Cognitive Biases and Organizational Correctives: Do Both Disease and Cure Depend on the Politics of the Beholder?

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The study reported here assessed the impact of managers’ philosophies of human nature on their reactions to influential academic claims and counter-claims of when human judgment is likely to stray from rational-actor standards and of how organizations can correct these biases. Managers evaluated scenarios that depicted decision-making processes at micro, meso, and macro levels of analysis: alleged cognitive biases of individuals, strategies of structuring and coping with accountability relationships between supervisors and employees, and strategies that corporate entities use to cope with accountability demands from the broader society. Political ideology and cognitive style emerged as consistent predictors of the value spins that managers placed on decisions at all three levels of analysis. Specifically, conservative managers with strong preferences for cognitive closure were most likely (a) to defend simple heuristic-driven errors such as overattribution and overconfidence and to warn of the mirror-image mistakes of failing to hold people accountable and of diluting sound policies with irrelevant side-objectives; (b) to be skeptical of complex strategies of structuring or coping with accountabili-

ty and to praise those who lay down clear rules and take decisive stands; (c) to prefer simple philosophies of corporate governance (the shareholder over stakeholder model) and to endorse organizational norms such as hier-

archical filtering that reduce cognitive overload on top management by short-circuiting unnecessary argumentation. Intuitive theories of good judgment apparently cut across levels of analysis and are deeply grounded in personal epistemologies and political ideologies.

Experimental research on judgment and choice casts us, human beings, in a less-than-flattering light (Goldstein and Hogarth, 1996; Gilovich, Griffin, and Kahneman, 2000). We fall prey, it has been claimed, to a wide assortment of errors and biases. We are too quick to draw conclusions about others, too slow to change our minds, excessively confident in our predictions, and prone to give too much weight to irrelevant cues (such as sunk costs) and too little weight to relevant ones (such as opportunity costs). Although this grim portrait has been qualified by the recent proliferation of dual-process models of judgment and choice that, in the spirit of Simon (1955), bestow on people some limited capacity to decide how to decide (see Chaiken and Trope, 1999, for a collection of current cognitive-manager models), the dominant emphasis in the last quarter century of experimental work has clearly been on judgmental shortcomings. The question remains, though, how organizational theorists should react to this burgeoning evidence of deviations from rationality at the individual level of analysis. March and Olsen (1989, 1995) have constructed a useful inventory of key con-

ceptual stumbling blocks likely to trip up confident reductionists who propose one-size-fits-all normative frameworks for assessing rationality across levels of analysis. The relevant standards for gauging quality of decision making hinge on the relative importance that observers from varying organizational and political perspectives place on (1) making judgments and decisions in accord with utilitarian or rule-based models of human thought; (2) clarifying or obfuscating the underlying

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goals of decision making; and (3) treating the decision process as purely instrumental or a symbolic end in itself.

**Utilitarian versus rule-based models of choice.** Laboratory researchers stress the reality-appraisal and utility-maximizing functions of judgment and choice. People are posited to be intuitive scientists, engaged in a continuous struggle to achieve cognitive mastery of their world (Fiske and Taylor, 1991), and intuitive economists who use the resulting cognitive representations to identify courses of action that advance, if not maximize, their interests (Kagel and Roth, 1995). One’s selection of functionalist metaphor should not be dismissed, however, as a mere matter of explanatory aesthetics; it is profoundly consequential. Tetlock (1992) has shown that our assessments of what counts as an error or bias are shaped by the metaphor-laden standards of rationality that we use to evaluate how people think. One example is the controversy surrounding the fundamental attribution error, the tendency to jump the inferential gun and to draw conclusions about the characters of others even when there are plausible alternative explanations for their conduct. This error looks most erroneous when we posit that people are intuitive scientists who dispassionately and rigorously evaluate evidence with the goal of identifying the true causes of behavior. A second example is base-rate neglect, the tendency to slight statistical generalizations and to give excessive weight to case-specific information in making predictions. This neglect counts most clearly as an error within a framework that posits people to be intuitive statisticians who use Bayesian or regression principles to minimize classification errors. A third example is trade-off aversion, the reluctance to acknowledge certain types of trade-offs or to treat certain values as fungible. This reluctance can be unequivocally classified as an error only within an intuitive-economist framework that insists that, in the search for utility-maximizing options, nothing is sacred or above calculation.

March and Olsen (1989, 1995) have urged us to step back and contemplate the possibility that these dominant functionalist metaphors do not capture real-world decision makers’ conceptions of how they do or should make up their minds. As we move from the laboratory to actual organizations, decision makers may shift from quantitative utility-based logics to qualitative, rule-based logics of appropriateness that direct them to enact scripts linked to morally charged social identities. The refusal to factor base rates into one’s calculations of likelihood of category membership, especially base rates that correlate with ethnicity or race, may reflect not our failings as intuitive statisticians but, rather, a principled defense of egalitarian values (Kohler, 1996; Tetlock et al., 2000). Outrage over taboo trade-offs—that affix monetary values to human life, loyalty, or integrity—may stem not from our shortcomings as intuitive economists but from our passionate desire as intuitive theologians to defend sacred values against secular encroachments (Tetlock, Peterson, and Lerner, 1996). Preferences for dispositional explanations for conduct, especially undesirable conduct, may derive not from our deficiencies as intuitive psychologists but from our shrewdness as intuitive prosecutors who recognize that one way to pressure
people to live up to moral and performance expectations is to convey that one has a low threshold for drawing inferences about character from conduct. The no-excuses message is “Don’t bother concocting ingenious stories for failure. I believe that what you do reveals a lot about who you are and your value to the organization.”

**Ambiguity about decision-making goals.** Intuitive scientists seek clarity of understanding, and intuitive economists treat consistency as a minimal defining feature of rationality. In many organizational contexts, however, managers may function more like intuitive politicians whose guiding goal is to maintain good working relations with the diverse constituencies to whom they feel, for whatever reason, accountable. In this vein, Tetlock, Peterson, and Lerner (1996) documented that it is often adaptive for decision makers caught in accountability cross-pressures to find ways of fudging trade-offs (e.g., university administrators in late twentieth-century America who announced that excellence is diversity), of obfuscating where they stand on contested issues (e.g., by taking cover under moralistic platitudes and vague legalisms such as “we believe in fairness or equal opportunity”), and of convincing others that responsibility for controversial decisions lies elsewhere. Tetlock (1992) documented that it is often socially rational for decision makers confronted by complex or unfamiliar choice problems to select the most readily justifiable options, even if that means violating basic consistency axioms of rational-choice theory, such as ignoring irrelevant alternatives or violating the sure-thing principle (cf. Simonson, 1989).

