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S Y M P O S I U M

BOUNDED ETHICALITY AND ETHICAL FADING IN NEGOTIATIONS: UNDERSTANDING UNINTENDED UNETHICAL BEHAVIOR

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The business scandals of the past several decades have led to the rising importance of ethics as a topic central to management scholarship. Behavioral scientists in particular have been attracted to the topic in far greater numbers, and the study of ethical decision making has emerged as a core subfield (Messick & Tenbrunsel, 1996). This paper draws on that framework and applies it to negotiations, arguing that not all unethical behavior is intentional; rather, negotiators fall prey to bounded ethicality, engaging in behavior that is contradictory to their values without realizing that they are doing so. We further argue that ethical fading—when individuals do not see the ethical implications of the situation or their action—is central to explaining why this occurs. Relying on past empirical research, we identify negotiation cues that have been linked to unethical behavior, and explore how they make a negotiator particularly vulnerable to ethical fading, resulting in subsequent unethical behavior. We discuss several opportunities for future research in the negotiation discipline and other disciplines that draw on motivated social exchange or assume intentionality, and conclude with a call for scholars to define normative standards as they pertain to negotiator ethics.

Deception in negotiation is widespread (Koning, Van Dijk, Van Beest, & Steinel, 2010), occurring anywhere from 30% to 100% of the time (Schweitzer, 2001). Some have argued that certain types of business negotiations require deception (Shell, 1991), and lying in legal negotiations is even considered a "permanent feature of advocacy" (Wetlaufer, 1990, p. 1272). Unethical behavior in negotiations has been referred to as taking an "opportunistic" advantage (Robinson, Lewicki, & Donahue, 2000, p. 650), with the corresponding discourse traditionally assuming intentionality. Profit and greed have been identified as two of the main drivers of unethical behavior in negotiations (Lewicki & Litterer, 1985; Murnighan, 1991), and negotiators are presumed to be motivated to engage in unethical action to increase their own outcomes (Bazerman, Curhan, Moore, & Valley, 2000; Boles, Croson, & Murnighan, 2000). Sellers of used cars, for example, have been found to lie if they believe it is in their best interest (Akerlof, 1970). Indeed, negotiation is often perceived as a zero-sum game where winning must come at any cost (Bazerman & Neale, 1983; Thompson & Hastie, 1990), including unethical behavior.

This viewpoint suggests that negotiators knowingly and intentionally engage in unethical behavior because the situation demands it. While this may be true, we assert that this perspective is too narrow, leaving us with an incomplete understanding of what motivates individuals to engage in unethical behavior. Consider the following example:

> You are an investment adviser. Your client has a long-term perspective and a moderate tolerance for risk. She has asked for your advice on selecting among four funds: 1) the Tobacco Trade Investments Fund, 2) the Alpha Investments Fund, 3) the Fortitude Investments Fund, or 4) the Power Trade Investments Fund. Figure 1 shows the returns for each of the funds over the past nine years, as well as the return for the S&P 500. Which fund do you recommend?

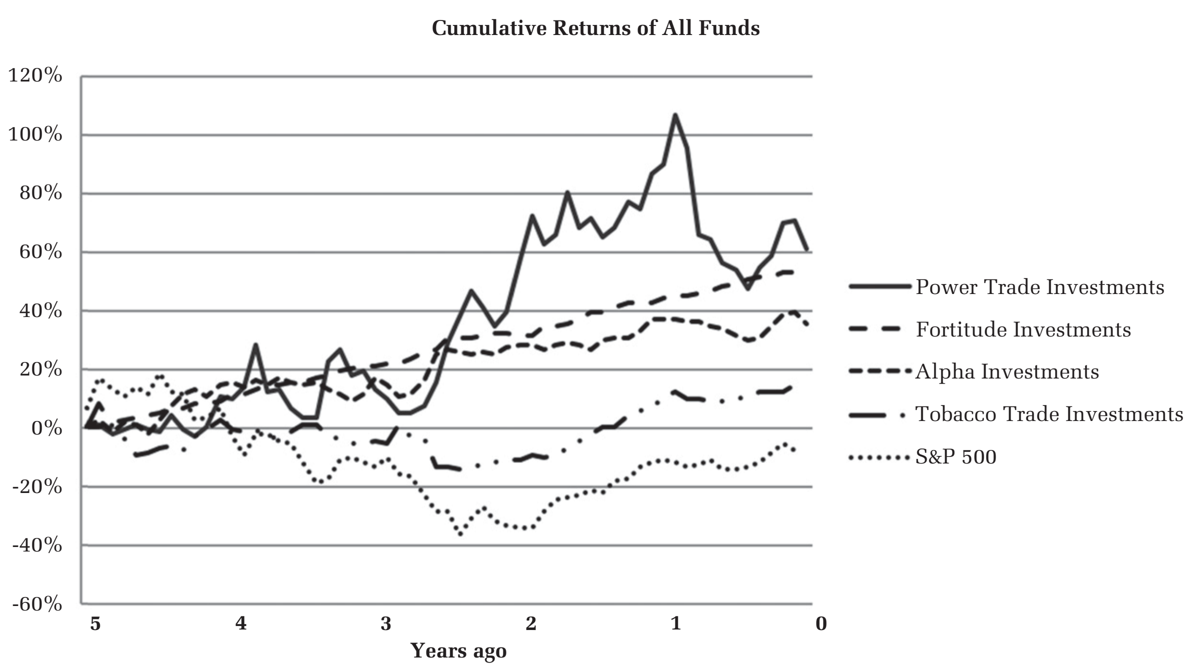
Most people choose Fortitude (Zhang, Fletcher, Gino, & Bazerman, 2015) based on excellent returns and low volatility. And for most people (including sophisticated investors), the fact that it is impossible to dramatically outperform the market for an extended period of time with no volatility fades from their thought process as they choose among the four funds. In the example, Fortitude represents the trends that one of Madoff's largest investors saw in their investments with the fund. It is clear that Bernard Madoff engaged in intentional unethical behavior. However, there were also hundreds who unintentionally endorsed the fraudulent fund, an endorsement that might have gone against their values had they realized what they were doing. As explained by one trader, they recommended investing in this fund because the ethical aspect of the choice faded from their awareness:

> We were all aware of this hedge fund that had had great returns for 20 years. . . . We knew it was statistically impossible [to have the steady gains for which Madoff became famous]. As a collective, we always kind of wondered: How the hell does he do it? Every person was curious. But that's where it stopped. You'd stop yourself from wondering. You'd say, "There couldn't be anything bad." (quoted in Bandler & Varchaver, 2009)

Those who recommended Fortitude lost 90% of their clients' money in the next time period.

