Does happy mood increase dishonesty in the cheap talk sender-receiver game?

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Foreword
Submitted in partial fulfilment of the requirements of the BSc Psychology degree, Reykjavik University, this thesis is presented in the style of an article for submission to a peer-reviewed journal.
Abstract-English
This study was based on recent findings by Tan & Forgas (2010) were mood affected selfishness and fairness in the dictator game. We tested whether mood manipulation would have similar effects on Gneezy’s cheap talk sender-receiver game, to discover whether mood affected lying. We found that a happy mood increases lying in the cheap talk sender-receiver game.

Abstract-Icelandic


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Acting in an honest way is considered to be the correct behaviour, but in real life there are circumstances where people seem to be willing to act dishonestly if it is rewarding to them (Mazar, Amir, & Ariely, 2008; Tan & Forgas, 2010). If you could make extra money by telling a lie to another person without any consequences, would you do it? Does mood influence such a decision to lie? In everyday life people face the choice between being selfish or being true. From an evolutionary perspective an interesting question is why people make decisions that conflict with their self-interest (Garcia-Retamero, Takezawa, & Galesic, 2010), for example, when telling the truth (Gneezy, 2005). Concern with fairness is thought to be a human characteristic that influences intrapersonal strategies (Bolton, Katok, & Zwick, 1998; Camerer & Thaler, 1995; Forgas & Tan, 2013).

The influence of mood on an interpersonal strategy like telling the truth has not been investigated previously. This is even, in spite of its affect being a primary force that drives interpersonal behaviour (Joseph P. Forgas, 2002; Zajonc, 1980). Tan and Forgas (2010) were, however, the first to demonstrate, using a basic allocation task, that mood influenced selfishness in a simple dictator game. Their results were that happy persons were more selfish than sad ones. Based on the proposition that telling someone a lie for the chance to make some more money is selfish, it is hypothesised that mood will effect lying in Gneezy’s (2005) cheap talk economic game, such that happy persons will be more likely to lie than sad persons.

Economics games have been used to study interpersonal strategies such as fairness (Bolton et al., 1998; Camerer & Thaler, 1995), selfishness (Tan & Forgas, 2010), trust (Thielmann & Hilbig, 2014), cooperation (Deck, 2009), and dishonesty (Gneezy, 2005). For example, in the dictator game, the “dictator” has the power to allocate a scarce resource such as money or raffle tickets between herself and another person. In the game researchers are
able to study selfishness in a minimalistic context (Tan & Forgas, 2010). But pay-off games like Gneezy’s (2005) cheap talk sender-receiver game are a bit different. The game’s foundation is based on communication between two people, where one player (sender) has the information and the other one (receiver) has to process the given information from the sender in to action. The action taken by the receiver dictates monetary rewards to the players of the game. According to Gneezy (2005) the sender is more interested in the reward and less concerned with the other participant. That is understandable, since the sender has a guarantee from the experimenter that the receiver will never know her identity. Therefore, as in some other studies, there is no need for the sender to play honestly to protect her social appearance (Crawford & Sobel, 1982).

Forgas has spent years exploring, how affect may influence interpersonal decisions (J. P. Forgas, 1999; Joseph P. Forgas & Bower, 1987; Joseph P. Forgas, 1998, 2002; Tan & Forgas, 2010). According to him, affect may have an effect on interpersonal strategies by selectively priming access to mood-consistent information as well as influencing how people process information as well as influencing how people process information. It appears that a negative mood promotes an accommodative, externally focused processing style of thinking and a positive mood promotes an internally focused, assimilative style. Therefore, a happy mood promotes a more selfish strategy and a negative mood a more fair one (Tan & Forgas, 2010). What all this means for Gneezy’s cheap talk game (2005), as it did for the dictator game (Tan & Forgas, 2010), is that there may be a conflict between being selfish when internally focused and being fair when externally focused. Thus happy persons will be more likely to lie than sad ones.
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Method

Participants and procedure

The experiment was conducted in Reykjavik University with 143 undergraduate students; 73 female, 67 male, 3 of the students not reporting gender. Most students (78%) were under the age of 24. Students were approached and asked to participate in a decision making study which was run in a computer lab. Students were informed of what to expect and seated in front of twelve partitioned computers used in the study. All students were instructed to write down their name and e-mail address to ensure that they all would receive payment according to the result of the game.