**Instrumental versus symbolic decision making.** In many organizational settings, it is unclear when decision making is better viewed as a purely instrumental process or as a symbolic process that becomes a ritualistic end in itself for key constituencies. The intuitive-scientist metaphor depicts thought as a means to the end of understanding and solving problems, and the intuitive-economist metaphor depicts thought as a means to maximizing utility in competitive markets. A sound decision process yields good—ideally, the best possible—outcomes according to either an epistemic standard of evaluation such as Bayes’ theorem or a utilitarian standard such as expected utility or game theory. Alternative functionalist metaphors alert us to the possibility that how decisions are made can be an important end in itself. In this vein, some observers defend multiple-advocacy, high-participation styles of decision making over more elitist, top-down styles not only on the consequentialist grounds that multiple advocacy leads to better outcomes (Janis and Mann, 1977; George, 1980), but also on the principled grounds that there is a moral imperative to give the full range of affected groups a voice in the process (Hirschman, 1970; Tetlock, 1999). Moreover, this moral argument for taking process seriously can be given an added consequentialist edge. People who feel that they have been treated unfairly become disaffected and more likely to protest, cheat, and resign (Tyler, 1990). Indeed, large parts of organizations may exist less for their instrumental rationality and more for their symbolic efficacy in convincing key internal and external constituencies that the
organization is committed to sacrosanct societal values such as equal opportunity, environmental protection, or balancing work and family (Meyer, 1983).

Taken in its entirety, this Marchian inventory warns us that the normative standards that are useful in defining good judgment in the laboratory can be deeply misleading in organizational settings that are characterized by sharp contests for power and status, intense accountability pressures from conflicting constituencies, prickly principal-agent relationships, and enormous uncertainty about what should be done next. We should not be astonished, therefore, when work-a-day managers have the temerity to second-guess the normative pronouncements of high-profile experimental researchers. We should also not be astonished to discover systematic rifts in the opinions that managers themselves hold about what counts as a cognitive bias and about the types of organizational reforms that are likely to correct these biases, either by changing how employees think or by altering their thresholds for expressing particular thoughts.

Some theorists will treat disagreements over cognitive biases and organizational correctives as presumptive evidence that one camp must be right and the other wrong. Right and wrong take on clear-cut meanings within the intuitive-scientist framework, preoccupied as it is with maximizing epistemic goals, or within the intuitive-economist framework, preoccupied as it is with maximizing utilitarian goals in competitive markets that ruthlessly punish suboptimal practices. When the task is well-defined, there are rigorous mathematical baselines—derived from Bayes’ theorem and decision theory—for gauging exactly how mistaken people are.

By contrast, right and wrong rapidly devolve into tendentious categorizations within a multifunctional theory of judgment and choice that incorporates less-well-defined goals and task constraints, such as projecting desired social identities to key constituencies, proclaiming fealty to sacred values, and defending the normative order. From a multifunctional perspective, disagreements over cognitive biases and organizational correctives count as presumptive evidence that the disputants subscribe to distinctive ideological worldviews that rest on diverging assumptions about human nature and the social order, about how to understand social reality and navigate oneself through it, and about the goals that give purpose to one’s life and define one’s relationship to various social structures. Confronted by disagreements over what is rational and how to fix alleged departures from rationality, the appropriate response is to trace these disagreements to their philosophical and ideological roots.

The current article proceeds from the premise that managers’ opinions about cognitive biases and organizational correctives are rooted in competing epistemological and ideological worldviews, although most managers take pride in thinking of themselves as pragmatic problem solvers and resist characterizations of their views as either philosophical or ideological. Following research precedents in the literature on cognitive styles (Kruglanski and Webster, 1996; Tetlock, 1998), the study reported here assessed personal episte-
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ologies along a cognitive-style continuum that gauged strength of preference for conceptual simplicity and explanatory closure. At one end of the continuum are distaste for ambiguity and protracted debate and endorsements of the views that the social world is fundamentally simple, as are the most effective strategies of coping with it. At the other end are a high comfort level for dissonance and uncertainty and endorsements of the views that the social world is enormously complex and pluralistic and the most effective coping strategies for dealing with it require multifaceted perspective taking and trade-offs.

Following research precedents in the literature on political ideology in mass and elite samples (Lipset and Raab, 1978; McClosky and Brill, 1983; Tetlock, 1984; Sniderman and Tetlock, 1986), ideological worldviews were assessed with a battery of items that tap views of human nature as well as endorsements of individualistic, egalitarian, environmentalist, and traditional conservative values. Consistent with past work on public attitudes, especially on elites (Kinder, 1998), it was impossible to forge a psychometrically defensible one-dimensional measure of ideology. A two-dimensional model did, however, fit the patterns of covariation among beliefs. The model includes (1) an authoritarianism factor, anchored at one end by authoritarian conservatism, characterized by an unapologetic defense of hierarchies and suspicions about the trustworthiness of the modal employee, and, at the anti-authoritarian egalitarian end by a distaste for hierarchy and a more benign view of humanity; and (2) a libertarianism factor, anchored at one end by libertarian conservatism, which is characterized by an enthusiastic embrace of market solutions, deep skepticism of government, and a view of humanity as resourceful, rational, and self-reliant, and, at the anti-libertarian egalitarian end, by a distaste for the cut-throat competition of capitalism, a fear of externalities, and a view of humanity as fragile and in need of protection by a caring state.

The guiding idea was that cognitive style and ideological worldview would jointly predict managerial reactions to a broad assortment of scenarios pitched at micro, meso, and macro levels of analysis. Predictions focused on (a) the soundness of strategies and styles of individual decision making; (b) the soundness of strategies of structuring and coping with accountability relationships; and (c) the soundness of competing political schemes for organizing accountability systems at the corporate or societal level.