There are bad people. People like Bernard Madoff have committed acts of extraordinary evil. However, we argue that there are far more good people, perhaps like the trader quoted above, who behave in ways that deviate from their values without knowing they are doing so. Why do these individuals engage in unethical behavior? Previous research suggests that the unethical behavior some individuals engage in may be unintentional (Tenbrunsel & Messick, 2004). Indeed, some have argued that wrongdoing is the result of both intentional and unintentional processes (Tenbrunsel & Smith-Crowe, 2008). Unfortunately, the unintentional side has been underrepresented in the negotiation literature, resulting in

FIGURE 1
The Cumulative Returns of Four Feeder Funds



a lack of understanding as to why negotiators who strive to behave in ways that are consistent with their values engage in unethical behavior at the negotiation table. This paper, therefore, focuses on this less-studied side of negotiation by drawing on the foundations of bounded ethicality and ethical fading found in the field of behavioral ethics.

Behavioral ethics seeks to understand why individuals make unethical decisions and suggests that decision makers suffer from bounded ethicality, deviating in systematic and predictable ways from their values while being unaware that they are doing so (Chugh, Bazerman, & Banaji, 2005). Bounded ethicality is based on bounded rationality (Simon, 1957), which seeks more generally to understand the systematic and biased decision-making processes that contribute to a gap between individuals' preferences and their actual behavior. While bounded ethicality has been used to examine deviations from ethical values in decision-making contexts, it has not yet made a significant footprint in negotiation research.

Our argument, grounded in a behavioral ethics perspective, suggests that negotiators may also be subject to bounded ethicality. When negotiating over scarce resources, for example, most people take more than others believe they deserve yet are unaware that they are doing so, a phenomenon attributed to blind spots caused by one's own egocentrism (Wade-Benzoni, Tenbrunsel, & Bazerman, 1996). We assert that ethical fading can help explain why negotiators unknowingly engage in behavior that deviates from their values. Ethical fading is defined as a cognitive process in which the ethical elements of a situation are voided for the decision maker because they have been masked by other salient issues relevant to the purpose or goal of the situation; this fading reduces the likelihood that the ethical implications of the situation will be considered by the decision maker (Tenbrunsel & Messick, 2004). In other words, what may be salient ethical issues to others, or may have been salient ethical issues before the person actually encountered the situation, are unrecognizable to those who experience ethical fading, as such issues have gradually been obscured by other factors in the situation that have become more relevant (Tenbrunsel, Diekmann, Wade-Benzoni, & Bazerman, 2010; Tenbrunsel & Messick, 2004). Thus, those experiencing ethical fading do not see the situation as one with ethical implications, and as a result their values and principles are not relevant to the decision process even though they would be if the ethical aspects of the situation were recognized. The end result is often unintentional unethical behavior and a lack of awareness that an ethical violation has occurred.

Practically, ethical fading may be particularly problematic for negotiators who want to behave ethically but do not realize they are not doing so. Previous research has shown that negotiators have a tendency to change their intended behaviors and strategies in a negotiation (Thompson & Hastie, 1990) and that such changes often lead to less than optimal negotiation results (Babcock & Loewenstein, 1997) and dissatisfaction for the negotiator (Curhan, Elfenbein, & Eisenkraft, 2010). Although research has demonstrated that individuals strive to behave in ways that are consistent with their values (Aronson, 1969; Mazar, Amir, & Ariely, 2008), we believe that the tendency to change intended behaviors in negotiations may make negotiators especially susceptible to ethical fading and bounded ethicality. Thus, highlighting the factors in a negotiation that can promote ethical fading may help individuals recognize when they are particularly susceptible to ignoring ethical concerns; this awareness is a key first step in avoiding unethical behavior (Rest, 1986). From a scholarly perspective, our argument suggests that the concept of ethical fading should be a more central part of research in negotiation. Additionally, our review suggests that ethical fading may also be potentially useful in other scholarly disciplines—such as human resources management, corporate strategy, and corporate reputation—that are based at least in part on social exchange and bargaining theories.

We draw on a framework of ethical fading to explore unintentional unethical behavior and the root causes of negotiator blindness to unethical behavior. We extend and build on this concept as it relates to negotiation in particular, investigating the role of framing and the situational catalysts specific to negotiations that increase the likelihood of ethical fading. We discuss implications for future research for negotiation scholars but also for those in other disciplines, particularly in fields that involve processes of negotiated social exchange and/or have an implicit assumption of intentionality. We conclude with a call for a discussion among scholars to clarify moral norms and rules in negotiation contexts.

UNDERSTANDING BLIND SPOTS IN NEGOTIATION: A MODEL OF ETHICAL FADING

Why do negotiators who want to behave ethically end up behaving unethically and failing to realize that they have deviated from their values? We argue that ethical fading helps answer this question (Tenbrunsel & Messick, 2004). A model proposed by Tenbrunsel and colleagues (2010) suggests that to understand how ethical fading occurs, we need to consider at least three phases in the decision-making process: what happens (1) before a decision is made (prediction phase), (2) during the decision-making process (action phase), and (3) after the decision has been made (recollection phase). Negotiations reflect similar phases: Negotiators prepare for the negotiation and predict what will occur during the negotiation, they participate in the negotiation, and after the negotiation is over they recall what occurred. Below we briefly review this model, adapting and applying it in a negotiation context.

