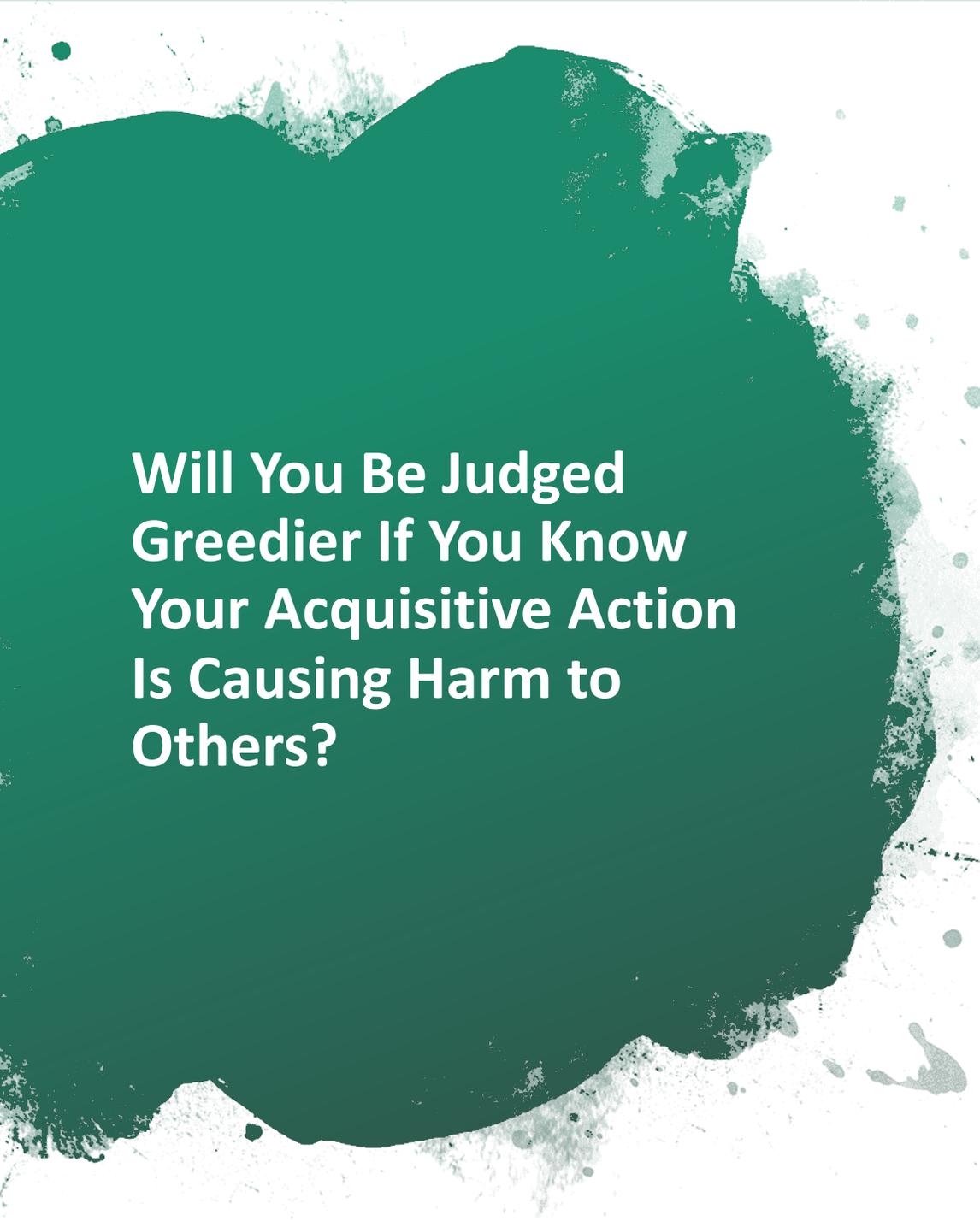


Will You Be Judged Greedier If You Know Your Acquisitive Action Is Causing Harm to Others?

Dr. Daniel Cheung, University of Dayton
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(Alphabetical order)

Presentation at the 33rd
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**Will You Be Judged
Greedier If You Know
Your Acquisitive Action
Is Causing Harm to
Others?**

- Section 1: Literature review, philosophical
- Section 2: Literature review, empirical
- Section 3: Survey findings
- Section 4: Discussion

- Q&A Session

Section 1: Literature review, philosophical

Daily Examples of Greed

- There was “evidence of systematic greed” in the financial crisis in the late 2010s. – British Chancellor of Exchequer, George Osborne
- People like Martin Shkreli is greedy.

Martin Shkreli: A new icon of modern greed



By Janell Ross

September 23, 2015 at 2:58 p.m. EDT



Turing Pharmaceuticals CEO Martin Shkreli this month on CBS. (Screenshot via CBS News)

Section 1: Literature review, philosophical

Academic Understanding of Greed?

- Regarding the field of business ethics, it may surprise you that most business ethicists DO NOT talk about greed at all.
- My sense is that most people, ethicists included, simply accept that greed is what capitalism requires.

Section 1: Literature review, philosophical

“Popular” Academic Understanding of Greed

Among those few who think that greed is a vice,

- there is the Catholic/Aquinas/“Aristotle” tradition that understands greed as one of the seven deadly sins, which is related to the vices of intemperance, self-indulgence, insensibility. (McCloskey, 2006; Taylor, 2006.)
- “Avarice is the inordinate love for riches.” *Catholic Encyclopedia*.

Section 1: Literature review, philosophical

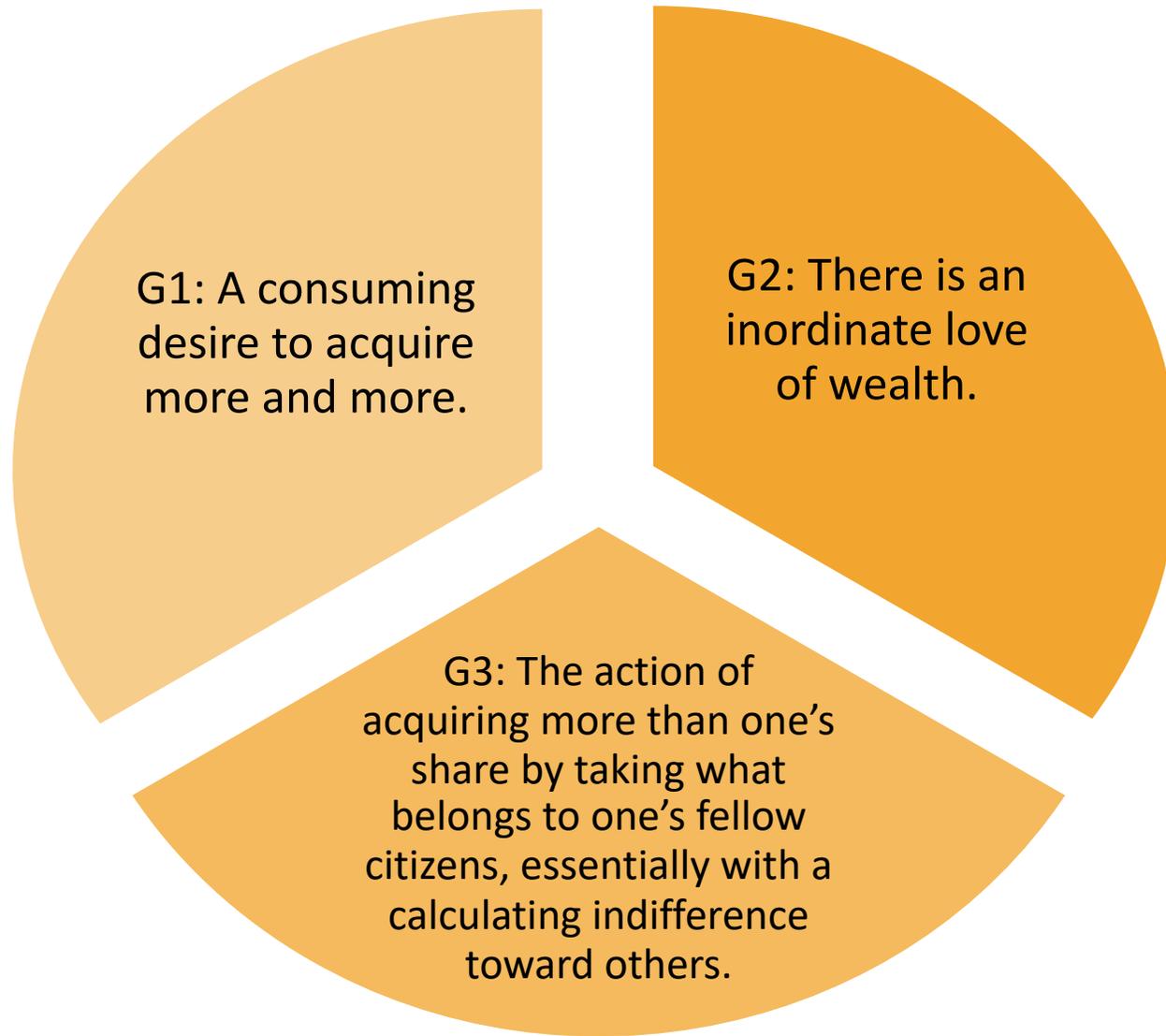
Questions about the “Popular” Academic Understanding

- Experts on Aristotle (Young, 1988; Curzer, 1997) usually disagree that greed is something like intemperance because
 - temperance is about bodily pleasure only, and
 - Aristotle in fact has a vice reserved specifically for greedy actions, which those Catholic/Aquinian/“Aristotle” scholars usually overlook. (Scandalous!)