Micro-level: Cognitive Biases

One possible predictor of what counts as a cognitive bias in social perception is baseline assumptions about the trustworthiness of other people. How prone are others to take advantage of the inevitable incompleteness of even the most formal contracts (not to mention informal understandings based on the proverbial handshake)? How wise is it to pressure others to live up to their ends of social bargains by indicating that one has a low threshold for drawing inferences about character even when extenuating circumstances exist? Other things being equal, the more pessimistic one’s view of
human nature, the more egoistic, calculating, and self-serving one should suppose others to be and the more likely one should be to approve of quickly drawing strong conclusions about the characters of employees who violate moral or performance norms of the organization. Drawing on past surveys of public opinion (McClosky and Brill, 1983; Sniderman and Tetlock, 1986), the following hypotheses are advanced:

**H1**: Authoritarian conservatives should subscribe to a more jaundiced view of humanity than do those on the ideological left.

**H2**: Authoritarian conservatives should rise to the normative defense of the fundamental attribution error by insisting both that the alleged error is not all that erroneous (people are often untrustworthy) and that it is often prudent (it is better, on average, to indict the occasional innocent soul than it is to fail to punish the sinful masses of defectors).

A second set of hypotheses highlight managers’ opinions of the rationality and resilience of fellow human beings. The more doubts one harbors about the intellectual maturity of one’s fellow human beings, about their tolerance for ambiguity and dissonance, the more prone one will be to adopt a hardball, authoritarian model of the ideal leader that springs right out of Machiavelli’s advice to Renaissance princes. Drawing again on research on public opinion (Sniderman and Tetlock, 1986), as well as on cognitive style (Krulanski and Webster, 1996), the following hypotheses are advanced:

**H3**: Authoritarian conservatives, especially those with strong preferences for cognitive closure, should most doubt the intellectual, emotional, and political maturity of subordinates.

**H4**: Authoritarian conservatives, especially those with strong preferences for cognitive closure, should display a pronounced affinity for leaders with simple, decisive styles of self-presentation that conceal private doubts and cloak imminent trade-offs under artful rhetoric.

At this juncture, skeptics might suspect that the apparent normative divergence between the laboratory classifications of effects as errors and biases and managers’ assessments merely rests on a misunderstanding over levels of analysis. Conservative respondents may still see overconfidence, escalating commitment to sunk costs, and trade-off denial as private cognitive vices; they just also see them as public or political necessities. The disagreement revolves around what leaders need to do to sustain useful social illusions. To test whether authoritarian conservatives with strong preferences for closure subscribe to different theories of good judgment or of rhetorical manipulation, or perhaps both, we need to compare their reactions to private decision-making procedures as well as to public posturing. Here, though, there are reasons for predicting ideological effects in both private and public contexts. Drawing on survey research (Sniderman and Tetlock, 1986), archival content-analysis studies of political decision making (Tetlock, 1984), and laboratory studies of cognitive style (Krulanski and Webster, 1996), it is hypothesized:

**H5**: Authoritarian conservatives should most strongly defend managers who (a) are confident in their private assessments of chal-
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...lenges (even if they are systematically overconfident); (b) believe that failure to stay the course with fundamentally good ideas is a more common error than trying to recoup sunk costs by pouring resources into red-ink hemorrhaging projects; and (c) believe that exaggerating the complexity of problems is a more common error than overreliance on simple, intuitive rules of thumb.

A third dimension along which organizational theorists, and quite possibly managers, vary is their assumptions about the goals of judgment and choice (Tetlock, 1985; Tetlock and Boettger, 1989). Some subscribe to a monistic conception in which it is a bad idea to dilute core business objectives—efficiency and profit maximization—with ancillary goals that create unnecessary or distracting trade-offs (Jensen and Meckling, 1976); others subscribe to more pluralistic conceptions that place numerous moral and political constraints on the pursuit of efficiency (Etzioni, 1996). These observations lead to the following hypotheses:

H6: Anti-libertarian egalitarians should most object to factoring into policy deliberations statistical base rates that, however probative, work to the disadvantage of traditionally disadvantaged groups (e.g., setting insurance premiums in ways that reflect covariation between actuarial risk and racial/ethnic classification).

H7: Libertarian conservatives should take least umbrage at taboo trade-offs such as those that affix dollar values to human life.

Meso-level: Strategies for Accountability Systems

Opinions about what constitutes a cognitive bias or moral defect, and how pervasive those biases or defects are among the work force, should be closely coupled to opinions about how to design accountability systems that prevent these all-too-human shortcomings from impeding or tainting organizational functions. This argument leads to the tight-accountability-leash hypothesis:

H8: Authoritarian conservatives and those with strong preferences for cognitive closure should approve of bosses who give their subordinates well-defined job missions and monitor subordinates closely, whereas anti-authoritarian egalitarians should see good rationales for creating some degree of normative ambiguity and of encouraging imaginative thought experiments that undercut traditional ways of doing things.

A closely related argument is that these ideological and cognitive-stylistic preferences for order and discipline should seep into evaluations of how employees respond to accountability pressures from higher-ups:

H9: Authoritarian conservatives and those with strong preferences for cognitive closure should be more favorable to employees who have confident and decisive personas and who offer unequivocal recommendations, whereas anti-authoritarian egalitarians and those with weak closure preferences should favor employees with more self-critical and reflective personas who acknowledge uncertainty and enumerate complex trade-offs.

One recurring controversy in designing accountability systems concerns the relative emphasis to place on process accountability, which holds employees responsible for observing the correct decision-making procedures, and out-
come accountability, which holds employees responsible for bottom-line performance indicators and permits considerable improvisation in pursuit of these objectives (cf. Chubb and Moe, 1990, on the accountability norms and relative bureaucratic overhead of private and public schools). Here the expectation is that egalitarians should favor process over outcome accountability but that authoritarian and libertarian conservatives should hold the opposite preference (Wilson, 1989):

H10: Anti-libertarian egalitarians fear the unfairness of holding people accountable for outcomes that are only partly under their control and, hence, are more willing to forgive those who fail but who followed the right procedures.

H11: Libertarian conservatives fear the perverse incentives created by shifting from a problem-solving focus on maximizing external outcomes to a ritualistic focus on observing prescribed routines. They tend to identify process accountability with the most notorious inefficiencies of public sector organizations. Authoritarian conservatives should share this concern but also worry about making performance appraisal unnecessarily cumbersome and opening the door to endless justifications and excuses for non-performance.

