Pre-analysis plan:

Decision rights in moral dilemmas

Research by Caroline Stein and Anna Untertrifaller
January 20, 2017

1. Introduction

This study deals with the question whether the possession of a decision right in a moral dilemma has an effect on subjects' effort provision. Especially in context of debates on empowering employees this question urges empirical evidence to derive practical implications for e.g. compliance management. From previous studies in experimental behavioral economics, we know that having the decision right over a morally neutral situation has a positive effect on effort provision (Fehr et al., 2013; Bartling et al., 2014).

This correlation has not been studied yet for situations of moral dilemmas though. We think that it is crucial to investigate this additional dimension separately. This is because different strands of experimental research suggest a non-monotonic effect of the possession of a decision right in moral dilemma situations depending on the decision that was implemented. On the one hand, we know that people prefer to give their decision right away instead of making a beneficial but immoral decision on their own in order to not bear the full responsibility (Hamman et al. 2010; Bartling and Fischbacher, 2011). This could be an indication that in case of an immoral decision, the decision would not have a positive but rather negative effect on effort because individuals do not value it.

On the other hand, there is a growing body of evidence that pro-socially motivated agents provide more effort if they work for a pro-social mission (Cassar, 2016). Thus, we expect that executing the task in line with one's own preference for truth-telling would increase performance, especially in case of the possession of the decision right which might be more valued in case of a moral decision.

2. Experimental Design and information about subject pool

We aim to run a laboratory experiment to find a possible correlation between decision rights and effort provision in moral dilemmas. In the experiment participants are grouped into pairs and get assigned either the role of player A or the role of player B. Player B is asked to do a real effort task. Both player A and player B make a decision which task player B shall do. They are then asked to report the chosen task and the respective piece-rate. Piece rates differ by task and both can thus lie about the piece-rate for player B's real effort task. In 50% of the cases the decisions (task and reported piece-rate) of player A and in 50% of the cases the decisions of player B are implemented.

Before conducting the real effort task, Player B is informed about whether the task of player A or her chosen task will be implemented. In the former case B learns about whether A has overstated the piecerate of the corresponding task. In this case B is forced to execute an immoral decision.

3. Hypothesis and data analysis plan

Overall, we plan to run 10 sessions. We, therefore, plan to recruit approximately 320 subjects registered at the CLER (Cologne Laboratory for Economic Research) via ORSEE to the laboratory of the University of Cologne. The experiment is programmed in ztree and conducted from December 2016 till April 2017.

Our main hypothesis is that the possession of the decision right in a moral dilemma has an effect on effort provision and that its direction is dependent on the moral decision that is implemented.

Whereas in case of an implemented moral decision, we predict that individuals perform better if they had decided for themselves, for immoral decisions we assume the contrary effect, which implies a higher effort level when individuals only execute the decision of another player.

To test our hypothesis we will mainly analyze for both implementations (moral or immoral decision) separately player Bs' effort provisions. We compare the situations when the implemented decision was made by player B itself to the situation when the other group member made the decision. In doing so, we will use standard parametric and non-parametric tests for independent samples.

By using the strategy method and randomly implementing either the decision of player A or player B, we can investigate the effect of the possession of the decision right, while also controlling for player B's decision in the first place. Furthermore, we will ask for background information such as demographics and personal traits on honesty and evaluation of the moral dilemma that we can also control for in an additional regression analysis.

In addition to our main research question we have two other areas of interest that we want to explore. First, we want to test whether the decision to lie or not is affected by the role assignment thus by the fact whether the subject eventually has to execute the real effort task. Second, this design allows us exploring the role of social comparison on effort provision, because in case the decision of player A is implemented, B has information about how another individual decided in this situation and can compare it to their own decision.

References

Bartling, Björn, Ernst Fehr, and Holger Herz. "The intrinsic value of decision rights." *Econometrica* (2014): 2005-2039.

Bartling, Björn, and Urs Fischbacher. "Shifting the blame: On delegation and responsibility." *The Review of Economic Studies* (2011): rdr023.

Cassar, Lea. "Job mission as a substitute for monetary incentives: experimental evidence." Working paper (2016).

Fehr, Ernst, Holger Herz, and Tom Wilkening. "The lure of authority: Motivation and incentive effects of power." The American Economic Review 103.4 (2013): 1325-1359.

Hamman, John R., George Loewenstein, and Roberto A. Weber. "Self-interest through delegation: An additional rationale for the principal-agent relationship." *The American Economic Review* 100.4 (2010): 1826-1846.