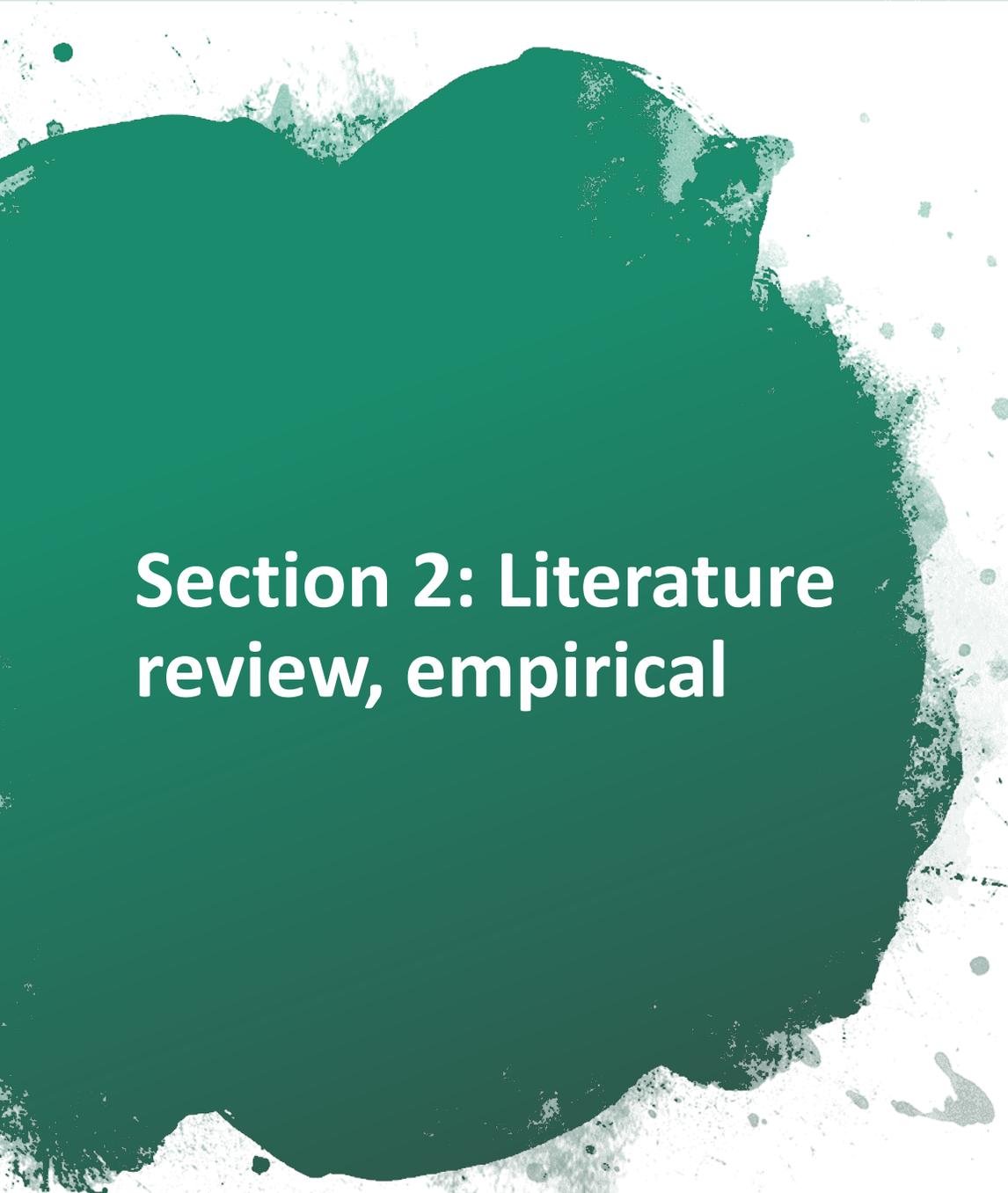
Aristotle's *Pleonexia*

- “...a desire for certain goods not *qua* good, but rather *qua* **more than one's share**. The sphere of particular **justice** is gain...” (Curzer, 1997)
- “...the desire to have more within a context in which one recognizes **the getting more is necessarily based upon others getting less**; the fact that other will get comparably less, however, may, but does not necessarily, motivate this desire, though it is obviously a corollary of it.” (Sherman, 1999)
- “If Aristotle is to be our guide, the unjust person is no victim of any kind. He is dominated by only one vice, greed. That is why he breaks the rules of law and fairness.” (Shklar, 1990)

Cheung's Analysis of Greed: 3 Dimensions



If greed as a vice can still make sense in today's capitalism, its moral mistake should be understood primarily as causing injustice.



Section 2: Literature review, empirical

New Interests in Greed Among Social Scientists

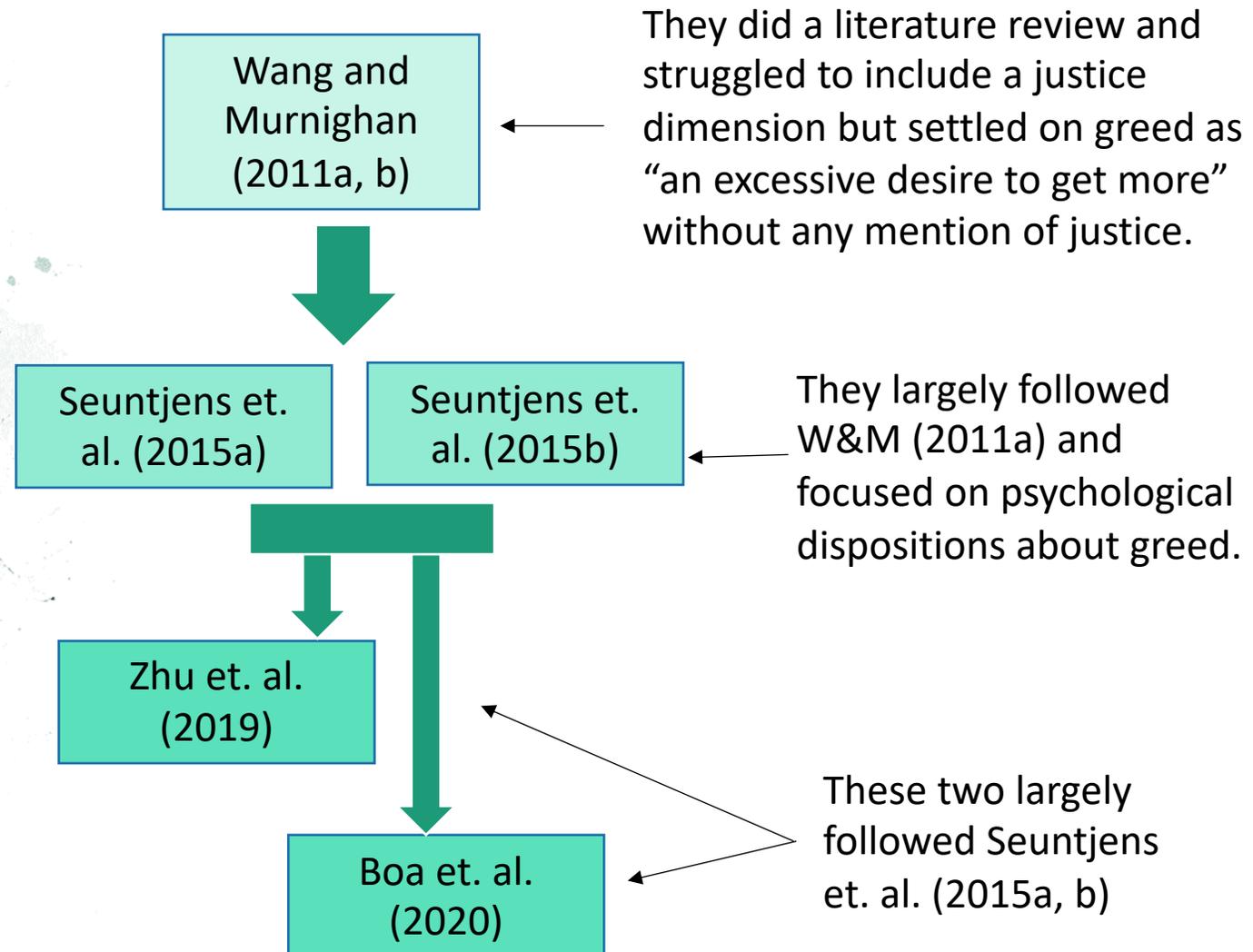
“... it was surprising to discover that empirical research on greed is rare.”
(Wang et. al., 2011a, p. 279)

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2. Wang, L. and J.K. Murnighan (2011a), "On Greed".
3. Wang, L., D. Malhotra and J.K. Murnighan (2011b), "Economics Education and Greed".
4. Seuntjens, T.G., et. al. (2015a), "Defining Greed".
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6. Zhu, Y. et. al. (2019), "Is Greed a Double-Edged Sword? The Roles of the Need for Social Status and Perceived Distributive Justice in the Relationship Between Greed and Job Performance".
7. Bao, R. et. al. (2020), "Dispositional Greed Inhibits Prosocial Behaviors: An Emotive-Social Cognitive Dual-Process Model".
8. Helzer, Erik G. and Emily Rosenzweig, "Examining the Role of Harm-to-Others in Lay Perceptions of Greed".

How did the social scientists come to their view on greed?

Section 2: Literature review, empirical



Section 2: Literature review, empirical

Two outliers that did not attract much attention

- Gilliland, S.W. and J. Anderson (2011), "Perceptions of Greed: A Distributive Justice Model".
- Helzer, Erik G. and Emily Rosenzweig (2020), "Examining the Role of Harm-to-Others in Lay Perceptions of Greed".

- They take into consideration of justice/harm as part of the concept of greed.
- The research focus of this presentation is inspired by Helzer & Rosenzweig (2020).

Section 3: Survey Findings

1. Experimental Design
2. Findings presented in
 - a. the classical statistics approach,
 - b. the Bayesian statistics approach, and
 - c. the data science approach

3.1. Experimental design

- N = 202 (mean age = 20.25, SD = 1.65, 108 females)
- Two conditions: **Commission** (N = 101) vs. **Omission** (N = 101)

Luxe Gem is a jewelry company that sells items designed for special occasions such as engagements, weddings, and anniversaries. The company sources precious stones from developing countries through local providers as the mining costs are lower compared to those in the U.S. This strategy allows for a more cost-effective and diverse selection of gemstones for their jewelry collections. As a result, Luxe Gem could increase its profit by 10% for the past five years.

Although sourcing precious stones from developing countries contributes to lowering costs, mining practices in some of these countries are hazardous and unregulated, resulting in workers facing serious health risks and violations of labor laws. Luxe Gem's CEO Anna who **does (not)** oversee sourcing, is completely **aware (unaware)** of the hazardous and exploitative mining conditions where the company sources gemstones. Anna continues sourcing from these providers because their unsafe, low costs maximize company profits.

3.1. Experimental design

- Manipulation Check (5-point Likert scale):
 - Anna was aware that her actions could cause negative consequences to others
- Main Dependent Variables:
 - Harm to others (5-point Likert scale): Anna's actions are harmful to others
 - Acquisitiveness (5-point Likert scale): Anna's desire for profits is excessive
 - Greed (5-point scale): How greedy do you think Anna's actions are
- Demographic and psychographic questions
 - Age, gender, political orientation, etc.