Yet another set of hypotheses predicts ideological variation in managerial reactions to accountability dilemmas that implicate classic problems of distributive and procedural justice. A recurring theme in the literature on distributive justice is the tension between efficiency, which requires directing resources to those who will use them most productively, and equality, which requires subsidizing the less productive (Meesick, 1993). These ideological cleavages in the broader society should manifest themselves in managerial ideology:

H12: Anti-libertarian and anti-authoritarian egalitarians should resist concentrating budget cuts on the least productive, whereas libertarian and authoritarian conservatives should have no such compunctions.

With respect to procedural justice, there is the classic tension between the desire of authorities to enforce rules and the countervailing concern that everyone should feel that they had a fair say. The guiding hypotheses are:

H13: Anti-authoritarian and anti-libertarian egalitarians should be more sympathetic to employees who resisted decisions from above that ignored their point of view, sympathy that should extend not just to employees exercising the voice option (protest) and exit option (resignation) but even to employees engaging in conduct of dubious morality (loophole exploitation).

H14: Authoritarian conservatives should be more sympathetic to employees who defer to commands from above (conservatives are not embarrassed about talking about “subordinates”) and more inclined to regard protestors as whiners and malcontents, quitters as disloyal, and loophole exploiters as cheaters.

H15: Libertarian conservatives should also back upper management, but less out of affinity for hierarchy and more out of deference to the core precepts of market pricing, formal contracts, and property rights. Their reactions to loophole exploiters should be harsh, but their reactions to protestors should be muted (they are less upset
by insubordination), and their reactions to those who exit may even be positive (resourceful, self-reliant people don’t passively accept ill-treatment, they find a better deal in the labor market).

Macro-level: Attitudes toward Corporate Governance

How should accountability relationships within the organization as a whole, and between the organization and the broader society, be structured? Working from the assumption that people who like simplicity in their immediate working environment prefer simplicity in the wider social universe, one hypothesis is that:

H16: Authoritarian conservatives and those with strong preferences for cognitive closure should be skeptical of multiple-advocacy systems that require soliciting and integrating inputs from a wide range of perspectives prior to reaching decisions and enthusiastic about hierarchical, top-down, decision systems that place a lot of authority in a few hands and permit rapid implementation of new initiatives.

This split between egalitarians and conservatives may be rooted in distinct cognitive and moral sources: those on the right should be both more dubious of the added utility of soliciting diverse inputs as a means to the end of better decisions (subordinates may actually detract from the quality of debate) and less committed to the egalitarian goal of giving voice, and the attendant sense that one has been heard, to the hoi polloi as a moral end in itself. Building on the same psycho-logic:

H17: Authoritarian conservatives who most value hierarchy and parsimony (seek rapid closure) will display stronger support for the shareholder model of corporate governance, a stringently monistic accountability regime that calls on management (the agents) to work single-mindedly toward the goal of greater financial returns to shareholders (the principals), and greater skepticism toward the stakeholder model, a more open-ended pluralistic accountability regime that calls on management to balance the contradictory demands of a cacophony of clamorous constituencies.

This preference for the shareholder model need not be rooted entirely in cognitive-stylistic affinity for accountability systems that make it easier to determine whether management is doing a good job. Libertarian as well as authoritarian conservatives should be especially sympathetic to the interests of the capitalized principals (who possess the moral trump card of rightful ownership and whose interests should be advanced as an end in itself), as well as more supportive of a single-minded focus on efficiency (Jensen and Meckling, 1976). Critical though they indisputably are to the long-term profitability of the enterprise, stakeholders “have not put their money where their mouths are” and occupy a distinctly secondary place in both the moral and pragmatic schemes of things. This argument leads to the following hypotheses:

H18: Libertarian and authoritarian conservatives will endorse the shareholder over the stakeholder model of corporate governance on the practical grounds that the shareholder model works better and on the moral grounds that property rights should trump other claims.
H19: Anti-libertarian and anti-authoritarian egalitarians will invoke mirror-image arguments to justify the stakeholder model: (a) given the pluralistic and interdependent character of modern business environments, it does not make practical sense to exclude key voices from the policy setting process; (b) economic underdogs and the traditionally disadvantaged have a moral right to be heard and won’t be unless granted places on boards of directors (Etzioni, 1996).

In testing the above hypotheses, this study examined the patterns of consistency in managerial judgments of the soundness of decision-making practices and accountability procedures at micro, meso, and macro levels of analysis. The study focuses on the main and interactive effects of two key predictors of these patterns, ideological worldview and the cognitive-style construct of preference for simplicity and explanatory closure, but it also assessed a host of potential control variables, including private and public sector employment, gender, income, age, and education. Finally, although the current study is largely an exercise in hypothetico-deductive social science, there is an exploratory inductive dimension to the research design. In-depth interviews with ideological subsets of managers probed their justifications for their judgments at the different levels of analysis.

METHOD

Questionnaires were distributed to approximately 650 middle-managers in three public sector organizations (employing, on average, 5,000 persons) and three private-sector organizations (employing, on average, 4,500 persons). Of the managers in the target population, 39 percent ultimately responded to all or most of the questionnaire, yielding a sample of 259 managers who averaged 43.2 years of age, had 5.1 years of higher education, and had 8.2 years of experience in coordinating and supervising staffs that ranged in size from 4 to 210. The sex ratio was seven males to every three females. Data collection occurred in 1996 and 1997. The private-sector organizations included an insurance company and two high-technology firms; the public-sector organizations were civilian agencies of the federal government that specialized in national security or intelligence analysis and a state-level educational bureaucracy. Both individual respondents and organizational representatives were assured of the absolute confidentiality of all responses. The questionnaires were analytically partitioned into three components: ideological worldview, cognitive style, and preferred managerial styles, which measured reactions to micro, meso, and macro scenarios.

Ideological worldview. These items relied on 7-point semantic-differential-style scales to assess ideological self-identification, using a question adapted from the National Election Studies ("Overall, do you consider yourself to be a liberal or conservative?"), as well as views of the trustworthiness of other people ("Most people are looking for ways of getting away with something," and "When you treat employees with fairness and consideration, you can count on them to do the right thing even when no one is looking."), the resourcefulness and rationality of others ("People lower down in organizations generally understand a lot more than they are given credit for,“ “Even the strongest among us fall on hard times.

