



Faculty Publications

2008-08-01

Rationalizing Dishonesty

David J. Cherrington
david_cherrington@byu.edu

Follow this and additional works at: <https://scholarsarchive.byu.edu/facpub>



Part of the [Business Administration, Management, and Operations Commons](#)

Original Publication Citation

D.J. Cherrington, "Rationalizing Dishonesty", Hayes Report on Loss Prevention Volume 24, Issue 1, Pages 2, 6-7, Hayes International, Fruitland Park, Florida, 1, 29.

BYU ScholarsArchive Citation

Cherrington, David J., "Rationalizing Dishonesty" (2008). *Faculty Publications*. 878.
<https://scholarsarchive.byu.edu/facpub/878>

This Peer-Reviewed Article is brought to you for free and open access by BYU ScholarsArchive. It has been accepted for inclusion in Faculty Publications by an authorized administrator of BYU ScholarsArchive. For more information, please contact ellen_amatangelo@byu.edu.

Rationalizing Dishonesty
David J. Cherrington
August 2008

A recent *BusinessWeek* article (28 July 2008: 17) reported some interesting data regarding the percent of people who say they cheat on their taxes. When a smiling devil cartoon character asked them, "How Bad are U?" over 50 percent of the survey respondents admitted to cheating on their taxes. However, only 25 percent said they cheated when the questions were asked on a website containing an official insignia *with privacy assurances*.

The co-authors of this study suggest that this reduction from over 50% to just 25% is primarily due to the *promises of privacy*. They theorized that when people are assured that their responses will be confidential, they become suspicious and are less prone to admit that they have cheated on their taxes. The IRS, incidentally, estimates that the voluntary compliance rate has ranged between 81 and 85 percent for the past several decades. ("Reducing the Federal Tax Gap," 02Aug07).

This explanation may be partially correct; but, I think two basic human tendencies provide a much more accurate explanation: social desirability response bias and rationalizations.

Social desirability response biases occur all of the time and explain much of our behavior, especially in a research study. Basically, people feel a need to do and say things that are socially acceptable. This has also been referred to as evaluation apprehension: when we know we are being evaluated, we try to behave in ways that will cause others to think well of us. Therefore, we make a quick assessment of each situation and adjust our behavior to satisfy what we think others expect of us. Most of the time, we make these adjustments automatically without thinking much about it.

The second tendency, rationalization, also occurs without much conscious thought; as human beings, we seem to have an endless ability to rationalize our behavior. After we have performed an act, we feel compelled to create an explanation for why we did it, not just for others who might question us, but especially for ourselves. We reject the idea that we are capricious, random people who do things for no reason. Instead, we think of ourselves as rational, conscious beings who act with purpose and intent. Consequently, it is important for us to be able to explain what we do and why.

This means that when we do anything dishonest we will feel compelled to develop a rational explanation for our behavior that will still allow us to maintain our basic self-concept intact. The easiest way to do this is to minimize the seriousness of what we have done through some form of rationalization. With very little effort, we can usually provide multiple excuses that will justify almost any misbehavior. Anything we do wrong once will then be easier to do the second time.

Our endless ability to rationalize is easily illustrated by our attitudes toward speed limits. Although we know we are expected to obey speed limits, and we signed an agreement promising to follow them when we obtained a driver's license, we casually disregard them much of the time. This can't be excused as a simple oversight when we consciously set our cruise control well above the limit. Most people can quickly list numerous justifications: I'm in a hurry, my time is more important than following the rules, I'm a good driver and can safely go faster, everyone does it, my driving instructor told me to go with the flow of traffic, I'd be a traffic hazard if I obeyed the limits, my car was designed to safely drive faster, even police officers exceed the limit, I wasn't hurting anyone, you won't get stopped unless you're going more than ten miles over the limit, this is a silly issue and no one really cares, etc. etc.

The reason for listing so many rationalizations is to make an important point: anything we persist in doing wrong can be justified in time. In seminars and ethics classes, we have observed people rationalize serious misbehaviors, including theft from employers, insurance fraud, income tax evasion, and adultery, just as casually and cavalierly as most people rationalize exceeding speed limits. And, even after admitting these serious misdeeds, they still maintain that they are "basically honest" people.

So, why would over 50 percent of the people admit to cheating on their taxes when they are asked by a smiling devil cartoon character? It is probably because the setting creates an expectation for cheating and a convenient opportunity to redefine what actually constitutes tax cheating. For example, claiming a business purpose for something that was mostly a personal expense can be defined as cheating when one wants to report it as such; but, it doesn't seem like cheating when compared to abusive tax shelters and fraudulent off-shore trusts. Furthermore, the underground economy and the complexity of our tax laws make it almost impossible for anyone to say for certain that they are totally honest in paying their taxes.

People can define cheating on their taxes in many ways. Likewise students define cheating in school in many ways. On a survey asking students how often they cheat in school (always, frequently, occasionally, seldom, or never), one student said "never"; but then qualified his answer: "I've never looked at a classmate's answers, but I overheard my friends saying that the leadership theory questions on the exam were very difficult, so I studied that section of the chapter again before I went to take the exam. And, I don't always properly cite my sources on my research papers; but I don't consider that cheating." This student's confessions about cheating do not depend on promises of privacy as much as they depend on how he thinks cheating is defined by the interviewer and what the interviewer wants to hear.

We need to understand the rationalization process and recognize how deceptive and seductive it can be in our lives. We may feel uncomfortable the first time we do something wrong, but each time it gets easier and eventually we can justify even heinous deeds that we never would have considered doing. As a former bank vice president who was incarcerated for 28 months said: "The first time I embezzled bank money to pay my credit card debt and charged it as advertising expenses I didn't sleep all night. But after I

had done it 20 or 30 times, I couldn't see anything wrong with it. I really felt OK about it."