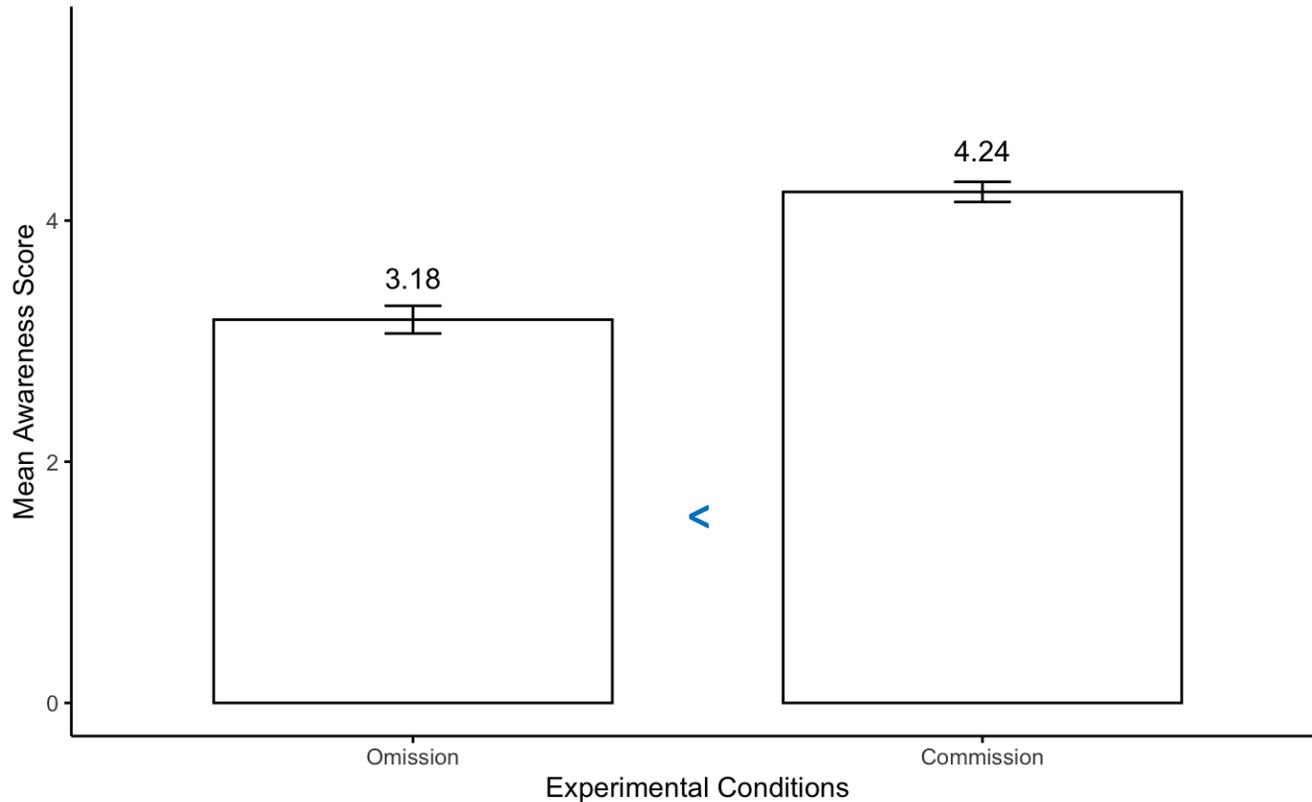
Section 3: Survey Findings

3.2a. Findings in the classical statistical approach

Serial mediation analysis shows that only the following mediation is significant:

Simple mediation of commission vs. omission -> acquisitive -> greed

3.2a. Results: manipulation check



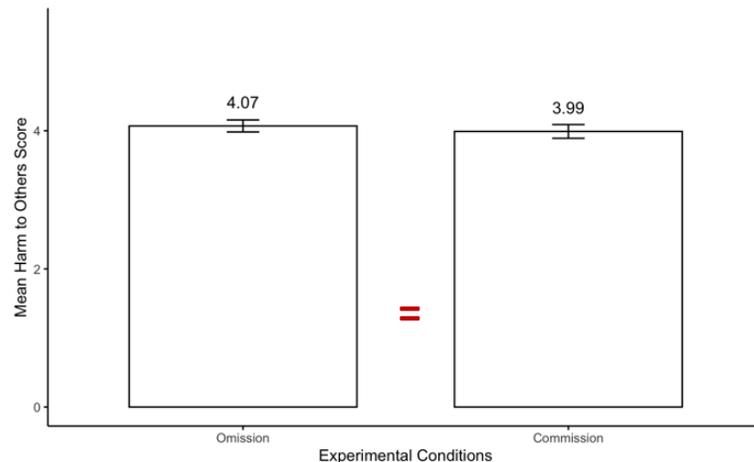
$t(200) = 7.47, p < .001, d = 1.05$

- The average awareness score was significantly higher in the commission condition than in the omission condition.
- The manipulation worked well as we intended.

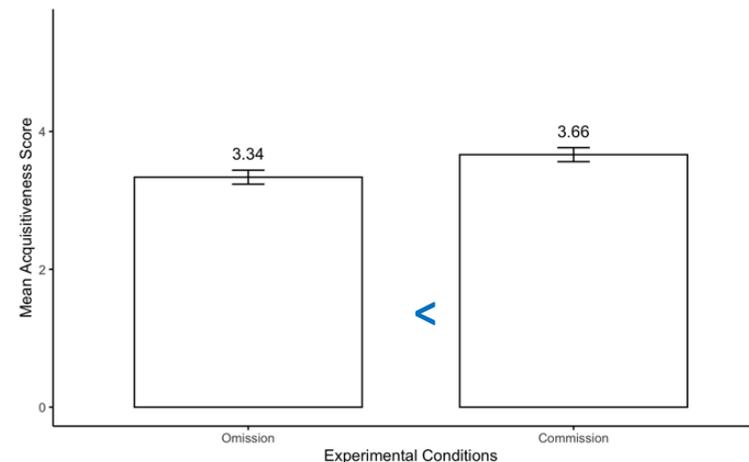
3.2a. Results: main dependent variables

There was no significant difference in the harm to others perception scores between the two experimental conditions.

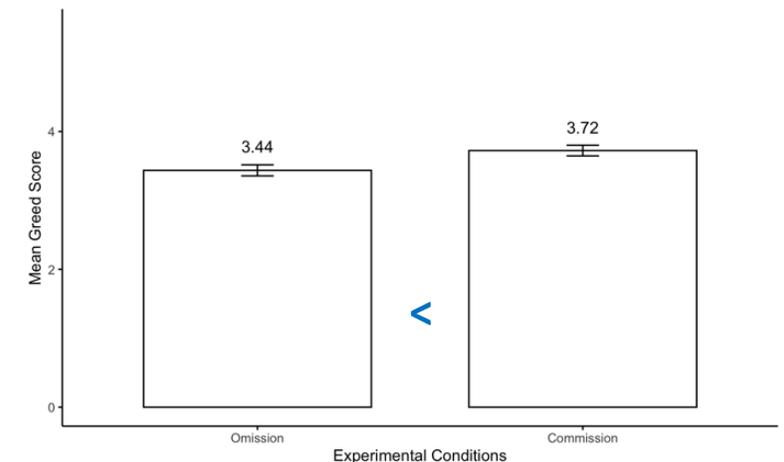
The commission/awareness condition showed significantly higher acquisitiveness and greed perceptions than the omission condition.



