

# Blind Spots

*Build ethical behavior.*



by Max Bazerman and Ann Tenbrunsel

**H**OW ETHICAL ARE YOU? IF YOU THINK you are highly ethical compared to your peers, give yourself a score of 100. If you are the least ethical, give yourself a score of 0. If you are average, give yourself a 50. Now, rate your organization, on a scale of 0 to 100.

*The average score is likely in the 70s, since most of us overestimate our ethicality.* We live in a bubble, unaware of the *blind spots* that keep us from recognizing how we engage in unethical actions. Such blind spots result in *bounded ethicality* and lead many of us to act in unethical ways without awareness. These unethical behaviors include: in-group favoritism; discrimination without intention to do harm; over-claiming credit; and discounting the future.

If you think that you are immune, consider one common blind spot—over-claiming credit for your contributions. What percent of household work do you do? What percent of the best ideas in your team come from you? What percentage of profitability comes from the efforts of your division? What percentage of the success of an alliance is due to your contributions?

Most people view their own input to a group, their division's input to the organization, and their firm's contributions to a strategic alliance to be more substantial than reality can sustain. Even when people try to be accurate, they still over-claim. As a result, over-claimers are perceived to be unfair and often unethical, even though they desire to be the opposite.

Academics are not immune. When Frederick Banting, co-winner of the 1923 Nobel Prize for the discovery of insulin, spoke publicly, he argued that his partner, John Macleod, who was the head of their laboratory, was more of a hindrance than a help. And, in his public talks, Macleod failed to mention that he even had a partner. Max and his colleagues Eugene Caruso and

Nick Epley asked authors of four-author papers to distribute credit for work done. On average, the sum of the credit claimed added up to 140 percent (the four people collectively claimed 40 percent more credit than they deserved). Such *honest* over-claiming (*honest* because each person believes his or her estimate is accurate) makes it impossible for the authors involved to feel that they're given appropriate credit for the work they performed. And, conflict can erupt when each member seeks the credit (order of authorship) she believes she deserves.

In disputes, we fail to see eye to eye because both sides attend to different data. We tend to focus on our contributions to a joint effort and not on those of others reflects egocentrism. We make self-serving judgments regarding allocations of credit and blame, which leads us to different conclusions regarding what a fair solution would be.

When Linda Babcock and George Loewenstein had students simulate a dispute between a plaintiff and a defendant, providing identical information to both, both parties processed the information in a way that supported their own perspective. Defendants remembered more details that supported their case and forgot details that supported the plaintiff's case. The reverse occurred for plaintiffs. This egocentrism affects perceptions of what constitutes a fair settlement; and, for instance, the level of disagreement about what is fair can predict the length of a strike.

Likewise, in ethical dilemmas, we see the parts of the decision that benefit us, but fail to see aspects of the situation that hurt others. So, we often make unethical decisions that benefit us, without realizing the costs that they impose on others. This bias happens even without the intent to act unethically. We naturally absorb information that is advantageous to us and ignore information that isn't. Our blind spots unknowingly lead to unethical behavior.

The ethical illusions we have about ourselves are driven in part by the discrepancies between *how we think we'll behave* when faced with ethical dilemmas, *how we actually behave*, and *how we recollect our behavior*. Our expectation is that we will behave ethically, but then we behave unethically—and still believe that we are ethical people. Knowing that we'll confront internal conflicts between what we *want* to do and what

we think that we *should* do, we need to understand what happens before, during, and after we make a decision.

**Before the decision: Prediction errors.** Before making a decision, *when we think about our behavior in the future*, we predict that we'll behave ethically. In one study, individuals who were asked to imagine being sexual harassed during a job interview predicted they'd stand up to confront the harasser and refuse to answer abusive questions. But when they were placed in this situation, they behaved differently: *they answered the abusive questions*. Why? When we think about how we'll behave, our thoughts are dominated by predictions of how we think we *should* behave. We think we should confront a sexual harasser, so this is what we predict we will do.

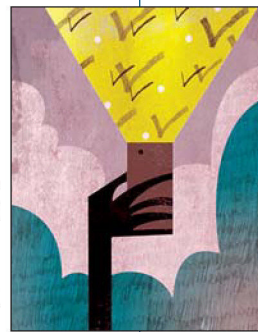
**Decision time: The want self emerges.**

What happens at the time of the decision is different than what we think we will do. In a job interview, for example, candidates who face harassment may feel overwhelmed by the pragmatic issue of getting a job and fail to confront the interviewer, though they knew they should. Or, we may pledge to contribute to

a cause, but when the time comes to give the money, we may fail to donate because we have limited cash in our pockets. While the *should self* dominates our predictions about how we'll behave, the *want self* dominates at the time we make a decision. Our pragmatic, hot-headed, self-interested *want self* overwhelms the rational, cool-headed, ethical *should self*. As the ethical voice of the *should self* fades, the *want self* wins, and unethical behavior ensues.

**After the decision: Recollection biases.** When we look back on our unethical behavior, we tend to gloss over the fact that our actions were not in line with our predictions and self image. To avoid uncomfortable thoughts, we process memories selectively, remembering actions that coincide with the positive image we hold of ourselves and forgetting or reconstructing actions that conflict with that image. We remember the behaviors that were in line with the *should self*—"I never told a lie during the job interview"—and conveniently forget those that were not. The end result: a distorted belief that we are more ethical than we really are.

The discrepancies between our expectations of how we will behave, our actual behavior, and our recollection result in an *ethical illusion* about





ourselves. We believe we are ethical and we don't have to change. The end result: we aren't the people we think we are, and want to be.