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and need help from the community,” and “A useful maxim in dealing with employees is KISS—keep it simple, stupid.”), the willingness to defend explicit hierarchies (“I am not at all embarrassed to talk about ‘subordinates’ or ‘people working under me in the chain of command,’” “It is not a perfect relationship but generally the higher in an organization you look, the more talented and hardworking the people tend to be,” and “It sounds old-fashioned but obedience is an important virtue.”), the willingness to defend the single-minded pursuit of profit-maximization (“It is a bad idea to mix business goals with concerns for social justice,” and “Human progress owes a lot to innovators who had the courage of their convictions”), the relative importance of “avoiding being taken advantage of” versus “failing to reach mutually beneficial relationships with others,” the necessity of strong leadership (“Most people are without direction in the absence of strong leadership.”), enthusiasm for free markets (they “stimulate growth and prosperity”), wariness of markets (“We need government to protect us from the income inequality that results from unregulated free markets” or “to protect us from the damage to the natural environment that results from unregulated markets”), and attitudes toward government (“Overall, in our society today, government creates a lot more problems than it solves.”).

Cognitive style. These cognitive style items were mostly adapted from Kruglanski and Webster’s (1996) need-for-closure scale. They assessed tolerance for ambiguity (“I dislike questions that can be answered in many different ways,” and “It is annoying to listen to someone who cannot seem to make up his or her mind.”) and strength of personal preference for simple comprehensive explanations of phenomena, for working on problems with clear-cut solutions, and for working in homogeneous as opposed to heterogeneous social units (“The world is fundamentally a far simpler place than it initially seems to be”; “Even after I have made up my mind about something, I am always eager to consider a different opinion”; “I usually make important decisions quickly and confidently”; “When considering most conflict situations, I can usually see how both sides can be right”; “I prefer interacting with people whose opinions are very different from my own”; “It is better to accomplish one objective really well than it is to try to accomplish two or more objectives and do only a so-so job”).

Micro Scenarios: Cognitive Biases

Fundamental attribution error. A pair of scenarios assessed approval of managers who varied in their receptiveness to employees’ accounts for failure to achieve organizational goals. Half of the respondents were randomly assigned to the experimental condition in which they first read a scenario describing a prime managerial candidate for the fundamental attribution error—a manager with a low threshold for drawing strong conclusions about the character of his employees from performance data alone:

J. M. adopts a “no-excuses” approach to evaluating the people who report to him. He feels that most people are just far too inventive at concocting stories for failing to achieve organizational goals. He
therefore holds people strictly accountable for objective performance indicators, taking into account only relatively extreme extenuating circumstances.

After rating the manager, these respondents then read a scenario that described an empathic manager who seemed a prime candidate for the flipside inferential bias, hyper-receptivity to any and all situational explanations that people might advance for their conduct:

L. V. thinks it a bad idea to base evaluations of the people reporting to him on so-called objective performance indicators. He needs to hear the employees’ perspectives on why they failed or succeeded in achieving key organizational goals and always bases his evaluation primarily on the accounts that employees provide of what is actually going on in both the business and their personal lives.

The other half of the respondents read the scenarios in the opposite order. Dependent variables included eight descriptive phrases to which managers responded on 1–9 unipolar scales, ranging from “not at all characteristic” to “extremely characteristic.” The traits were selected to capture the negative and positive value spins that could plausibly be attached to both managerial stances toward employees. The most negative value spin on the fundamental attribution error is that it reveals a “harsh” and “punitive” style of management; the most positive value spin is that it reveals “uncompromisingly high standards” and “a commitment to a no-nonsense, no-excuses working style” (alpha = .81). The most negative value spin on the flipside of the fundamental attribution error—hypersensitivity to situational accounts—is that such managers are “gullible” and “tolerant of low or inconsistent standards” (alpha = .84).

An additional single-item measure of attitude toward the fundamental attribution error was “Managers always run the risk in evaluating employees of two possible mistakes: (a) failing to hold them responsible for outcomes that they could and should have controlled; (b) holding them responsible for outcomes that they could not reasonably be expected to control.” Participants then rated (on a 1–9 scale), the relative frequency and seriousness of these two errors in work settings today (with 9 representing the view that b is “by far the more common serious error”).

Overconfidence. A second pair of counterbalanced scenarios explored evaluations of managers who viewed either over- or underconfidence as the more serious vice:

It is always possible to make one of two basic mistakes in decision-making: to be underconfident (to doubt that one has useful information in hand when one really does) or to be overconfident (to think one has useful information in hand when one really does not). But L. B./N. R. is convinced that underconfidence/overconfidence is much the more serious threat to high-quality decision-making and that [priority should be given to encouraging critical analysis of core assumptions, even if that slows decision making down] [priority should be given to advancing compelling arguments and mobilizing enthusiasm for what looks like the best option, even if it means acting too quickly].

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Dependent variables captured positive value spins on over-confidence (decisive, possesses a can-do attitude), as well as negative value spins (rigid/closed-minded, arrogant) (alpha = .76) and positive value spins on underconfidence (flexible/open-minded, possesses capacity for self-criticism), as well as negative value spins (indecisive, wishy-washy) (alpha = .78). In addition, a single-item measure of attitude toward over- and underconfidence explicitly distinguished between private thought and public self-presentation. Respondents rated their degree of preference (on a 9-point scale) for two styles of leadership: “M. V. believes that however many doubts about a decision he may harbor privately, he needs to project confidence that he has the right answer to employees” versus “A. V. believes that if he has private doubts about a decision, it is a good idea to share those concerns with employees.”

For staying the course versus abandoning sunk costs, participants rated the relative frequency of one of two mistakes that managers nowadays can make: they “are more likely to make the mistake of prematurely abandoning a good idea that runs into trouble” or “to make the flipside mistake of persevering too long with a bad idea and spending good money after bad.” Simple heuristics versus complex choice strategies was assessed by the following item: “Which mistake do you think managers nowadays are more likely to make: to rely too heavily on simple, intuitive rules of thumb grounded in practical experience or to exaggerate the complexity of the issues at stake and to spend far too much time and energy seeking expert advice and developing complex decision-making procedures?” A single-item measure of taboo trade-offs explored reactions to a cost-benefit analysis that placed a dollar value on human life:

S. J. is an auto-industry executive who received a confidential cost-benefit analysis which indicated that the expected cost of correcting a potential safety defect is $900 million whereas the expected benefits (reduced legal liability from fewer injuries and deaths) is just $300 million, a 3:1 ratio in favor of taking no action. How do you think he should respond? Should he go along with the recommendation and not undertake the repairs or reject the report’s recommendation and order the potential safety defect corrected?