$$t(200) = -0.60, p = .549, d = 0.08$$

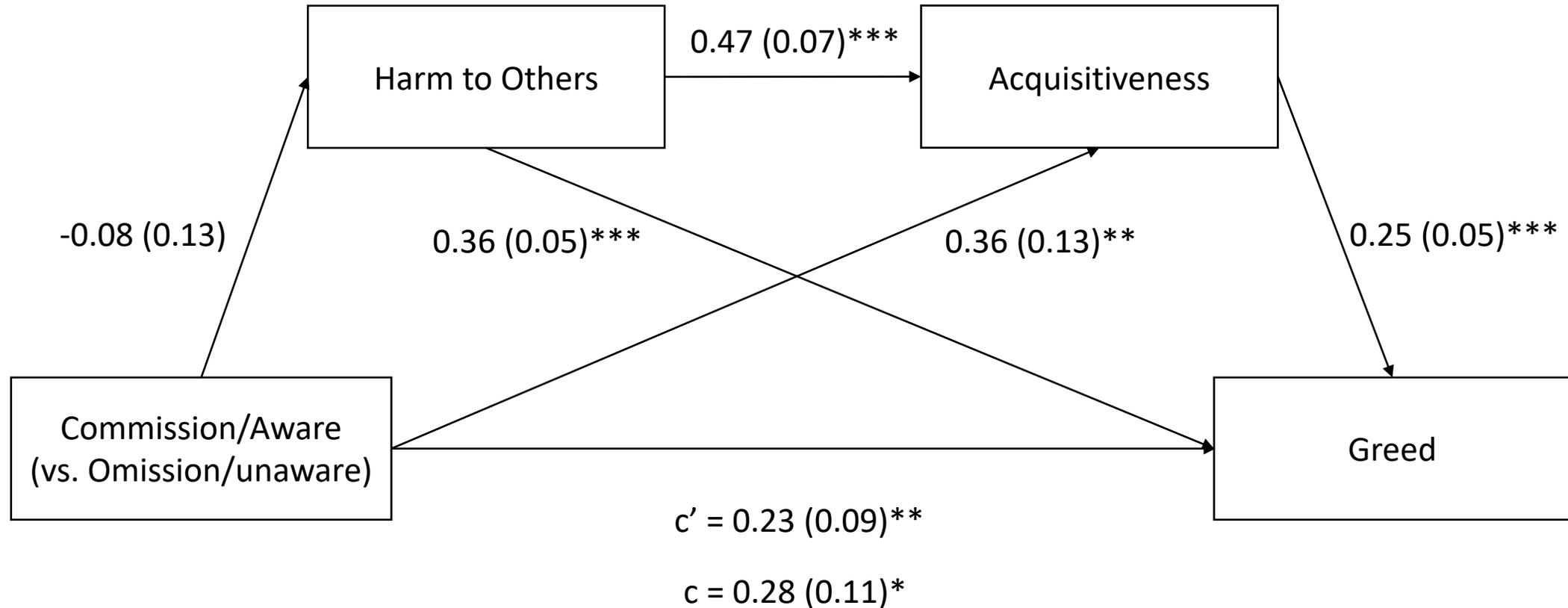


$$t(200) = 2.27, p = .024, d = 0.32$$



$$t(200) = 2.58, p = .011, d = 0.36$$

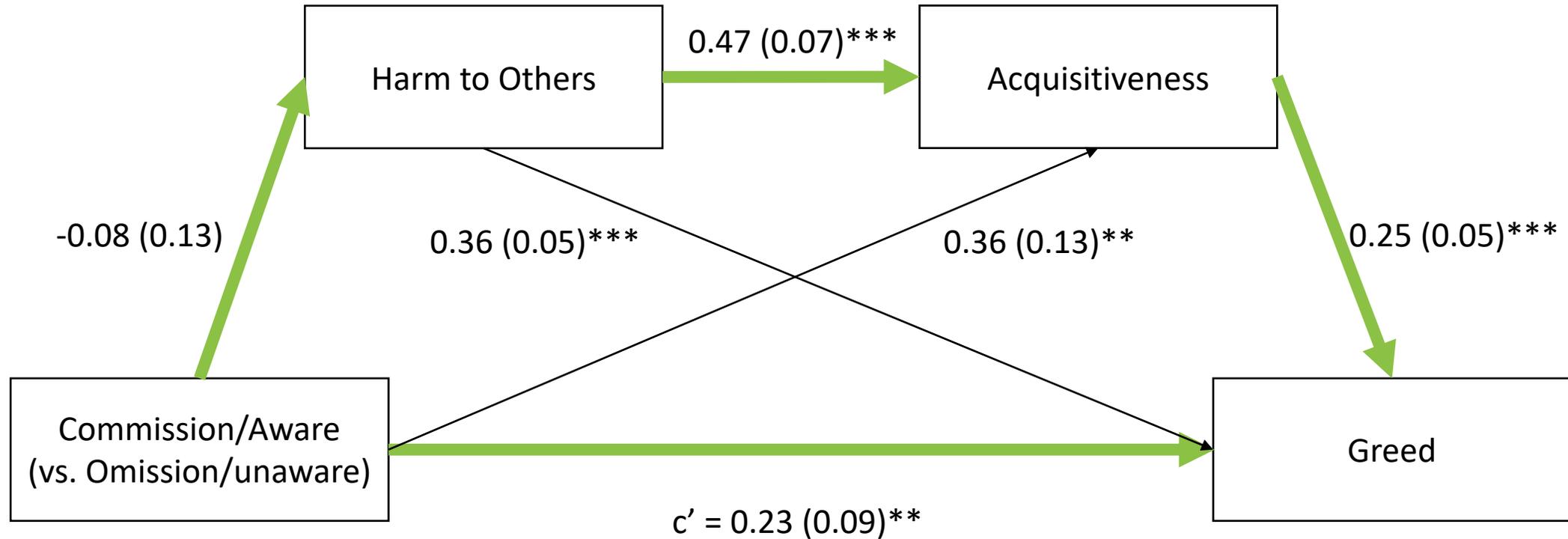
3.2a. Results: serial mediation analysis 1



Hayes Process Model 6

* $p < .05$, ** $p < .01$, *** $p < .001$

3.2a. Results: serial mediation analysis 2

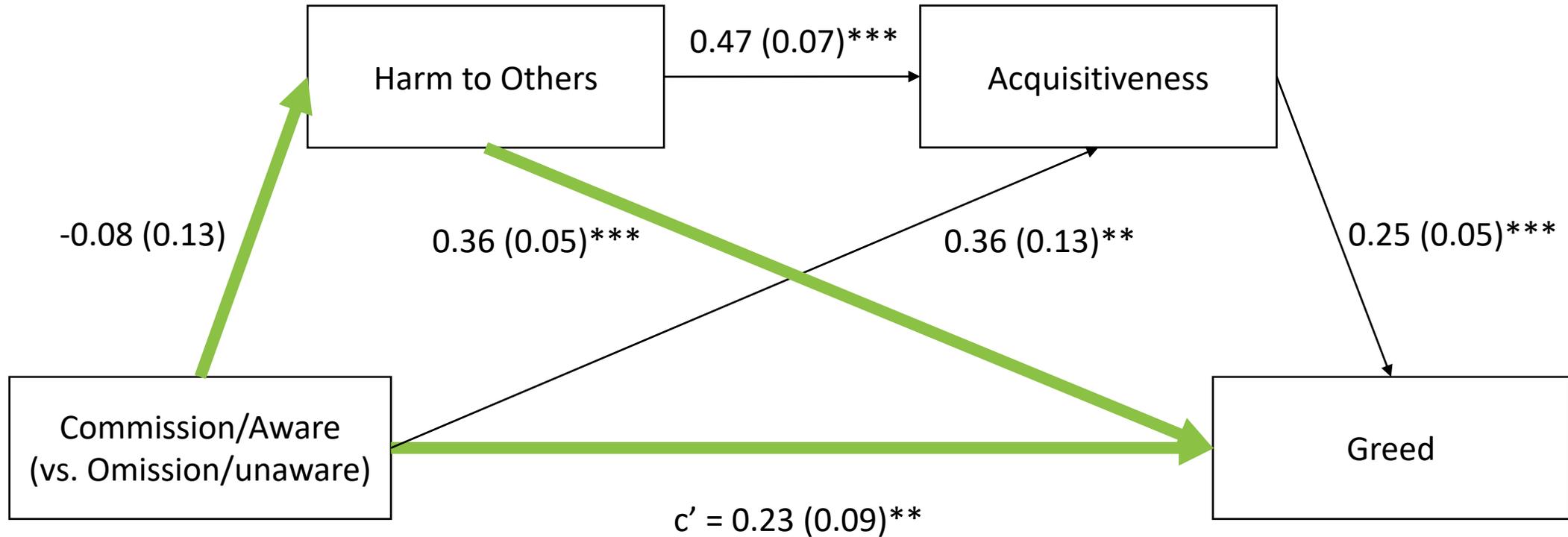


Indirect effect: $b = -0.01$, $SE = 0.02$, $95\% CI = [-0.05, 0.03]$

Hayes Process Model 6

** $p < .01$, *** $p < .001$

3.2a. Results: serial mediation analysis 3

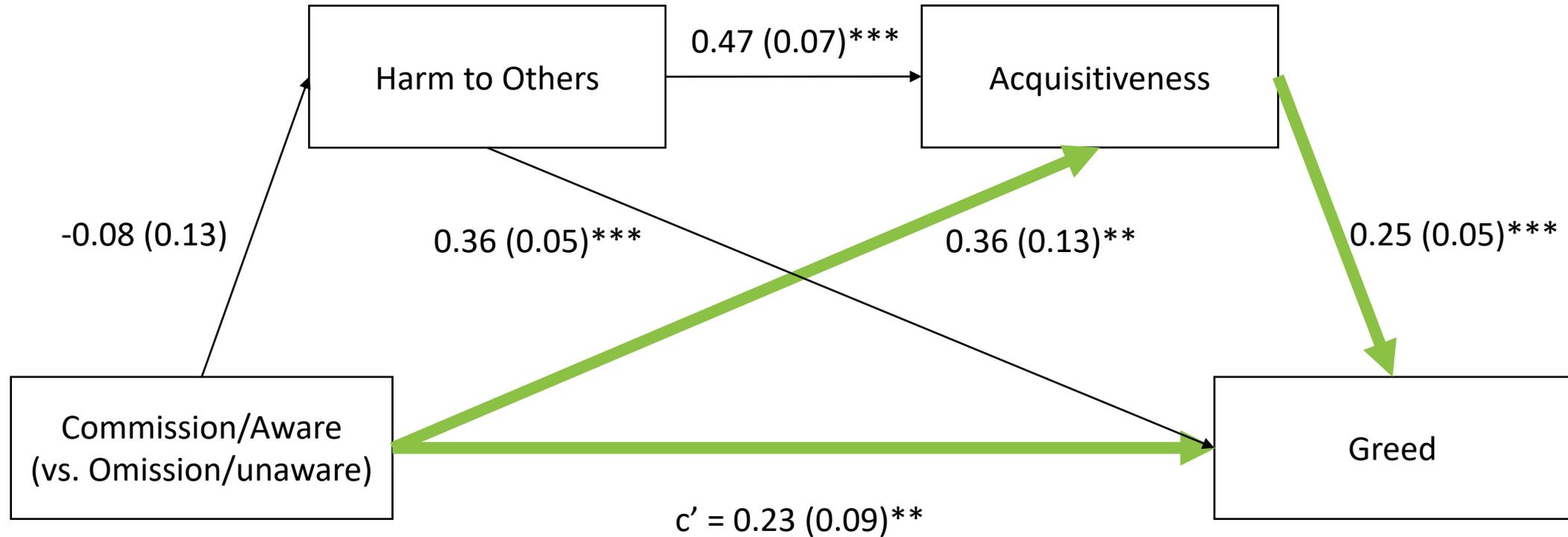


Indirect effect: $b = -0.04, SE = 0.06, 95\% CI = [-0.16, 0.08]$

Hayes Process Model 6

** $p < .01$, *** $p < .001$

3.2a. Results: serial mediation analysis 4



Indirect effect: $b = 0.11$, $SE = 0.05$, 95% CI = [0.03, 0.22]

Hayes Process Model 6

** $p < .01$, *** $p < .001$

3.2a. Findings presented in classical X^2 test and Fisher's exact test

- P of X^2 test = 0.1482
- P of exact test = 0.1262
- There is no significant relationship between greed and group.
- Commission or omission does not influence the perception of greed.

▼ **Contingency Table**

		greed					
group	Count	1	2	3	4	5	Total
commission		0	5	33	48	15	101
omission		1	9	44	39	8	101
Total		1	14	77	87	23	202