### Breaking the Bubble

To break the bubble and become the leader you want to be, take three steps:

- **Preparing to decide: Anticipating the want self.** We need to be prepared for the *want self*, which, while hidden during planning stages, often dominates at the time of the decision. One way is to think about what will motivate you at the time of the decision—or to think about what you hope doesn't happen. In a job negotiation, for example, anticipating certain questions and practicing the response you'd like to give will help you confront the *want self* that will rear up at the time of the decision.

- **Making the decision: Giving voice to your should self.** When faced with an ethical dilemma, thinking about the values and principles that you want to guide your actions will make the *should self* more powerful. Envisioning the eulogy that others would write about you can be useful. Based on the decision you are about to make, what principles would others say guided your actions? Does that correspond to what you hope they would say?

- **Evaluating your unethical choice—accurately.** One obstacle to *being ethical* is, ironically, *your desire to see yourself as ethical*. Since you want to see yourself, and be seen by others, as ethical, you recall your behavior in a much more positive light. To accurately recall your behavior, *your decisions need to be evaluated immediately and accurately*. If you find yourself justifying a decision to yourself and to others, this is often a signal that you are uncomfortable with that decision. Ethical decisions don't require complex justifications, as they are usually explained by the simple answer, "It was the right thing to do." Unethical decisions usually involve complicated justifications to explain why in this case, this was an acceptable decision. It can be useful to *debrief your decisions regularly with a person whose integrity you admire* to identify where your decisions may have gone astray.

Understanding the blind spots that lead to a gap between *who you think you are* and *how you actually behave* can improve your ethical decision-making. LE

Max Bazerman is the Jesse Isidor Straus Professor of Business Administration at Harvard Business School. Ann Tenbrunsel is the Rex and Alice A. Martin Professor of Business Ethics at the Mendoza College of Business. They are coauthors of *Blind Spots: Why We Fail to Do What's Right and What to Do about It* (Princeton University Press).

**ACTION:** See into your ethical blind spots.

## Core Competencies

Develop six in yourself.



by Michael Beck

LEADERS CAN NOT BE trained, but they can be developed. Leadership is more about *who you are* than about *what you know* or *what you do*. Two people can do and say the same things but get different results—even with the same person! The effectiveness of your leadership depends more on *how you do* or *say things*. You can train people *what to say* and *what to do*. You can even show people *how to do* and say those things. But getting them to *change how they say and do things* is another story.

Leadership is about *who you are*, and *how you do and say things* defines who you are. Much of *who you are* is captured in the 12 competencies of *Emotional Intelligence* (Goleman). Six of the 12 largely determine your effectiveness as a leader:

1. **Coaching and mentoring—the ability to develop others.** Many coaches have been trained in accredited schools and have the skills and knowledge to be a good coach, yet are poor at coaching. Others are very good at coaching, yet have no formal training. How is this possible? The answer lies in *how they apply their coaching knowledge and skills*. To be an effective coach, you must be aware of your emotions, have control of them, be empathetic, and have good judgment. These traits must either *be developed* or *be natural* to a person (they can't be trained).

2. **Inspirational leadership—the ability to develop and lead with a compelling vision.** Leaders need to be *inspiring*—to instill pride, communicate a vision, and *inspire people to aspire to excellence*. People aren't simply inspired by *the right words*. To move others to action, you need to garner respect through your words and actions; but again, *how you say what you say and do what you do* determines the impact those words and actions will have. *Who you are* is something that can be *developed*, but not *trained*.

3. **Influence—the ability to persuade.** Effective leaders are influential. You influence people by your words and actions, but it comes back to how you are viewed by others and how you say

and do things. You improve these abilities through *development*.

4. **Conflict management—the ability to resolve disagreements.** Conflict and challenges are inevitable, and good leaders diffuse and resolve situations. To be effective, you need to have the respect and trust of those involved. Creating *who you are* takes time. It is not something that can be *trained*—only *nurtured* and *refined*.

5. **Teamwork and collaboration—the ability to build and guide teams.** To foster a culture of collaboration, you must be good at coaching, inspiring, influencing, and resolving. Again, this ability is best *developed*, not *trained*.

6. **Develop others—the ability to bring out the best in people.** By developing people, you *elicit excellence* in three ways.

- *You benefit the person being developed.* When you help someone expand their skills and knowledge, you make them more valuable and versatile. This instills a sense of pride in their work and elicits excellence. You also demonstrate your belief in them, their abilities and potential. This nurtures loyalty, openness, and responsiveness toward you.

- *You have a positive impact on your team.*

When team members grow their abilities, they inspire others to do the same. The people you develop act as *examples of what is possible*.

- *Third, you become more effective* (more skilled in communications, more *effective* in leadership, more *leveraged* in your efforts, more *productive, creative, and confident*), there-

by eliciting more excellence.

**Three things need to happen** for leadership development to occur:

1. **Get an objective assessment** of competencies (since *how you do* and *say things* is habitual, you are often blind to your shortcomings).

2. **Set a target for improvement.** You don't need to be *excellent* in every competency; target and focus on one or two areas for improvement.

3. **Enlist the help of a coach or trusted associate** to note when you fail to meet goals or honor promises, or fall back into old patterns.

By being mindful of your words and actions, and persistent in your efforts to improve, your effectiveness and impact as a leader will increase. Strive to *develop yourself* and those around you. Great leaders develop other leaders. LE

Michael Beck is a business strategist and executive coach. Visit [www.michaeljbeck.com](http://www.michaeljbeck.com). Call 503-928-7645, 866-385-8751, or email [mbeck@michaeljbeck.com](mailto:mbeck@michaeljbeck.com).

**ACTION:** Develop these six competencies.