A single-item measure of morally suspect base rates explored the profit-maximization rooted in egalitarian/fairness concerns:

G. B. is an executive who discovered that, although the actuarial risk factors used to compute home-owners’ insurance premiums are statistically and financially well designed to maximize profits and are not open to legal challenge, the net result of using these risk factors is that poor people, who come disproportionately from minority groups, wind up paying higher percentage premiums. How do you think he should respond? Should he keep the current profit-maximizing policies in place or alter the current profit-maximizing policy and reduce the burden on the poor communities, notwithstanding the adverse effect on the corporate bottom line?
Meso Scenarios: Coping with Accountability

Preemptive self-criticism versus defensive bolstering was assessed with a pair of scenarios that posed the following problem:

Senior management has asked K. M. for his views on which projects in his division should be put on the “fast track.” The “favorites” of senior management are at this point impossible to guess. He responds by offering a complex and balanced appraisal of the pros and cons of each project, anticipating the key criticisms that can be leveled at each, and specifying the trade-offs that management confronts (singling out the projects he considers most promising and making as powerful and compelling a case as he can for those options.)

Dependent variables included the same trait scales used in assessing reactions to over- and underconfidence, given that experimental evidence has shown that self-critical thought attenuates and bolstering amplifies overconfidence (Tetlock and Kim, 1987).

Open-ended versus directive accountability was assessed with the following pair of scenarios:

D. F. runs a policy planning group that consists of professionals with varying expertise. [He sees it as his job to guide the group by giving his opinion first and by laying out a clear discussion agenda that keeps meetings brief. He finds that this procedure helps to set definite boundaries on what it is and is not useful to consider.] [He sees it as his job to encourage the group members to think as creatively as possible and, to this end, he rarely reveals his opinion before everyone has had a say. Although meetings may be long, he believes that the process often reveals important new perspectives.]

Bipolar rating scales included positive and negative spins on open-ended accountability (open- versus closed-minded) and on directive accountability (well organized/poorly organized).

Process versus outcome accountability was assessed on the following pair of scenarios:

M. R. runs the purchasing department for his organization. [His philosophy is that employees are paid to implement carefully designed procedures for making deals with outside providers of goods and services. As long as employees follow the specified procedures for selecting high-quality products at competitive bids, employees know they won’t get into trouble—even if the resulting price paid is too high.] [His philosophy is that employees are paid to get the best possible prices for high-quality products. The purchasing procedure guidelines are just that—guidelines, not fixed rules. Employees who pay too high a price or who buy defective merchandise jeopardize their careers. Following procedures is no defense.]

Positive value-spin descriptions of the process-accountability manager included fair and systematic; negative spins included rule-bound and bureaucratic (alpha = .75). Positive value spin descriptions of the outcome-accountability manager included resourceful and effective; negative value spins included excessively demanding and unfair (alpha = .83).

A pair of scenarios assessed managers’ reactions to the necessity to concentrate or diffuse the pain of cuts:
Biases and Correctives

B. G. just learned that the department received a 10% cut in its annual operating budget. He responds [by trying to distribute the burden of the cuts fairly and equally across all employees who work for him] [by trying to maximize the efficiency of his organization—laying off those employees who contribute the least to productivity and streamlining operations by introducing new technology that reduces the need for future hiring].

Dependent variables captured positive and negative value spins that liberals and conservatives might place on the egalitarian versus efficiency responses to austerity. The positive value spin on concentrating the cuts on the least productive was that this policy “promotes profitability and efficiency” and “sends the right message to employees who take their jobs for granted”; the negative value spin was that this policy “violates the trust the workers have placed in the organization” (the implicit social contract) and “eroses the loyalty toward the organization and breeds cynicism and distrust.” Alpha for the 4-item scale was .79. The positive value spin on diffusing the cuts is that sharing burdens equally was “morally right in itself” and also “promotes solidarity at the workplace”; the negative value spin was that this policy is merely “a cowardly dodge to avoid controversy” and “is short-sighted and likely to destroy the organization in the long term.” Alpha for this 4-item scale was .76.

Scenarios assessing voice, exit, exploitation, and loyalty probed reactions to resistance to accountability that take the form of protest (exercising the voice option) looking for another job (exercising the exit option) and strategic exploitation of loopholes in the accountability guidelines:

P. T. learns that the work unit he manages will be expected in the coming year to achieve an increase in productivity he considers unreasonably and unfairly large. His unit was not consulted at all during the process of setting the new productivity standard. The firm is doing well and in no danger of insolvency. P. T. [protests by providing a detailed set of reasons why he considers the new standards to be both unreasonable and unfair to his work unit] [resigns to take another job] [looks for loopholes in the new accountability guidelines that allow him to “play games with numbers” in ways that artificially inflate the perceived productivity of his unit] [keeps his objections to himself and does the best he can to achieve the new performance standards].

Dependent variables captured positive and negative value spins on voice (alpha = .75), exit (alpha = .82), subversion (alpha = .77), and compliance (alpha = .80): voice (whiny, ineffective/honest, principled), exit (disloyal, opportunistic/self-reliant, autonomous), subversion (cheater, fraud/reasonable response to unreasonable demands, resourceful), and compliance (easily bullied, submissive/can-do attitude, loyal worker).

Macro Scenarios: Accountability Regimes

A pair of scenarios assessed preferences for multiple advocacy versus hierarchical filtering as styles of organizational decision making:

Top management in this organization have worked together a long time and know each other well. [They think it most important to
make decisions efficiently, minimizing unnecessary discussion and getting to the key points quickly. Accordingly, they have streamlined the decision process, requiring top managers to justify important decisions to the group but rarely requiring them to go outside the group to solicit critical suggestions. [They think it most important to subject important decisions to thorough, critical analysis from a variety of viewpoints inside and outside the organization, even if it is time consuming. Accordingly, top managers can never be sure of the types of objections that might be raised to their proposals in decision-making meetings.]