▼ **Tests**

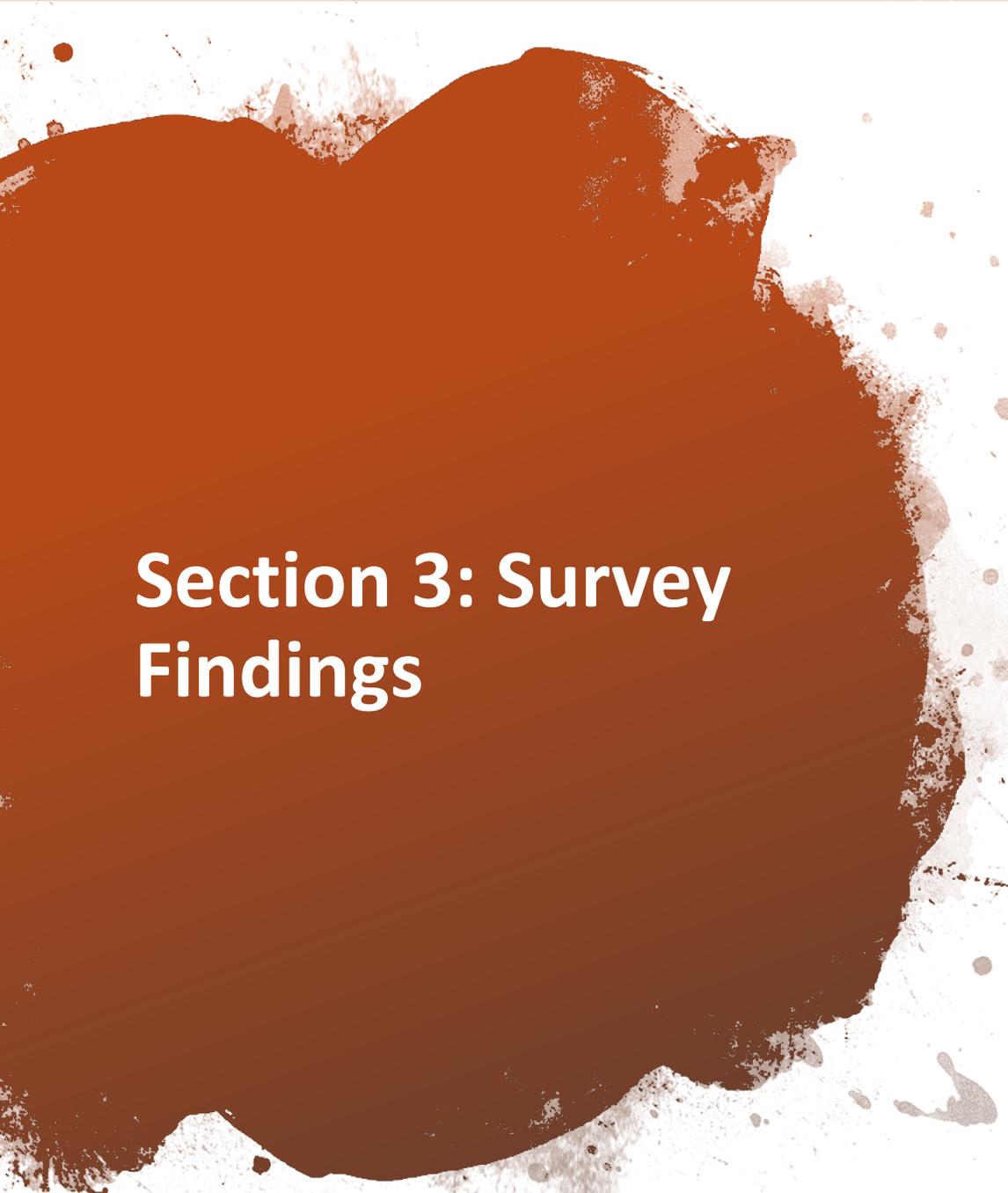
N	DF	-LogLike	RSquare (U)
202	4	3.6096793	0.0150

Test	ChiSquare	Prob>ChiSq
Likelihood Ratio	7.219	0.1247
Pearson	6.776	0.1482

Fisher's Exact Test	Table Probability (P)	Two-Sided Prob ≤ P
	0.000143	0.1262

3.2a. Summary

- Perceiving an action as greedy depends on one's awareness of its potentially harmful consequences.
 - This relationship is influenced by the extent to which one believes a business has an excessive desire for profits.
- One's perception that a business intends to harm others is independent of the business's awareness of the potentially harmful consequences to others.
- In addition to the perceived harm to others (Helzer & Rosenzweig, 2020), whether a business is aware of the negative consequences its actions may have on others can serve as an additional factor contributing to perceptions of corporate greed.



Section 3: Survey Findings

3.2b. Findings presented in the Bayesian statistical approach

3.2b. Findings presented in Bayesian statistics approach

- The Bayes factor is as small as 0.288, which implies that there is virtually no evidence to support the alternate hypothesis.
- There is no substantive difference between the omission and commission group in terms of greed.

Bayesian Contingency Tables

Contingency Tables

	group		Total
	greed		
	commission	omission	
1	0	1	1
2	5	9	14
3	33	44	77
4	48	39	87
5	15	8	23
Total	101	101	202

Bayesian Contingency Tables Tests

	Value
BF ₁₀ Independent multinomial	0.288
N	202

Note. Proportion test restricted to 2 x 2 tables

Section 3: Survey Findings

3.2c. Findings presented in the data science approach

- Generalized regression
- Data visualization
- Decision tree

3.2c. Generalized (penalized) regression

- For exploratory purpose, all primary variables, potential mediators, potential moderators, and potential confounders are entered into the model.
- For ease of interpretation, Likert-scaled data are treated as continuous.

▼ Parameter Estimates for Original Predictors

Term	Estimate	Std Error	Wald ChiSquare	Prob > ChiSquare	Lower 95%	Upper 95%
Intercept	1.2658074	0.311782	16.482887	<.0001*	0.654726	1.8768888
group[commission-omission]	0	0	0	1.0000	0	0
harm	0.3251311	0.0593007	30.060573	<.0001*	0.2089038	0.4413583
acquisitive	0.2186207	0.0569044	14.76018	0.0001*	0.1070902	0.3301512
aware	0.1135586	0.0409219	7.7006546	0.0055*	0.0333531	0.1937641
gender[Female-Male]	0	0	0	1.0000	0	0
academic rank[Lower div-Upper div+]	0	0	0	1.0000	0	0
major[Business and Economics-Others]	0	0	0	1.0000	0	0
philclass[No-Yes]	0	0	0	1.0000	0	0
ethnicity[Non-White-White]	0	0	0	1.0000	0	0
religion[Christian-Non-Christian]	0	0	0	1.0000	0	0
political orientation	-0.042861	0.0263542	2.6449926	0.1039	-0.094514	0.0087923

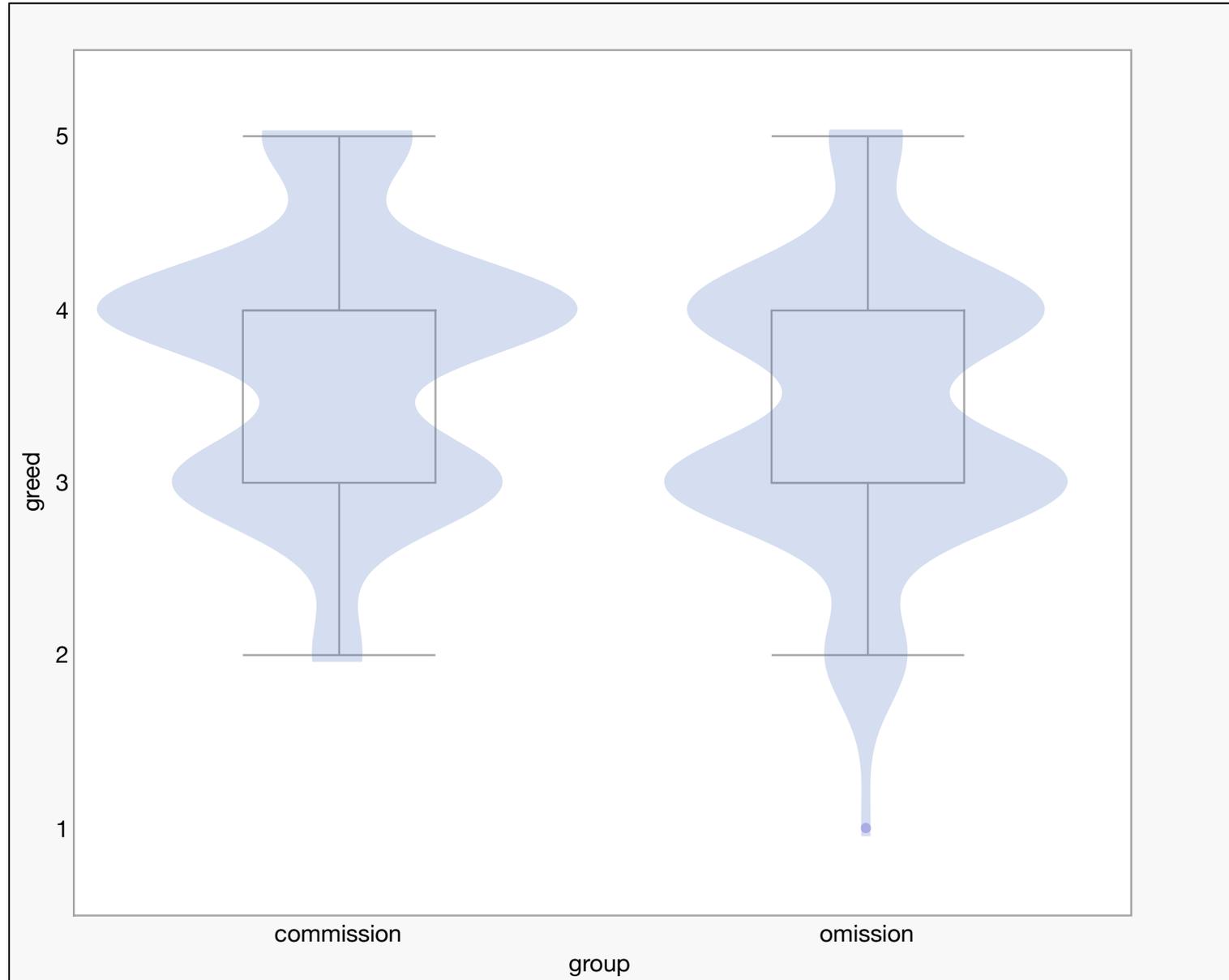
- Unlike OLS regression that assigns coefficients to all predictors, generalized regression penalizes complexity.
- The coefficient of unimportant predictor is zeroed out.
- Only “harm”, “acquisitive”, and “aware” can predict “greed”.