In the prediction phase, negotiators ponder the upcoming negotiation and predict how they will behave. Such predictions are driven primarily by the idealistic "should self," and desirability concerns dominate. These concerns are focused on principles and values, or how one desires to be (Kivetz & Tyler, 2007; Liberman & Trope, 1998), and, as a result, the negotiator predicts she will engage in ethical behavior at the bargaining table (Bazerman, Tenbrunsel, & Wade-Benzoni, 1998; Tenbrunsel et al., 2010).

During the action phase, negotiators are at the table, making decisions on concessions, offers, and agreements. In contrast to what happens prenegotiation, the "want self" is dominant in this phase. Negotiator actions are driven less by values and desirability and more by feasibility and pragmatic concerns. In this phase, negotiators ask themselves, "What makes sense for me at this moment?" When answering that question, the "want self" often makes decisions that are self-interested and potentially unethical, resulting in unethical behavior during the negotiation.

Afterward, as negotiators reflect on the negotiation, the battle between the "want self" and the "should self" again dominates. As in the prediction phase, the "should self" often wins the battle in the recollection phase. Negotiators' mental representations during this phase are guided by values, with preferences for moral values that support one's true self (Kivetz & Tyler, 2007). As such, individuals recall their actions as being more in line with their values than perhaps they actually were.

A consideration of the three phases of the decision-making process illuminates why negotiators who desire to behave ethically do just the opposite yet don't realize that they have: While the ethical implications of a decision are salient when one is predicting and reflecting, when actually faced with the decision, the ethical implications of the decision fade away. As ethical fading and unethical behavior are arguably most likely to occur during the action phase (Tenbrunsel et al., 2010), we will focus on this phase to understand unintentional unethical behavior in negotiations. Drawing on research that has empirically linked negotiation cues to unethical behavior, we will explore how ethical fading during a single, one-time negotiation may shed additional light on these findings. However, in the discussion section, we will return to the importance of considering a longitudinal perspective on negotiations that are more dynamic in nature, including exploring the prediction and recollection phases and the impact of negotiations over time to understand more fully why individuals are unaware of their unethical behavior and how they might become more aware.

Ethical Fading in the Action Phase: The Role of Framing

Sitting at the core of ethical fading is the way the decision is framed at the time of action: If ethical considerations are not part of the frame adopted, then they will not be brought to bear on the decision of whether to behave ethically, even if a negotiator values ethical behavior (Tenbrunsel & Messick, 2004). During the action phase, the "want self" takes over, and decision makers are arguably less likely to frame the decision as an ethical one (Tenbrunsel et al., 2010). Thus, an understanding of ethical fading involves understanding how framing affects a negotiator's behavior (Tenbrunsel & Messick, 2004).

The influence of frames on negotiator behavior is well documented (Bazerman, Magliozzi, & Neale, 1985). Larrick and Blount (1997) found that describing the same game as a "two-party social dilemma" versus an "ultimatum game" resulted in significantly different behavior. This difference was traced to framing, or changes in how actions were described. When actions were described in terms of each negotiator *claiming* a certain amount from the negotiation (as in social dilemmas) versus *accepting or rejecting* another negotiator's offer (as in ultimatum games), individuals were more generous, more likely to accept unfavorable offers, and more likely to be generous toward the other party. According to the authors, this result demonstrates that a "subtle difference in how an action is framed can produce a large and consistent change in allocation preferences" (Larrick & Blount, 1997, p. 821).

Other research has supported this finding, showing that games labeled "Wall Street" resulted in less generosity than those identified as "community" games, even though the payoffs were identical (Liberman, Samuels, & Ross, 2004; Pillutla & Chen, 1999). Drawing on these findings, we argue that manipulating how actions are described (Larrick & Blount, 1997; Liberman et al., 2004; Pillutla & Chen, 1999) changes the frame, which in turn influences the extent to which moral concerns are activated or faded and whether selfish or other-regarding behavior will be more prevalent. Indeed, Dawes (1980) asserted that activating moral concerns can help solve social dilemmas, and Biel and Thøgersen (2007) found that explicitly framing social dilemmas as a moral situation increases contributions to the common good.

Negotiation Cues That Affect Ethical Fading

Given the importance of frames for negotiator behavior, an obvious question is what triggers the frame in the first place. Tenbrunsel and Messick (2004) argued that situational cues influence the decision frame through which a situation is viewed, which in turn influences the likelihood of engaging in unethical behavior. It is thus essential to understand the situational factors—or in a negotiation context the negotiation cues—that trigger unethical behavior and examine the extent to which ethical fading helps explain these effects. To provide this understanding, we draw on research that has empirically linked situational characteristics to unethical behavior in negotiations and explore the potential role that ethical fading may play in explaining these relationships. Far from being an exhaustive list, the cues we review are for illustrative purposes, designed to explore the role of unintentionality in relationships that have been empirically demonstrated in previous negotiation research. However, as we argue in the discussion, future research should seek to expand this list by examining other cues as well as interactions between cues.

High-stakes incentives. The greater the incentive there is to lie, the more likely one is to do so. Hegarty and Sims (1978) demonstrated that individuals who were rewarded for paying kickbacks to purchasing agents were more likely to engage in unethical behavior. Tenbrunsel (1998) found a similar relationship: Negotiators who were given a chance to win $100 versus $1 were more likely to misrepresent their information in a negotiation. The assumption behind this research has been that incentives can lead to greedy behavior (as is the case with performance incentives vs. fixed commission; see Hur & Nordgren, 2016), which includes the deliberate employment of unethical behavior. For example, it was argued that the results of Tenbrunsel (1998) support a rational choice model of decision making (Gaspar & Schweitzer, 2013) in which individuals consciously assess the costs and benefits of engaging in unethical behavior.