Dependent variables included positive value spins on hierarchical filtering (“permits decisive action in rapidly changing situations,” “preserves clear lines of authority”) and on multiple advocacy (“compels decision makers to confront unpleasant facts,” “prevents the error of acting impulsively”) and negative spins on hierarchical filtering (“encourages an overconfident and clique-ish attitude at the top,” “promotes a rigid, authoritarian structure”) and on multiple advocacy (“creates a serious risk of waffling and paralysis,” “promotes anarchy—everyone wants a say on everything”). Alpha for hierarchical-filtering scales was .79 and, for multiple advocacy, .86.

This pair of scenarios probed implicit philosophies of corporate governance with respect to shareholder versus stakeholder:

Corporation x is founded on the philosophy that it exists [for one overriding purpose—to maximize return to shareholders—and that, if every corporation were faithful to this mission, the net long-term result would be a vibrant economy that produces the greatest prosperity for the greatest number] [to achieve a variety of sometimes conflicting goals, including providing competitive returns to shareholders, ensuring all employees of good livelihoods and respectful treatment, maintaining good relations with customers, suppliers, and local communities, and pursuing sound social and environmental policies. In this view, if every corporation were faithful to these multiple missions, the net long-term result would be a fundamentally more decent and just society.]

Dependent variables included positive value spins on the two models of governance (shareholder: “keeps the faith with investors,” “maximizes efficiency and long-term viability of the organization”; stakeholder: “keeps faith with the society as a whole,” “promotes social justice”) and negative value spins (shareholder: “short-sighted profit maximizing,” “dehumanizes everyone but the investors”; stakeholder: “creates a blank check for lazy, inept, or corrupt managers,” “prevents managers from making tough decisions critical for long-term survival”). Alpha for the shareholder scale was .84 and, for the stakeholder scale, .81.

**Exploratory interviews.** Priority was placed on intensively examining respondents with unusually coherent and well-defined ideological world views. Accordingly, libertarian conservatives who were interviewed had high scores on the factor by that name (preference for market-based solutions and distaste for government intervention, coupled with faith in people as rational and resilient) and low to moderate scores on the authoritarianism factor (an aversion to hierarchy). Egalitarians had low scores on both the libertarianism and
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authoritarianism factors. Authoritarian conservatives had high scores on the factor by that name and middle-range scores on the libertarianism factor (their scores on this factor should be inflated by their support for market solutions but should be deflated by their skepticism about the rationality of their fellow citizens). Finally, moderates or centrists scored in the middle range of both factors and were interviewed for comparison purposes. Interviews were conducted with 26 managers who represented four distinct political points of view: eight authoritarian conservatives, seven egalitarians, five libertarian conservatives, and six moderates or centrists. These interviews explored the explanations that managers offered for their reactions to each scenario from the structured questionnaire.

RESULTS

Independent-variable scales. Maximum-likelihood factor analysis indicated that the preference for simplicity and explanatory closure (PSEC) scale was reasonably unidimensional. The scale as a whole possessed adequate internal reliability (alpha = .77). By contrast, the same factor-analytic procedure indicated that the best representation of the underlying correlational structure of the measures of ideological worldview was two-dimensional. Table 1 presents the variable loadings that emerged from the two-factor oblimin rotated matrix. The first factor captured authoritarian conservatism. High-loading items included doubts about the trustworthiness of others, skepticism that even employees who have been treated fairly well will reciprocate by “doing the right thing when no one else is looking,” placing a greater priority on avoiding exploitation (being taken for a sucker) than

<table>
<thead>
<tr>
<th>Variable</th>
<th>Authoritarian conservatism</th>
<th>Libertarian conservatism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-identification as conservative</td>
<td>.22</td>
<td>.19</td>
</tr>
<tr>
<td>Untrustworthiness of other people</td>
<td>.38</td>
<td>.04</td>
</tr>
<tr>
<td>Can count on employees doing right thing when no one is looking</td>
<td>−.35</td>
<td>.00</td>
</tr>
<tr>
<td>Underlings understand a lot</td>
<td>−.22</td>
<td>.02</td>
</tr>
<tr>
<td>Even the strong need help</td>
<td>.14</td>
<td>.27</td>
</tr>
<tr>
<td>“Keep it simple, stupid”</td>
<td>.41</td>
<td>.08</td>
</tr>
<tr>
<td>Embarrassed by talk of “subordinates”</td>
<td>−.27</td>
<td>−.10</td>
</tr>
<tr>
<td>System is meritocratic</td>
<td>.30</td>
<td>.26</td>
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<tr>
<td>Obedience is an underrated virtue</td>
<td>.29</td>
<td>.00</td>
</tr>
<tr>
<td>Don’t mix business goals with social justice</td>
<td>.25</td>
<td>.41</td>
</tr>
<tr>
<td>Society owes much to courageous innovators</td>
<td>.16</td>
<td>.49</td>
</tr>
<tr>
<td>Avoiding exploitation less important than joint gain</td>
<td>−.37</td>
<td>.02</td>
</tr>
<tr>
<td>People are rudderless without leaders</td>
<td>.43</td>
<td>−.05</td>
</tr>
<tr>
<td>Free markets promote prosperity</td>
<td>.21</td>
<td>.46</td>
</tr>
<tr>
<td>Need government to check impact of free markets on inequality</td>
<td>−.20</td>
<td>−.35</td>
</tr>
<tr>
<td>Need governments to check impact of free markets on the environment</td>
<td>−.11</td>
<td>−.09</td>
</tr>
<tr>
<td>Government creates more problems than it solves</td>
<td>.24</td>
<td>.38</td>
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</table>
on failing to achieve mutually beneficial agreements, the belief that obedience is an important and underrated virtue, the belief that people are rudderless without strong leadership, and wariness of government intervention in the economy. Low scores captured anti-authoritarian egalitarianism: a distaste for obedience and hierarchies, a relatively benign view of people as decent and fair, and a willingness to give those lower down in the pecking order the benefit of the doubt.