3.2c. Data visualization

- Instead of using a particular cutoff (e.g., $\alpha \leq .05$) for decision support, data visualization focuses on pattern recognition: trends and relationship of the entire landscape.
- In what follows, there are:
 - boxplot and violin plot
 - dot plot
 - coplot
 - decision Tree

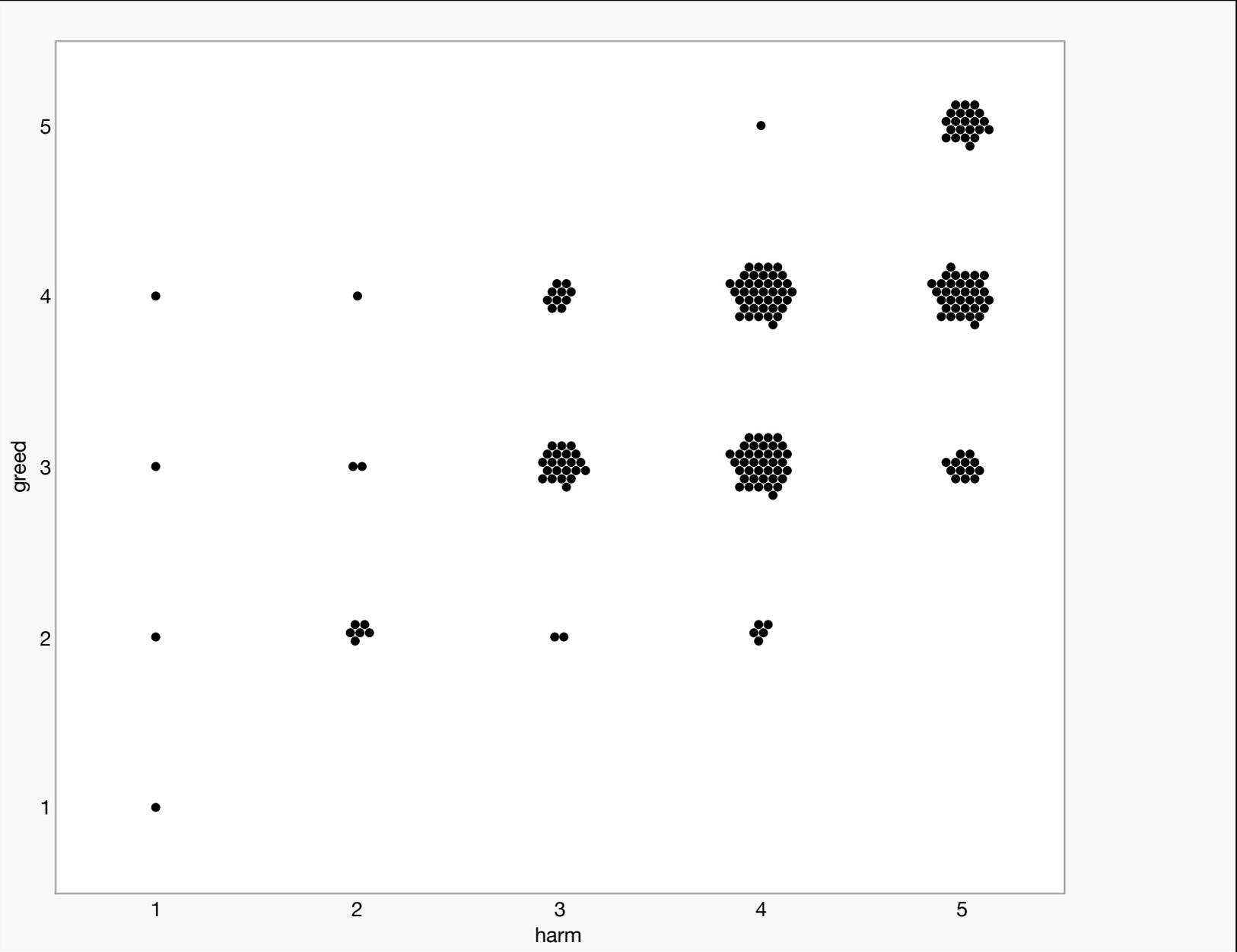
3.2c. Boxplot and violet plot

- The boxplot indicates the quantile information; the violin plot is a density plot showing the distributions.
- No noticeable difference between the two groups is detected, except that in the omission group one participant answered “1”.



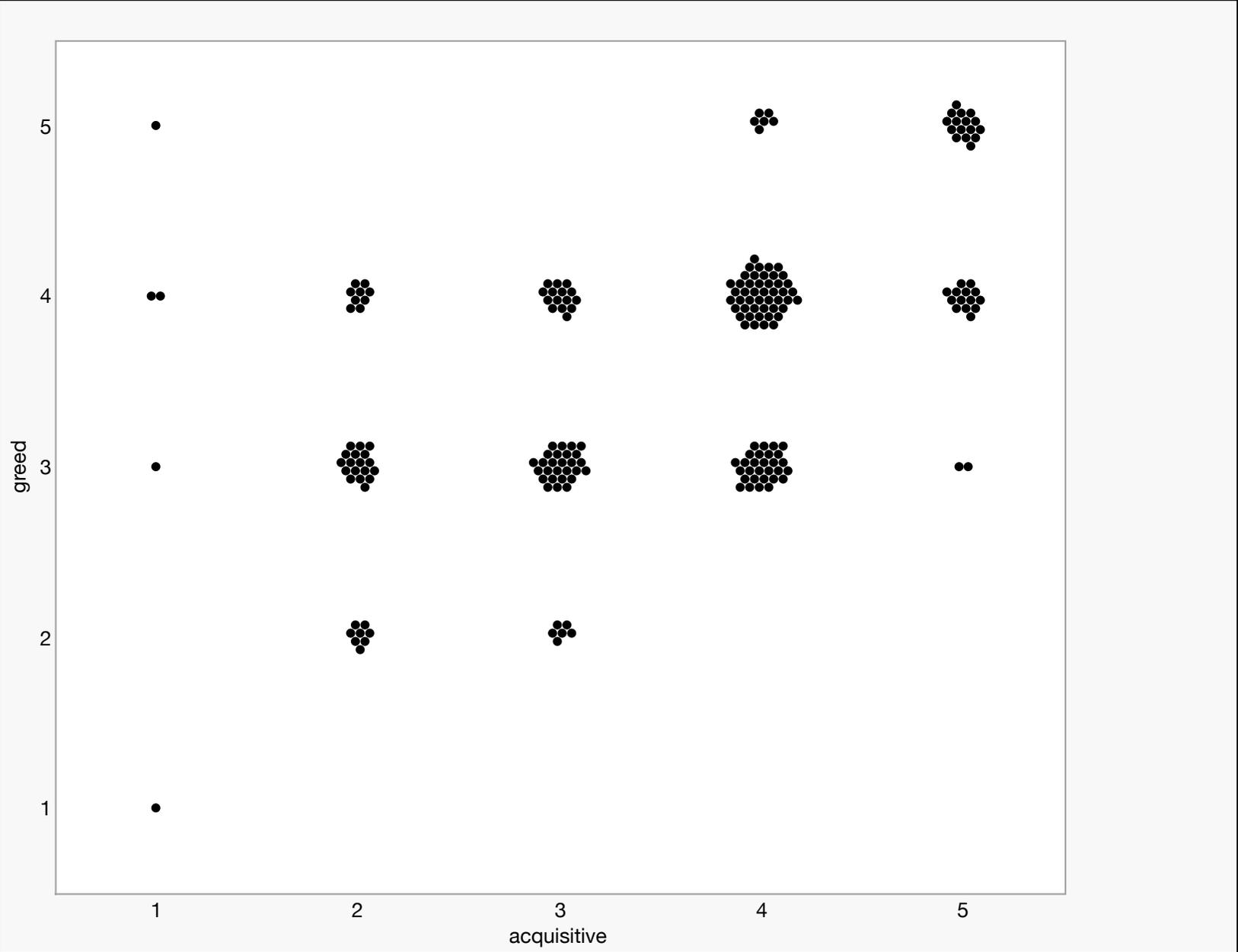
3.2c. Dot plot

The clustering dots and the upward trend imply a close relationship between perception of greed and perception of harm.



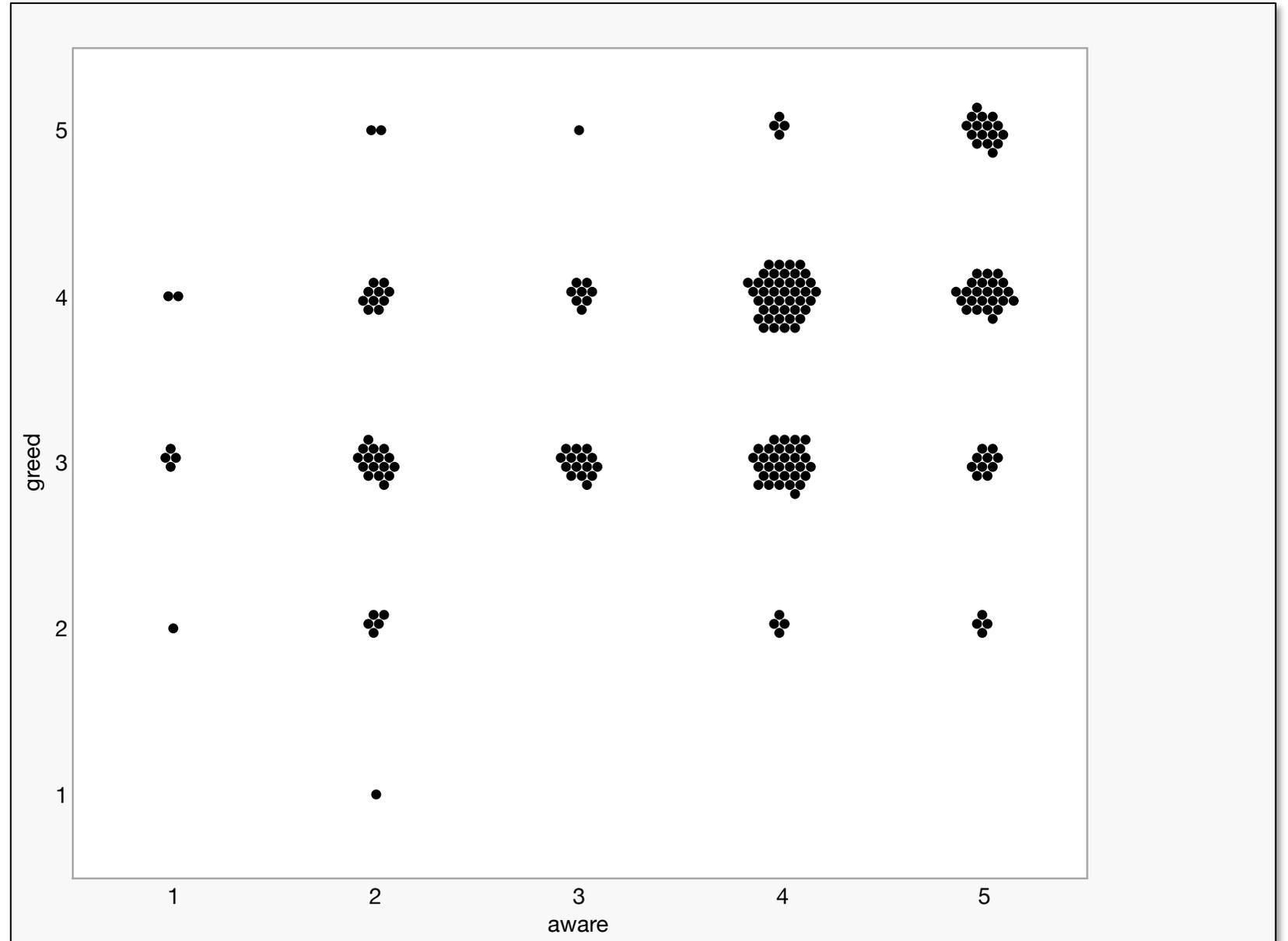
3.2c. Dot plot

The clustering dots and the upward trend imply a close relationship between perception of greed and perception of acquisitiveness.