However, we argue that these findings might also be explained by ethical fading. One of the factors driving ethical fading is a constrained representation of the self, in which a person's views are biased toward the self (Tenbrunsel & Messick, 2004) and away from others. Extending this reasoning to negotiations characterized by high-stakes incentives, it may be that incentives influence the cognitive interpretation of the situation via ethical fading: Incentives increase a focus on the self, which at the same time attenuates the ethical elements of the situation including concern for the other party, leading to ethical fading and unethical behavior. Supporting this assumption, research has demonstrated that the presence of an incentive decreases the accessibility of moral identity schemas (Aquino, Freeman, Reed, Lim, & Felps, 2009). We argue that in addition to affecting a stable personality trait such as moral identity, incentives can also affect the moral cognitive processing of a decision maker at the time of the decision, leading to a greater self-focus and thus reducing the likelihood that an ethical frame is evoked.

Losses. Prospect theory (Kahneman & Tversky, 1979) posits that outcomes framed as losses or gains influence risk-seeking behavior. Negotiators who face a potential loss (e.g., loss of profits) have been found to be more risk seeking (Bazerman et al., 1985) compared to those who face a potential gain (e.g., retention of profits), and risk seekers tend to be more unethical (Gino & Margolis, 2011). It has often been assumed that decision makers intentionally choose risker strategies in the domain of losses (Larrick, Heath, & Wu, 2009).

Research on losses and unethical behavior, however, suggests that behavior in the face of losses may be unintentional. Kern and Chugh (2009) found that a loss frame affected negotiators' unethical behavior when they were under time pressure, with these negotiators being more likely to gather insider information and lie than those in a gain frame; however, this effect was eliminated when time pressure was removed. These results were used to support the assertion that loss-framing effects are driven by automatic as opposed to deliberate or intentional responses (Kern & Chugh, 2009). We propose that a consideration of ethical fading may help further these results, such that ethical fading is more likely for negotiators who are in a loss domain leading them to automatically (and unknowingly) focus on any actions, including unethical actions, that help them minimize their losses.

Power. Power has been associated with unethical behavior. High-power negotiators have been found to bluff and lie more often than low-power negotiators (Boles et al., 2000). Relative power appears to be at least as important to consider as absolute power when examining unethical behavior in negotiations. Tenbrunsel and Messick (2001) argued that those in asymmetric power negotiations (where one negotiator is high in power and the other is low) are more likely to lie than those in symmetric power negotiations (where both have high or low power). Discussions of the relationship between power and unethical behavior have suggested that high-power individuals intentionally take advantage of their position. Some have argued that perceptions of power driven by outside options (i.e., the alternative deals a person can make with other negotiators), for example, increase feelings of entitlement and thus license the use of deception in negotiations (Malhotra & Gino, 2011).

However, we argue that high-power negotiators may also fall prey to ethical fading. Recent research suggests that power may blind individuals to unethical practices (Kennedy & Anderson, 2017). Handgraaf, Van Dijk, Vermunt, Wilke, and De Dreu (2008) lent further support to this assertion and offered a possible exception to the assumed linear link between power and selfish behaviors. They found that while increasing power over another person leads to increasingly selfish allocations, this linear relationship reverses when the other party is completely powerless. In this case, when the powerful had 100% of the power, the powerful party actually allocated more to the powerless than when the power was split 90%–10%. Relevant to the current discussion, they found that this effect is mediated by the framing of the situation, such that when the opponent is completely powerless, feelings of social responsibility are evoked. Examining these findings through an ethical fading lens elucidates a provocative relationship among power, ethical fading, and unethical behavior. Specifically, we assert that when power asymmetries in a negotiation exist, the powerful become blind to the ethics of the situation; as ethical fading sets in, unethical behavior increases. However, when the powerful party has complete control, the ethics of the situation are more salient and ethical fading is mitigated, decreasing unethical behavior.

Competition. Competition is often associated with unethical behavior (Greve, Palmer, & Pozner, 2010), and negotiations occur in highly competitive contexts (Bazerman & Neale, 1983; Thompson & Hastie, 1990). Combined, this suggests that negotiations are ripe for unethical behavior. It has been found, for example, that when negotiators perceive a negotiation to be a fight they use more unethical strategies (Aquino, 1998; Schweitzer, DeChurch, & Gibson, 2005). Likewise, when negotiating parties engage in distributive negotiations—which tend to create a win–lose situation (e.g., bidding wars)—they tend to use unethical behaviors to their advantage (DeRue, Conlon, Moon, & Willaby, 2009). The underlying assumption of this research is that competitive environments lead to intentional unethical behavior. Firms employ unethical practices as an entry strategy in competitive markets where pricing is restricted (Bennett, Pierce, Snyder, & Toffel, 2013). Competition is also seen as motivating negotiators to "prophylactically engage in unethical behavior to prevent themselves from being exploited" (Pierce, Kilduff, Galinsky, & Sivanathan, 2013, p. 1986). These arguments suggest that unethical behavior in competitive contexts is driven by intentional processes, with negotiators and firms alike using corrupt practices to increase their success.

While this may be true, we argue that such behavior may also be the result of ethical fading, leading to actions that deviate from the negotiator's values without the realization that this is occurring. More specifically, the focus on winning evoked by a competitive negotiation may lead to a self-focus that reduces the likelihood that a negotiator sees the negotiation through an ethical frame. It has been argued that when competition defines a situation, doing the right thing becomes synonymous with doing what you must to achieve your goal (Frank, Gilovich, & Regan, 1993; Friedman, 1962), leaving little room for ethical considerations. Indeed, Kilduff (2014) found that when individuals competed with their rivals, winning became their primary focus. The focus on winning is characteristic of the constrained representation of the self, leading to ethical fading (Tenbrunsel & Messick, 2004). This in turn leads to unethical behavior by negotiators, behavior that they do not realize deviates from their values.

