our expense account, to more serious transgressions.

Francesca Gino and Max Bazerman who are psychologists at the Harvard School of Business refer to it as the “boiling frog syndrome.” It’s said that if you throw a frog into a pot of boiling water, he’ll jump out. But if you place him in a pot of cool water and gradually turn up the heat, he will slowly boil to death. I don’t think Gino and Bazerman actually experimented on frogs, but they observed humans, and found that we unconsciously lower the bar over time through small changes in ethicality.”

Think about it most multi-million dollar securities frauds start with executives fudging fairly small numbers but over time those numbers grow through incrementalism. An officer who was caught up in the Enron scandal later said “You did it once, it smelled bad. He did it again, it didn’t smell bad.” That’s incrementalism at work.”