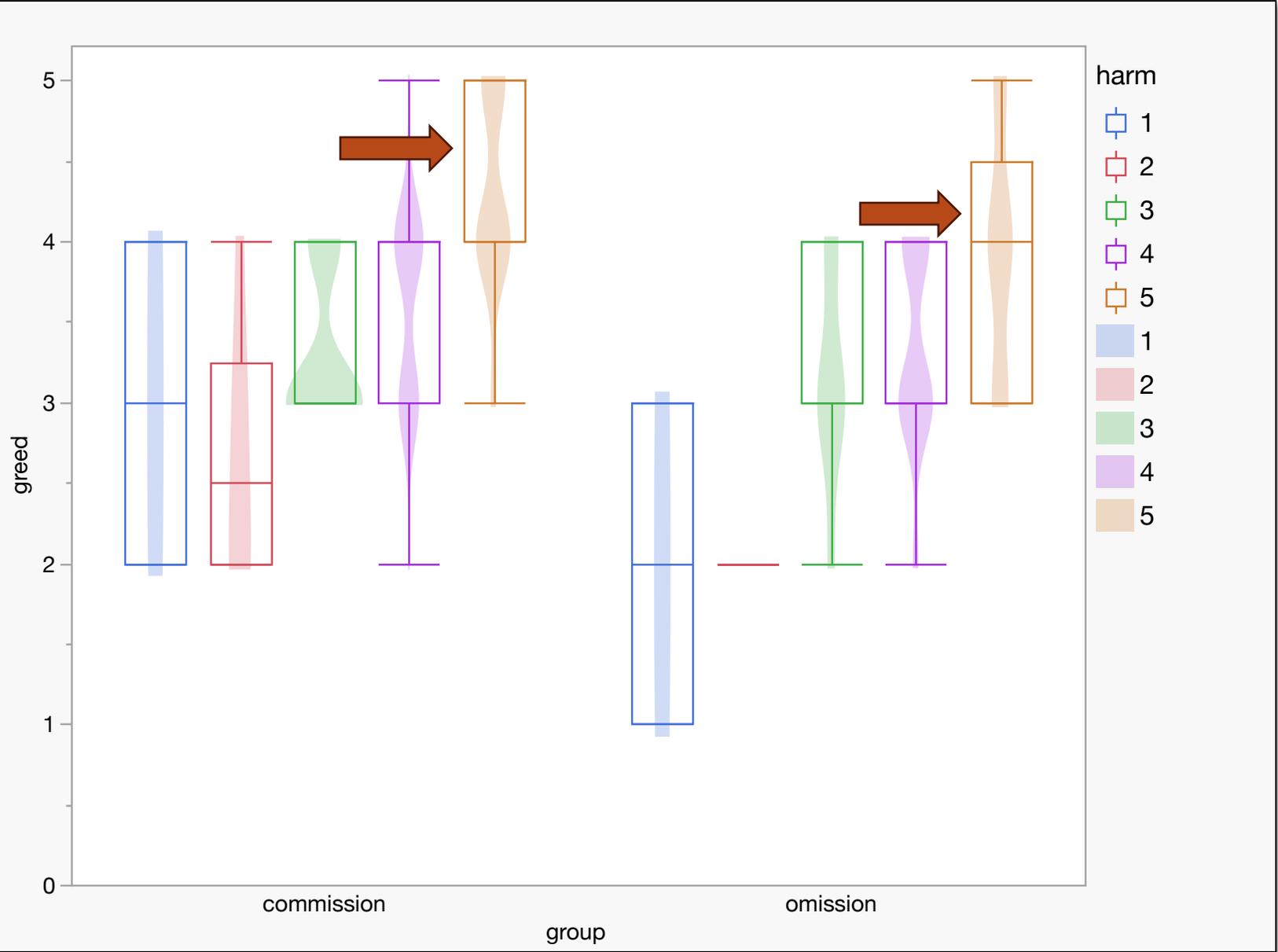
3.2c. Dot plot

The relationship between “greed” and “aware” is less obvious.



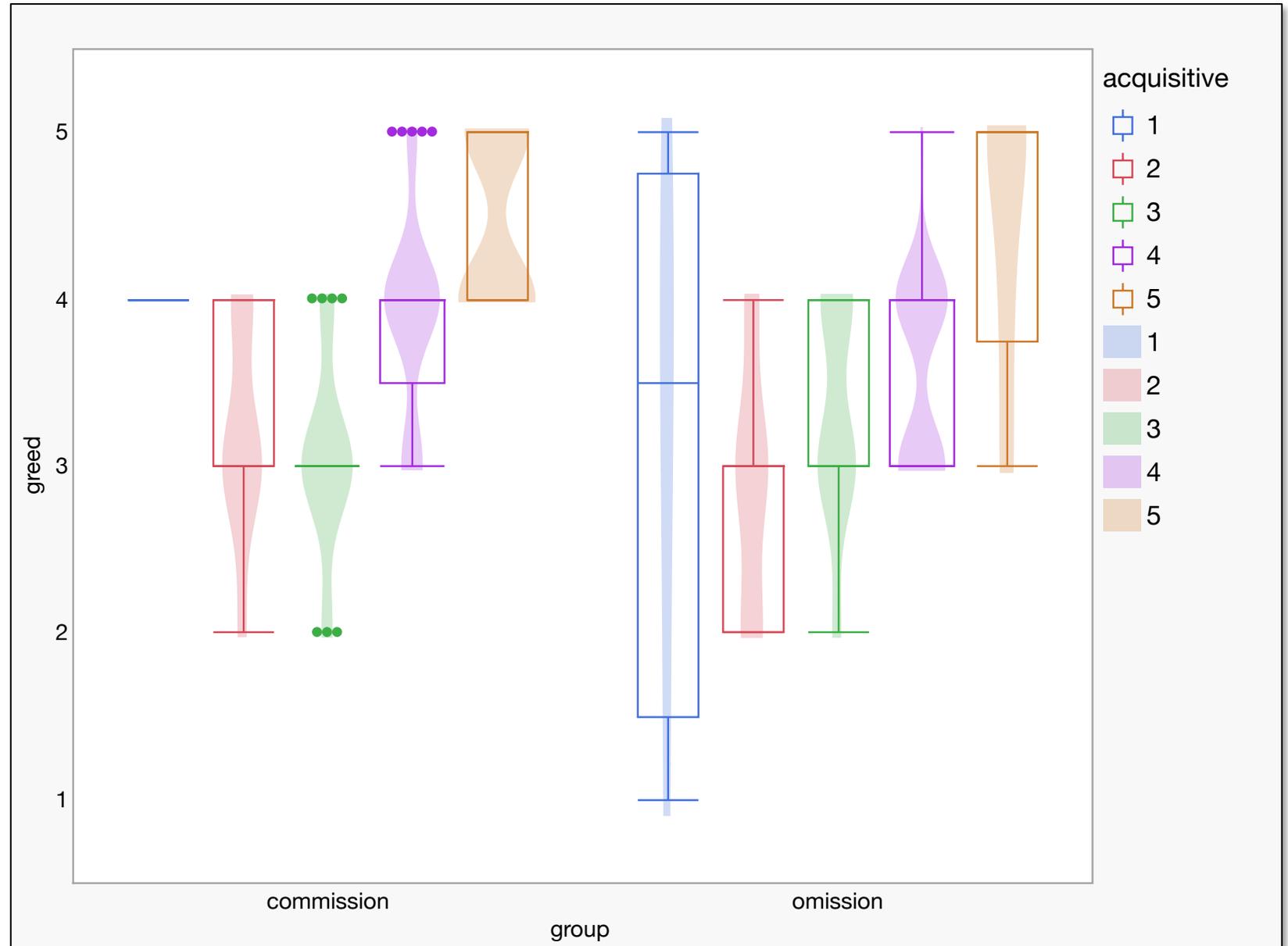
3.2c. Coplot

When harm = 5, the group difference in perception of greed is noticeable.



3.2c. Coplot

The relationship between “greed” and group is consistent across all levels of “acquisitive”, implying the absence of mediating or moderating effects.

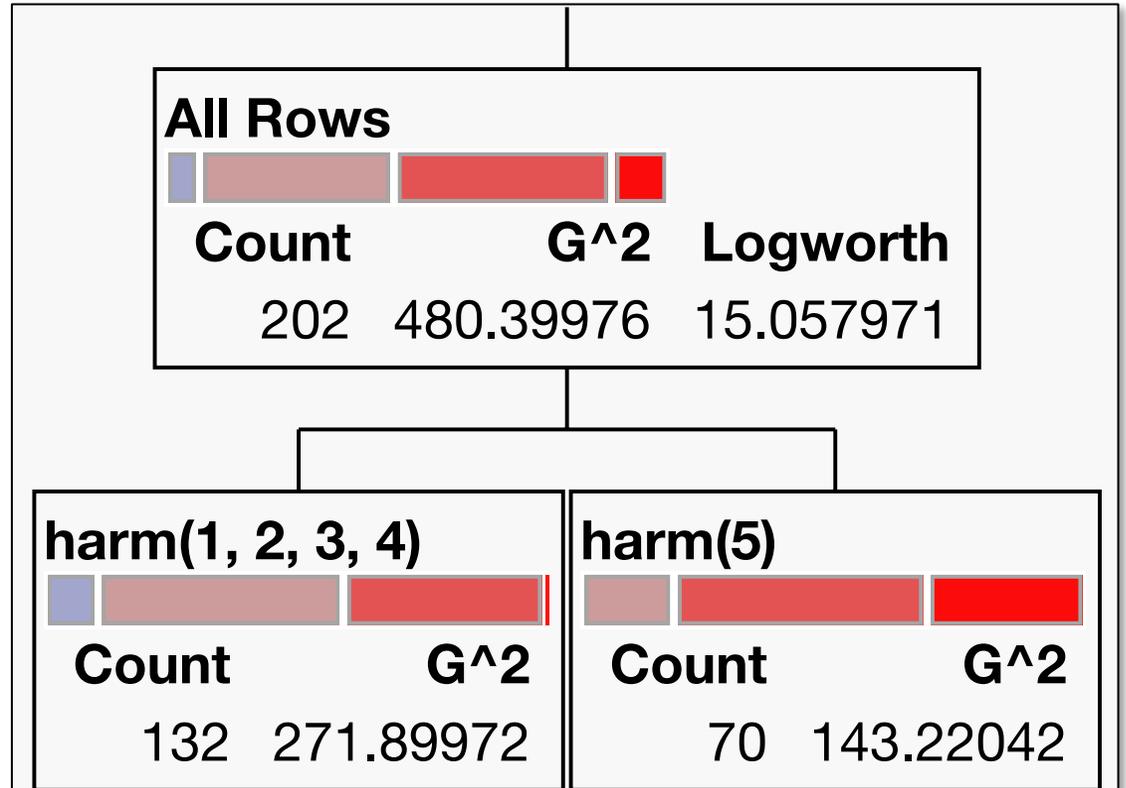


3.2c. Decision tree

In the decision tree the Likert-scaled data are treated as ordinal.