Uncertainty. Most negotiations involve a high level of uncertainty. Negotiators have a limited amount of information about the other negotiator and her interests (Curhan, Neale, & Ross, 2004; Lax & Sebenius, 1986a). Uncertainty introduced by the situation, such as that introduced in asymmetric versus symmetric social dilemmas, has been found to promote egocentrism, which often leads to personally and societally detrimental outcomes (De Dreu, Beersma, Steinel, & van Kleef, 2007; Wade-Benzoni et al., 1996). Negotiations characterized by uncertainty often result in direct deception (Neale & Fragale, 2006), with more uncertainty about the characteristics of a negotiation partner resulting in increased willingness to lie to that person (Thompson, Wang, & Gunia, 2010). Negotiators who lack information, as compared to those who have information, are more willing to engage in deceptive practices and justify them as strategic (Gaspar & Schweitzer, 2013), suggesting an intentional use of deception and an awareness that unethical behavior has occurred. Indeed, it has been argued that the effects of uncertainty on behavior may be motivationally driven (Kunda, 1990) and that organizations even use "smoke machines" to deliberately introduce uncertainty to obscure unethical behavior (Messick, 1999, p. 82).

We suggest that it may also be useful to consider this relationship through an ethical fading lens. Uncertainty can lead to biased perceptions in negotiators (De Dreu et al., 2007), which may affect their engagement in unintentional unethical behavior. Research has shown that uncertainty biases individuals to be self-interested (Babcock & Loewenstein 1997; Camerer & Loewenstein, 1993; De Dreu, 1996), with self-interested perceptions in turn increasing deceptive behaviors toward one's counterpart during negotiations (Thompson et al., 2010). This focus on the self can in turn lead to ethical fading (Tenbrunsel & Messick, 2004). Further, when negotiations are characterized by actual (versus manipulated) uncertainty, the line between right and wrong is blurred (Kreye, 2016). As a result, the salience of ethical considerations is reduced and the likelihood that an ethical frame will be evoked decreases. Fueled by ethical fading, uncertainty thus leads to an increase in unconscious self-focus (Bazerman & Tenbrunsel, 2011) and a decrease in other-focus, with unintended unethical behaviors a potential by-product.

(In)justice. Justice and fairness concerns are important factors in negotiation (Bazerman et al., 2000), particularly because both parties tend to adopt fairness perceptions that benefit themselves (Diekmann, Samuels, Ross, & Bazerman, 1997), which can escalate conflict (Babcock, Loewenstein, Issacharoff, & Camerer, 1995). When a recipient in an ultimatum bargaining game perceives the allocation received as unfair, he or she will retaliate by rejecting the offer made by the allocator (Pillutla & Murnighan, 1996), treating the other party unfairly to even the stakes by ensuring that the other party receives nothing in the allocation. Fairness concerns are intertwined with ethics in negotiations (Diekmann, Soderberg, & Tenbrunsel, 2013). Negotiators who are assumed to be ethical are also expected to be fair (Haidt, 2007; Malhotra, 2004). Because ethics and fairness are interrelated, it is no surprise that when a negotiator is perceived to be unfair, his partner is more likely to perceive him as unethical and to view her own unethical behavior as justified (Bart, Treviño, & Shapiro, 1993). For example, when negotiators feel their counterparts treated them unfairly or unethically, they are more likely to lie to them during a negotiation (Tyler, Feldman, & Reichert, 2006).[1] The impact of injustice on unethical behavior is often assumed to be deliberate, with research demonstrating that employees' sense of fairness is directly associated with their conscious choice to sabotage the organization (Ambrose, Seabright, & Schminke, 2002).

While an individual who feels she has been treated unfairly may resort to unethical actions to restore the balance of fairness (Greenberg, 1993), signifying an intentional decision, we assert that perceived unfairness may also prompt ethical fading and cause a negotiator to unknowingly deviate from her values. In other words, negotiators who perceive an injustice may be so focused on balancing the fairness in the situation that they may be blind to the morality of their own actions, ultimately resulting in unethical behavior.

Research by Gino and Pierce (2009) found that when individuals felt that the distribution of wealth between themselves and a negotiation partner was unfair, they were more willing to engage in unethical behavior in attempt to balance the wealth distribution through the outcome of the negotiation. Relevant to ethical fading, additional research by these authors demonstrated that victims alter their moral judgments when such unethical behavior is in

[1] It is important to note that it is the negotiator's *perception* of his or her opponent's unfairness that drives the resulting unethical behavior. The opponent's unfairness may or may not be unethical from a normative perspective, as the final outcome could be simply the result of luck on the opponent's part or negotiation strategies that were used, strategies that are often culture dependent.

response to inequity, suggesting that "rules and ethical norms (such as honesty) can be easily bypassed due to highly subjective perceptions of ethically safe behaviors when such behaviors, while actually dishonest, restore equity" (Gino & Pierce, 2010, p. 101). This research lends credence to our assertion that when a negotiation is perceived as unfair, the decision is less likely to be seen through an ethical frame. Without an ethical frame, ethical fading is more likely to occur, increasing unintentional unethical behavior.

Anonymity. Anonymity in negotiations can occur in a variety of forms, from written negotiations to bidding opportunities in which a person can choose whether to disclose his or her identity (Rockmann & Northcraft, 2008). Today, however, the increased use of technology in communication makes anonymity a regular occurrence in negotiations (Griffith & Northcraft, 1994; Valley, Moag, & Bazerman, 1998). The increased use of anonymity, unfortunately, does not bode well for ethical behavior in negotiation. Anonymity allows individuals to become less inhibited (Sproull & Kiesler, 1991; Thompson, 1998) and reduces their sense of accountability (Diener, Fraser, & Beaman, 1976). As a result, some research suggests that when individuals are anonymous, they intentionally engage in more unethical behavior (e.g., Haley & Fessler, 2005). For example, researchers have suggested that giving employees anonymity in reporting mechanisms increases unethical behavior when the employee can use such behavior to achieve a goal (Schweitzer, Ordóñez, & Douma, 2004), suggesting a conscious awareness of the strategic uses of anonymity.