Mood induction

Short video clips were used to manipulate mood. Participants were randomly assigned to two groups: either they had to watch a comedy clip or a very sombre one. This was done to induce a happy or a sad mood (Joseph P. Forgas, 2013). After having watched the clip, students were asked to rate their mood on a 7 point semantic differential scale: happy-sad, good-bad, heavy-light and down-frisky; as a part of the mood validation. The scores were averaged to create a summary measure (Cronbach’s $\alpha = .94$).

Cheap talk game

Participants were all senders in the Gneezy (2005) cheap talk game. After having watched the video clip and rated their mood, they were instructed to send a message to a receiver, either message A or message B. At this point the sender is fully aware of the monetary reward following the choice, but the receiver is not. If the receiver chooses A then she will earn 600 ISK, while the sender earns 500 ISK. If the receiver chooses B then she will earn 500 ISK but the sender 600 ISK. The receiver must make her choice based on a message from the sender in which, she gives information on which choice is more monetarily rewarding for the receiver. The information is either: “By choosing option A you will earn more than if you choose B”; or “By choosing option B you will earn more than if you choose
A”. The first statement contains the truth but the second statement contains an untrue message and from these statements it is possible to see if the sender chose to lie to the receiver.

**Results**

**Mood validation**

Participants assigned to the sad mood induction rated their mood significantly worse than participants assigned to the happy mood induction (M = 3.32; SD = 1.08 vs. M = 5.02; SD = 1.02, F (1, 141) = 93.76, p < .001).

**Mood effects on dishonesty**

Mood had a marginally significant effect on dishonesty, \( \chi^2 (1, N = 141) = 1.74, p = .09 \) (one-sided). Participants induced into a happy mood lied almost 50% more often than participants induced into a sad mood (Fig. 1).

![Figure 1. Percentage of participants that lied or told the truth after being induced into a happy or a sad mood.](image)

Interestingly, a minority of participants agreed about having lied to their receivers when they purposefully sent them a message containing a lie (Fig. 2). Also, most of those who lied,
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justified their behaviour by stating that the amounts were so low that it did not matter which message they sent (Fig. 3).

![Bar chart showing percentage of participants who agreed or disagreed about having lied to their receivers with a message that contained a lie.]

Figure 2. Percentage of participants who agreed or disagreed about having lied to their receivers with a message that contained a lie.

![Bar chart showing reasons for lying.]

- **I needed the money**: 10%
- **The amounts were so low that it did not matter which message I sent**: 50%
- **This is only a game. I would never do something like this in real life**: 14%
- **The receiver is never going to believe me, anyway**: 6%
- **Something else**: 20%
Figure 3. Justifications for why participants lied to their receivers.

Discussion

This is the first study to test if mood affects honesty in the cheap talk game. The results indicate that a happy mood increases dishonesty in Gneezy’s (2005) cheap talk game. As much as the results were marginally significant, they are in line with Tan and Forgas (2010) and Tan and Forgas (2013) in the dictator game, where a positive mood increased selfishness and a sad mood increased fairness. The instructions for the cheap talk game are in all likelihood more complicated and time consuming to understand than the instructions for the dictator game. It is not known how long the mood manipulation lasted, but it was probably short lived (Andrade & Ariely, 2009), which could explain the marginal significance, instead of full significance, that mood had on action.

This study was not without limitations: the mood manipulation check was performed before the cheap talk game was run, but not after, as in Tan and Forgas (2010) experiment with the dictator game. This means that before the introduction of Gneezy’s (2005) cheap talk game the group’s mood was different, but it cannot be said with any certainty that after the members of the group had made their decisions and sent their messages, that their moods were different. However, since being dishonest can lead to a negative affect (Argo & Shiv, 2012), measuring mood after the sender had sent their message would have made it impossible to distinguish between the effects of the mood manipulation and the type of message sent.

For future studies it could be interesting to find out if there is a gender difference in decision making within the cheap talk game, were both men and women can be conflicted when confronted with the opportunity to cheat (Mazar et al., 2008). Prior literature has usually implied that when the opportunity to cheat is presented, women are more likely to base their decisions on social comparisons regarding the consequences of their actions (Ward & Beck, 1990), and men are more likely to be risk takers (DePaulo, Kashy, Kirkendol, Wyer,
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& Epstein, 1996). But it is not certain that the difference exists only between gender (Dreber & Johannesson, 2008) it can also be the effect of personality traits, where different personalities can lead to different decisions (Ben-Ner, Kong, & Putterman, 2004; Boone, De Brabander, & Van Witteloostuijn, 1999; Cobb-Clark & Schurer, 2012; Gylfason, Arnardottir, & Kristinsson, 2013). Therefore further research is needed.
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References


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