The sample is too small for cross-validation and thus only the training result is reported.

The tree splitting stopped at harm. No other predictors matter.



3.2c. Decision tree

If participants choose 1-4 in harm, it is more likely that they choose lower scores in greed.

If they choose 5 in harm, they tend to choose higher score in greed.

But the relationship is not strongly substantiated due to the small sample size.

▼ **Leaf Report**

Response Prob

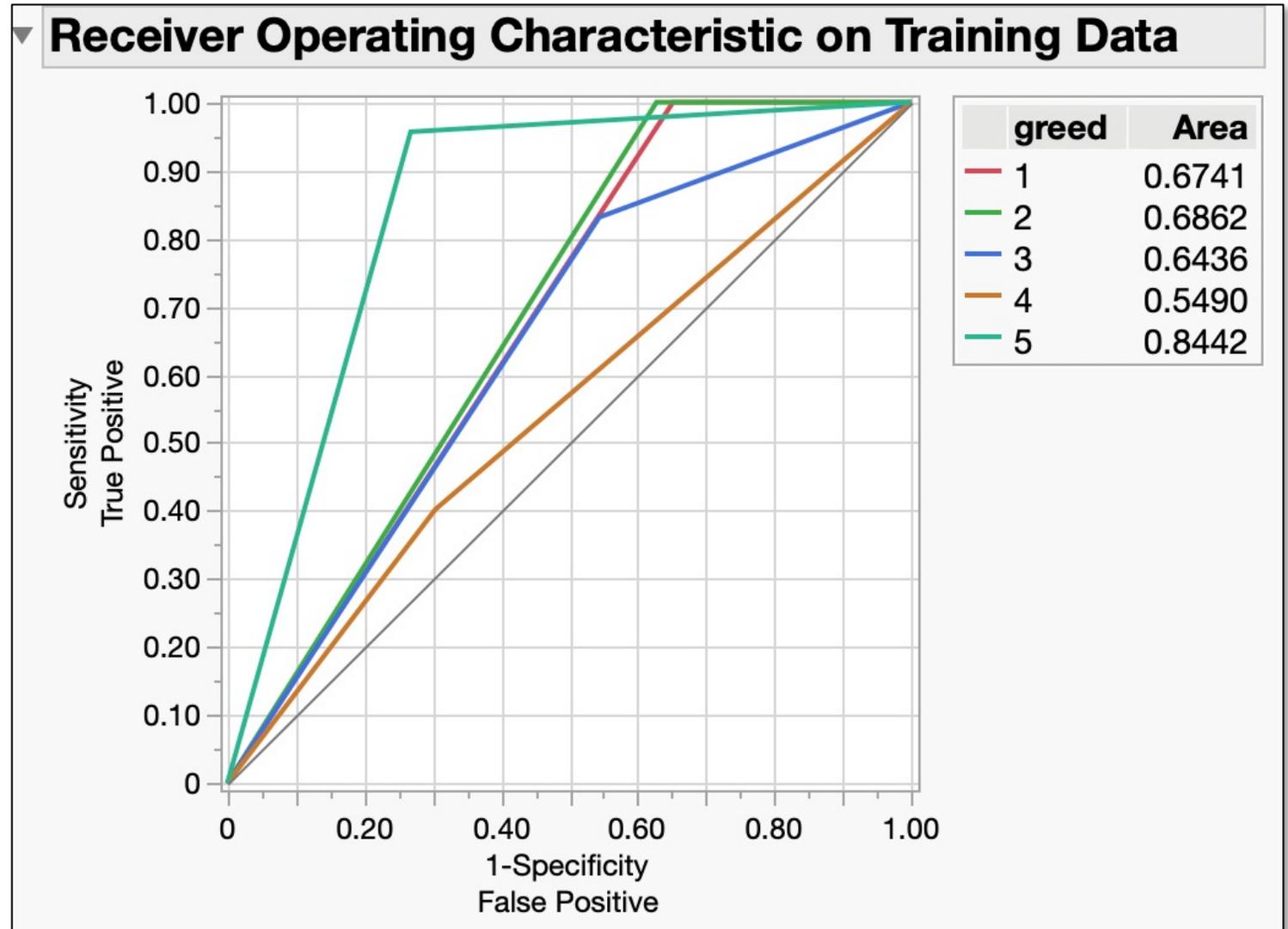
Leaf Label	1	2	3	4	5
harm(1, 2, 3, 4)	0.0076	0.1058	0.4841	0.3942	0.0084
harm(5)	0.0001	0.0010	0.1885	0.4990	0.3115

Response Counts

Leaf Label	1	2	3	4	5
harm(1, 2, 3, 4)	1	14	64	52	1
harm(5)	0	0	13	35	22

3.2c. Decision tree

The Receiver Operating Characteristic curve indicates that perception of harm can best-predict perception of greed when harm = 5 (84.42% accuracy).





Section 4. Discussion of All the Approaches

- The various approaches found out different foci.
- We need to collect more data to see if the results of the approaches converge better.
- We need to identify the limitations in the survey, which may explain the differences.

4. Discussion of all the approaches

- Traditional serial mediation analysis shows that only the following simple mediation is significant.

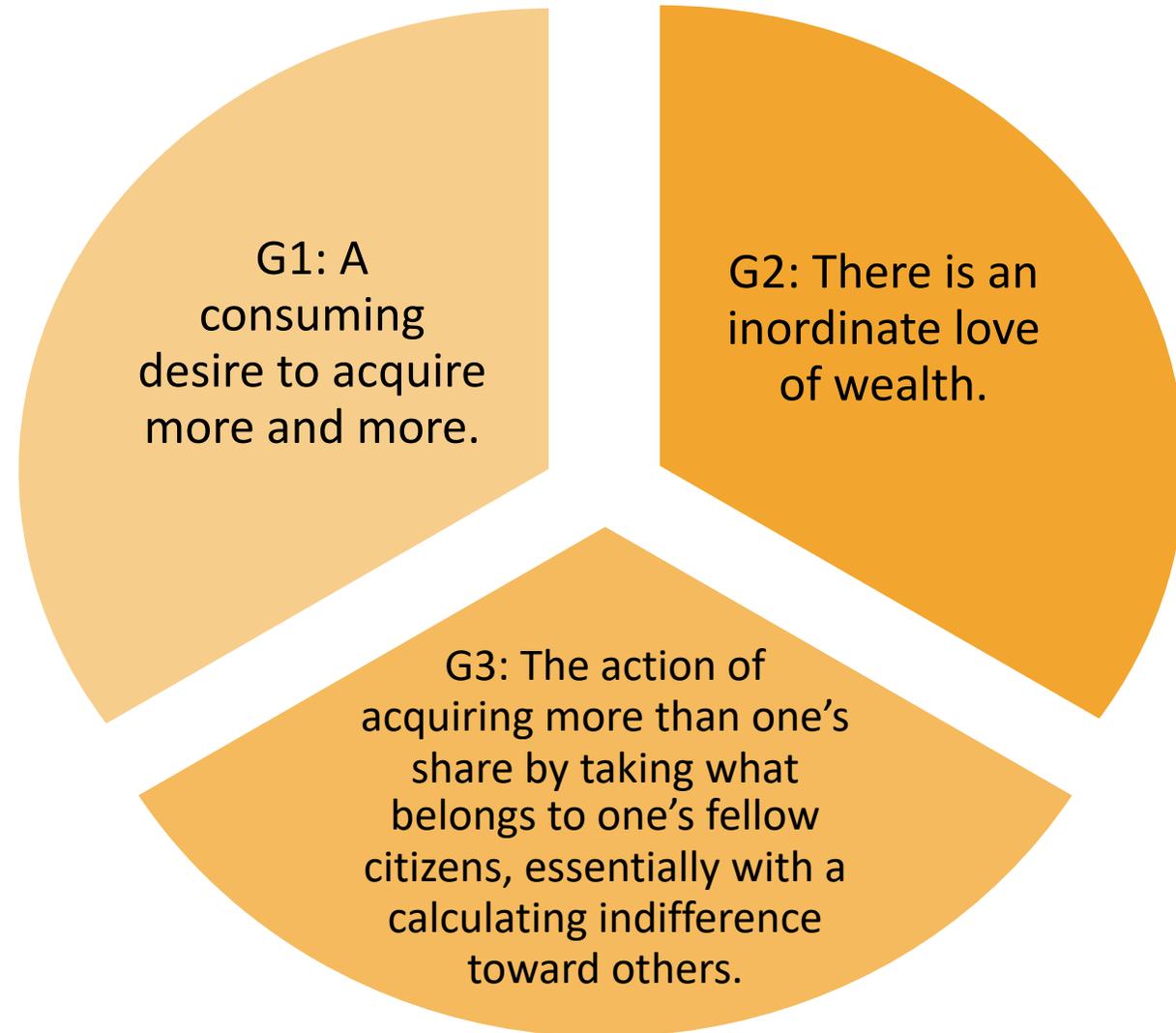
commission vs. omission -> acquisitive -> greed

(In other words, because people perceives that Anna knows the negative consequences, and Anna's desire for profits is excessive, which in turn leads people to think she is greedy.)

- Bayesian statistics shows the absence of direct effect of commission/omission on the perception of greed.
- Analysis by data science shows that:
 1. People who think that Anna causes harm also think that Anna is greedy.
 2. People who think that Anna's desire for profits is excessive also think that Anna is greedy.
 3. Data visualization does not imply a strong mediation effect.
 4. Whether Anna is aware of the harm or not does not matter much to whether people think that Anna is greedy. (The classical approach does not completely agree with this.)

4. Discussion of all the approaches

- Back to Cheung's conceptual analysis of the three dimensions of greed:
 - As Helzer and Rosenzweig (2020) shows, even without the factor of acquisitiveness, harm can still shape the perception of greed.
 - (Therefore, it is a mistake to neglect the harm/injustice caused by greed.)
 - As found in our study, whether the agent is aware of the harm that she is causing does not shape people's perception of the harmfulness of her action.
 - The awareness factor may or may not shape people's perception of her greediness.





Q&A Session

Thank you so much for your kind attention! Your comments are much appreciated.

Dr. Daniel Cheung
Dr. Sangsuk Yoon
Dr. Chong Ho Yu
(Alphabetical order)