Yet while anonymity may lead to intentional unethical behavior, much of the evidence linking anonymity to unethical behavior suggests that such a link may also be unintentional. Being anonymous distances a negotiator from his or her negotiating partner (Hoffman, McCabe, & Smith, 1996), thus constraining the focus to one's self (Trope & Liberman, 2010). This change in focus often leads people to unintentionally gravitate to more material outcomes (Vohs, Mead, & Goode, 2006), become more self-interested (Zhong, Bohns, & Gino, 2010), and reduce their empathetic concern (Woltin, Corneille, Yzerbyt, & Förster, 2011), all of which encourage unethical behavior (Kouchaki, Smith-Crowe, Brief, & Sousa, 2013; Loe, Ferrell, & Mansfield, 2000). The effects of anonymity on unethical behavior in negotiations, including the increase in self-focus and reduction in other-focus, suggest that ethical fading may play a role in explaining the unintentional unethical behavior that results.

Team-based negotiations. Team negotiations are likely to encourage unethical behavior. Empirical findings reveal that individuals are more willing to engage in unethical behavior in a group than on their own (Gino, Ayal, & Ariely, 2009; Gino, Gu, & Zhong, 2009). Cohen, Gunia, Kim-Jun, and Murnighan (2009) suggested that teams are strategic about the unethical behavior they engage in during a negotiation, telling self-serving lies to a counterpart when it is beneficial for them to do so. Such research suggests that engagement in unethical behavior in team negotiations is an intentional act.

However, it has been argued that groups are more unethical than individuals because of differential perceptions of agency, which implies that the unethical behavior committed by groups may also be driven by unintentional processes. Rousseau (1989) argued that individuals can act on obligations and responsibilities but that groups cannot. Consistent with this idea, Haran (2013) found that people perceived contracts with individuals as a promise, and thus the breach of such a contract as a moral transgression, but found no such expectation for organizations. These latter perspectives imply that the characterization of the situation may be different when groups versus individuals are involved, and thus the unethical behavior that follows may be the result of framing and ethical fading.

Further supporting the idea that negotiating in groups leads to unintentional unethical behavior is research on accountability. Individual accountability is reduced when a group, rather than an individual, makes a decision. Individuals within a group typically experience a bias called the diffusion of responsibility, in which individual members do not perceive their actions (or lack thereof) as being responsible for the outcome (Darley & Latané, 1968). In other words, group members can blame the decisions made by the group on one another, resulting in no one in the group taking responsibility for the ultimate actions of the group (Bandura, Underwood, & Fromson, 1975). The diffusion of responsibility is often manifested in routinization, which results in a group splitting a larger goal into smaller, individual goals. Routinization, although often more efficient, does not allow group members the opportunity to recognize how their actions affect the bigger picture, thus making corruption and unethical behavior easier to engage in, eventually making such corruption a normal part of the process (Ashforth & Anand, 2003). As this perspective illustrates, diffusion of responsibility acts as a moral disengagement mechanism (Bandura, 1999) that, unbeknownst to the individual, reduces the salience of ethical dimensions of decisions and, as we assert, increases ethical fading and subsequent unethical behavior.

Agents. Negotiators often use agents—lawyers, real estate brokers, direct reports—to represent them at the bargaining table. While the use of agents can offer benefits, including expertise, emotional detachment, and tactical flexibility, it can also lead to communication distortion, additional complexity, increased costs, and—relevant to this paper—increased deception (Rubin & Sander, 1988). Research on purchasing agents confirms this effect, demonstrating that they are often willing to engage in unethical behavior to reach a good deal for the organization they are representing (Robertson & Rymon, 2001). Some would argue that the use of agents is a conscious decision that allows individuals to engage in corrupt practices (Lindgreen, 2004). In a survey of 100 organizations, for example, many said that they intentionally used some kind of agent to avoid direct participation in corruption in their dealings with companies in other countries (Control Risks Group, 1998).

There is, however, mounting evidence that both principals and agents may not always be aware of the increase in unethical behavior associated with the employment of agents. People fail to hold principals accountable for the actions of their agents, even when the principal is highly culpable. In a series of studies, Paharia, Kassam, Greene, and Bazerman (2009) found that when an organization does its dirty work through a third party, third-party observers are less outraged by the resulting unethical behavior than when the principal engages in the action directly; Coffman (2011) showed the same effect using an economics paradigm where the third party had the opportunity to punish the principal. The lack of ethical concerns raised by observers may in turn reduce the salience of ethical considerations for the principal, leading to ethical fading.

Agents also often experience displacement of responsibility—a moral disengagement bias that allows one to attribute his behavior to authority figures (e.g., the negotiator who hired him) who may have implicitly or explicitly condoned such behavior (Bandura, 1999)—which can reduce awareness of one's own unethical deviations. We contend that ethical fading helps integrate and explain these findings: The increase in observers' acceptance of unethical behavior committed by agents versus principals and the displacement of responsibility by agents may lead to the ethicality of both the principal's and agent's actions taking a back seat, resulting in ethical fading and unethical behavior.

DISCUSSION

Do we accept the traditional view that negotiators deliberately engage in unethical behavior because it is expected of them and even seen as required for successful outcomes? Or do we instead allow for the possibility that negotiators strive to behave ethically but sometimes behave unethically without their awareness? Aligning ourselves squarely with the latter view, we echo Wetlaufer's (1990) assertion: "Somehow we must stop kidding ourselves about these matters. We must grant a place to ethics, first in our discourse and then in our actions" (p. 1272). This article aims to direct that discourse to ethical fading in negotiations, a path we believe to be promising in understanding and changing such behavior.

In the 14 years since Tenbrunsel and Messick (2004) introduced ethical fading, we have learned much about the psychological processes that promote unintended unethical behavior. In this paper, we extend that knowledge to the negotiation context, positing that many of the findings linking negotiation cues to unethical behavior in negotiations may be further explained by considering the role of ethical fading. We assert that certain cues common in negotiations may remove ethical considerations from the negotiations, making negotiators particularly susceptible to ethical fading and resulting in unintentional engagement in behavior that deviates from their values. The prevailing assumption of intentionality in regard to unethical behavior in a negotiation context makes the study of ethical fading particularly important in this domain.

Our goal was to examine the role of ethical fading in negotiations as an explanation for previously documented findings on unethical behavior. Because the notion that unethical behavior in negotiations may be due in part to ethical fading is a relatively new perspective, confirming the role of ethical fading in the identified relationships will provide important insights into how to improve negotiators' ethicality. Further, given that negotiation research in general, and negotiation research on unethical behavior more specifically, focuses on what happens at the bargaining table (the action phase), we directed our attention on this phase to lay a foundation for understanding unintended unethical behavior.

However, inaccurate forecasts in the prediction phase and biased interpretations in the recollection phase exacerbate ethical fading by reducing awareness that unethical behavior will occur or has occurred (Tenbrunsel et al., 2010); thus, future research should seek to build on the foundation we laid out by understanding how the prediction and recollection phases not only contribute to ethical fading but also have the capability to reduce it. It would be useful, for example, to examine how the cues we identified affect these phases. Are powerful negotiators, who we have argued are more likely to fall prey to ethical fading in the action phase, also more biased in their forecasts and recollections? Similarly, are groups less accurate in their predictions and post-negotiation assessments? This suggestion is consistent with Tenbrunsel and colleagues (2010), who argued that more behavioral research is needed on how to bring the "want self" into focus during the prediction and recollection phases so that individuals are aware of the potential for ethical fading before it occurs and are more accurate in their assessments; similarly, future research is also needed on how to make the "should self" more salient during the action phase (Tenbrunsel et al., 2010).

Our focus on the action phase in a static, discrete negotiation also did not consider the dynamic nature of negotiations. More specifically, we explored the impact of various factors on ethical fading within the same discrete negotiation (i.e., the first time negotiators negotiate with one another), which does not take into account the possibility that these factors may affect ethical fading and unethical behavior in negotiations that occur at a different point in time (i.e., later negotiations between these negotiators). For example, a negotiator may not know the outcome is unfair until after the negotiation has concluded, which would mean that ethical fading would not come into play in that time period but might affect the negotiator's behavior in the next time period.[2] Thus, in addition to considering the temporal perspective offered by the prediction and recollection phases, future research could benefit by looking longitudinally at action phases over time.

Assuming that the assertions we have proposed are confirmed, scholars should investigate additional factors that might influence ethical fading and, through the investigation of potential moderators, when ethical fading may and may not be at play. As noted, the cues we discussed are illustrative rather than exhaustive, and thus future research should examine other cues that may lead to bounded ethicality. The arguments for some of the negotiation cues we identified are predicated on their effect on individuals' constrained representation of themselves, a factor that Tenbrunsel and Messick (2004) argued is an antecedent of ethical fading. Future research could address other antecedents of ethical fading (Tenbrunsel & Messick, 2004).

One such antecedent is the slippery slope of unethical behavior, in which small, indiscernible deviations from one's values may increase ethical fading over time. Scholars should thus empirically investigate how unethical behavior progresses over time in a negotiation, examining, for example, whether turning a blind eye to little white lies leads to an increase in ethical fading and unethical behavior later on. Language euphemisms are another identified antecedent of ethical fading (Tenbrunsel & Messick, 2004). Thus, scholars should investigate the language used in various approaches to negotiations. Given the association between competition and unethical behavior, for example, it is important to examine the impact of language that evokes a competitive characterization of a negotiation, including words such as *opponent* and *winning*.

Future research should also consider how the cues considered in this manuscript interact with one another. Groups and uncertainty, for example, have been found to interact: Groups lie more than individuals when information is certain but less when information is uncertain (Cohen et al., 2009). While Cohen and colleagues explain this finding as being related to the strategic instrumentality of groups, where the decision to deceive or tell the truth depends on whether the costs outweigh the benefits, ethical fading is another potential explanation, perhaps playing a differential role for groups versus individuals in the face of uncertainty.

It would also be useful to identify interactions with our identified cues and other situational factors that we have not discussed and investigate the mediating role that ethical fading may play. Time pressure, for example, has been linked with unethical behavior (Shalvi, Eldar, & Bereby-Meyer, 2012) and, as discussed above, enhances the relationship between losses and unethical behavior (Kern & Chugh, 2009). It would be useful to explore the role of ethical fading in this interaction, as it is possible that time pressure creates a self-focus, which increases ethical fading; similarly, it would be useful to consider the role of ethical fading in other time-pressured negotiations that are also characterized by a constrained representation of the self, such as high-stakes and

[2] We thank an anonymous reviewer for this suggestion.

competitive negotiations. The relationship between negotiators and its effect on ethical fading may also be important to study. It has been found, for example, that individuating individuals increases prosocial behavior toward them (Jenni & Loewenstein, 1997) and that individuals lie less to those they know than to strangers (Schweitzer & Croson, 1999). Thus, one's relationship with a negotiation partner may also attenuate ethical fading.

In addition to examining the interaction among negotiation cues, it would be useful to investigate interactions between the situational cues—what we have termed negotiation cues—and the negotiators (Treviño, 1986). Moral identity—the extent to which being a moral person is central to a person's identity (Aquino & Reed, 2002; Lapsley & Lasky, 2001; Walker & Pitts, 1998)—is one personality characteristic that future research should explore. Examining the interaction between moral identity and cues commonly studied in negotiations has the potential to provide additional insight into when ethical fading will and will not occur. As discussed earlier, moral identity moderates the effect of incentives on deception (Aquino et al., 2009). Further research suggests that the effect of power on unethical behavior may also be moderated by moral identity, with power leading to more self-interested behavior for those with lower moral identity but less self-interested behavior for those with high moral identity (DeCelles, DeRue, Margolis, & Ceranic, 2012); similarly, moral identity also appears to moderate the relationship between (in)justice and sabotage (Skarlicki, van Jaarsveld, & Walker, 2008). Understanding the role of ethical fading in these interactions might provide insight into unethical behavior that otherwise remains hidden to the negotiator.

It would also be useful to examine the interactions of situational factors among negotiators from different cultures. For example, do high-stakes incentives or perceptions of (un)fairness lead to more ethical fading and motivate more unethical behavior in some cultures than in others? While addressing these issues is outside the scope of our paper, future examination of these possibilities can offer insightful contributions to research on unethical behavior in negotiation, aiding our understanding of how the situation amplifies certain characteristics of the negotiator to influence the cognitive processing at the time of the decision, via decision frame, which in turn affects ethical fading and unethical behavior.

We have argued that the assumption of intentionality has painted an incomplete picture of unethical behavior in negotiations. We believe that it is important to examine the potential for unintended unethical behavior driven by ethical fading in other fields that similarly draw on theories of social exchange and/or rely on assumptions of intentionality. Human resource management theory, for example, has been discussed in relation to conflict resolution (i.e., see Barney & Wright, 1998), and human resource professionals are responsible for ensuring ethical conduct in daily operations (Olson, 2013). If human resource professionals are unknowingly engaging in unethical behavior in recruiting and hiring negotiations, for example, they may not only damage the trust that is central to their role, but, as central figures in organizations, they may also be unintentionally damaging the ethical climate of the firm. Thus, exploring the possibility of ethical fading in this field might be fruitful.[3]

Fields such as corporate strategy and corporate reputation that are similarly characterized by social exchange and bargaining theories (i.e., van de Ven, 1992; Weigelt & Camerer, 1988) might likewise benefit from such a perspective. It is also important to examine the other side of our argument: that ethical behavior is always the result of intentional action.[4] Research that examines ethical decisions, such as that found in the corporate social responsibility and environmental policy literatures, seems to imply that organizations are making these choices deliberately, with such actions seen as "involving rational and purposeful action" (Sacconi, 2013, p. 129). However, some research has argued that, similar to unethical behavior, ethical behavior can also be both intentional and unintentional (Tenbrunsel & Smith-Crowe, 2008), and thus it is important to examine the assumption of intentionality in these value-based decisions.

Finally, future discussion needs to examine the assumption upon which this manuscript is based: that ethical behavior should be promoted in negotiations and unethical behavior mitigated. If unethical behavior is seen as desirable, then reducing ethical fading will have little impact: Even if a negotiator finally sees her unethical behavior, she will have little motivation to change if that unethical behavior is expected and even encouraged.

If individuals and organizations view unethical behavior in negotiations as undesirable, it is important for them to make this explicit. However, there does not seem to be an implicit or explicit consensus

[3] We thank an anonymous reviewer for this suggestion.

[4] We thank Brian Gunia for this suggestion.

that unethical behavior should be avoided in negotiations. Consider Model Rule 4.1 of the American Bar Association's Rules of Professional Conduct, which, as discussed below, arguably encourages deceitful practices (Hinshaw & Alberts, 2011):

> In the course of representing a client a lawyer shall not knowingly:
>
> (a) make a false statement of material fact or law to a third person; or
>
> (b) fail to disclose a material fact to a third person when disclosure is necessary to avoid assisting a criminal or fraudulent act by a client, unless disclosure is prohibited by Rule 1.6.

As Hinshaw and Alberts (2011) articulated, the interpretation of this rule has been widely criticized for being ethically problematic for many reasons, including 1) failing to define the term *material*, which allows lawyers to base their interpretation on the circumstances, 2) exempting two important bargaining elements (estimates of price or value and a negotiator's intentions regarding the acceptable settlement of a claim), and 3) not providing an exhaustive list of material facts (which promotes the reasoning that anything not on the list must not be a material fact). As a result of these and other criticisms, it has been argued that this rule results in a "tangle of rules, moral principles, and precedents that fail to comprise a coherent system of legal ethics" (Hinshaw & Alberts, 2011, p. 5), producing a shocking amount of deception (Menkel-Meadow, 2002; Rubin, 1995; Wetlaufer, 1990).

In the business domain, we see similar confusion about whether business negotiations are expected to be ethical, including these two excerpts, the first from a well-cited *Harvard Business Review* article and the second from a book on negotiation:

> Business, as practiced by individuals as well as by corporations, has the impersonal character of a game—a game that demands both special strategy and an understanding of its special ethics. (Carr, 1968, p. 144)
>
> Many negotiators fail to understand the nature of the negotiation and so find themselves attempting to reconcile conflicts between the requirements of the negotiation and their own senses of personal integrity. An individual who confuses private ethics with business morality does not make an effective negotiator. A negotiator must learn to be objective in his negotiations and to subordinate his personal sense of ethics to the prime purpose of securing the best possible deal for these principals. (Beckman, 1977, as quoted in Lax & Sebenius, 1986b, p. 363)

Though many would not publicly endorse these statements in today's climate, the question of whether negotiation ethics are somehow different from other types of ethics still lies at the heart of many discussions of negotiation ethics. The Carr article, for example, continues to be cited, with 40% more citations in the five years from 2011 through 2015 than in the preceding five years (2006–2010). Empirically, data suggest that business negotiations may indeed be viewed as having their own set of ethics. For example, bluffing one's competitors, as in a negotiation, is seen as more ethically appropriate than bluffing those with whom a person does not compete (Guidice, Alder, & Phelan, 2009). Together, the above examples reveal that the assumption that guided this article, namely that we desire ethical behavior, may not be explicitly endorsed.

For those who believe that unethical behavior in negotiation is an urgent concern that needs to be addressed, prescriptions are needed. Doing so requires furthering our understanding of what drives ethical fading in negotiations and, armed with that knowledge, mitigating it and consequently promoting ethical behavior. Perhaps first on the agenda, however, is a multidisciplinary conversation among scholars of management, law, and other relevant disciplines, the focus of which is to develop a shared consensus on what is and is not ethical in a negotiation. Such a conversation will help ensure that we are not encouraging ethical fading by reducing the importance of ethical behavior in negotiations.

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