The second factor captured libertarian conservatism, highlighting items that tapped into faith in free markets, wariness of government intervention in the economy, and a view of people as rational, resourceful, and self-reliant. Low scores captured anti-libertarian egalitarianism: support for a safety-net state that redistributes income and carefully watches for negative externalities of free-market behavior, doubts about how meritocratic society really is, doubts about great-man theories of social progress, and a view of individual human beings as fragile and in need of considerable social support. Interestingly, high scorers on both factors tended to label themselves as conservative and Republican, and low-scorers tended to label themselves as Democrats and liberal, in the conventional late-twentieth century sense of that term. Alphas for the resulting scales were .84 and .78, respectively.

Although scores on the two factors are moderately positively correlated ($r = .22$), it is a mistake to attribute much significance to that relationship, hinging as it does on the proportion of items pertaining to skepticism of government and support for markets (inflating the correlation) versus the proportion of items tapping views of human nature and support for authority and hierarchy (depressing the correlation). The low positive correlation between authoritarian conservatism and preference for cognitive closure ($r = .21$) is less easily dismissed, replicating as it does a long-standing body of work on the links between cognitive style and ideology (Lipset and Raab, 1978; Tetlock, 1984). It is worth stressing, though, that confirmatory factor analysis applied to all individual-difference predictors supports that factorial distinctness of authoritarian conservatism and preference for cognitive closure.

Multiple regressions. Table 2 summarizes a series of multiple regressions that used the two-factor measure of ideological worldview and the measure of cognitive style as predictors of what counts as both cognitive bias and organizational corrective. Control variables included private-public sector employment, seniority, income, education, and gender. Table 3 presents the mean evaluative reactions of respondents who scored in the top and bottom tertiles of the measures of ideological worldview and need for closure (the most consistent predictors) to each of the scenarios and their variants.

As the regression coefficients in table 2 and the means in table 3 reveal, ideology in its two-factor form proved a robust predictor of reactions across levels of analysis. With respect to putative cognitive biases, support emerged for H1 and H2. Authoritarian conservatives were more favorable to the no-excuses manager (who committed the fundamental attribution error of insensitivity to situational explanations) and less
### Coefficients of Multiple Regression Predictors of Evaluations of Micro, Meso, and Macro Scenarios

<table>
<thead>
<tr>
<th>Scenarios</th>
<th>R²</th>
<th>Authoritarian conservatism</th>
<th>Libertarian conservatism</th>
<th>Need closure</th>
</tr>
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<td><strong>Cognitive biases</strong></td>
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<td></td>
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<tr>
<td>Overattribution</td>
<td>.26</td>
<td>.38**</td>
<td>.10</td>
<td>.30*</td>
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<tr>
<td>Underattribution</td>
<td>.24</td>
<td>-.36**</td>
<td>-.07</td>
<td>-.24**</td>
</tr>
<tr>
<td>Overconfidence (private thought)</td>
<td>.22</td>
<td>.25**</td>
<td>.23*</td>
<td>.27**</td>
</tr>
<tr>
<td>Underconfidence (private thought)</td>
<td>.20</td>
<td>-.29**</td>
<td>-.22*</td>
<td>-.23**</td>
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<tr>
<td>Overconfidence (public self-presentation)</td>
<td>.19</td>
<td>.23*</td>
<td>.22*</td>
<td>.03</td>
</tr>
<tr>
<td>Sunk-cost justification serious problem</td>
<td>.18</td>
<td>-.29*</td>
<td>.03</td>
<td>-.25</td>
</tr>
<tr>
<td>Complex heuristics trump simple</td>
<td>.25</td>
<td>-.35*</td>
<td>-.02</td>
<td>-.32*</td>
</tr>
<tr>
<td>Use morally suspect base rate</td>
<td>.17</td>
<td>.25*</td>
<td>.27*</td>
<td>.02</td>
</tr>
<tr>
<td>Make taboo trade-off</td>
<td>.12</td>
<td>.08</td>
<td>.31*</td>
<td>-.01</td>
</tr>
<tr>
<td><strong>Coping with accountability</strong></td>
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<tr>
<td>Preemptive self-criticism</td>
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<td>.02</td>
<td>-.34**</td>
</tr>
<tr>
<td>Defensive bolstering</td>
<td>.22</td>
<td>.26**</td>
<td>.01</td>
<td>.23*</td>
</tr>
<tr>
<td>Directive accountability</td>
<td>.15</td>
<td>.22*</td>
<td>.03</td>
<td>.19*</td>
</tr>
<tr>
<td>Open-ended accountability</td>
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<td>-.23*</td>
<td>-.00</td>
<td>-.19*</td>
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<td>Process accountability</td>
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<td>.03</td>
<td>-.25*</td>
<td>.13</td>
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<td>Outcome accountability</td>
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<td>.14</td>
<td>.28*</td>
<td>.09</td>
</tr>
<tr>
<td>Diffuse cuts/minimize protest</td>
<td>.24</td>
<td>-.28**</td>
<td>-.32**</td>
<td>-.07</td>
</tr>
<tr>
<td>Concentrate cuts/maximize efficiency</td>
<td>.23</td>
<td>.24*</td>
<td>.35**</td>
<td>-.10</td>
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<tr>
<td>Protest (voice)</td>
<td>.19</td>
<td>-.26**</td>
<td>-.18</td>
<td>-.14</td>
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<td>Exit</td>
<td>.18</td>
<td>.02</td>
<td>.36**</td>
<td>.02</td>
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<td>Loophole exploitation</td>
<td>.29</td>
<td>-.34**</td>
<td>-.33**</td>
<td>.00</td>
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<td>Loyalty</td>
<td>.17</td>
<td>.26*</td>
<td>.18*</td>
<td>.02</td>
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<td><strong>Designing accountability systems</strong></td>
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<tr>
<td>Shareholder</td>
<td>.31</td>
<td>.31**</td>
<td>.39**</td>
<td>.10</td>
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<td>-.29**</td>
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<td>Multiple advocacy</td>
<td>.17</td>
<td>-.20*</td>
<td>.01</td>
<td>-.28*</td>
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</table>

* p < .01; ** p < .05.

Favorable to the empathic manager (who committed the flip-side error of hypersensitivity to excuses that deflect responsibility for non-performance). There was also an unusually powerful association between certain single-item questions and reactions to the diverging attributional styles of managers. Respondents were especially positive toward the no-excuses manager and skeptical about the effectiveness of the sensitive manager to the degree that (a) they suspected “most people are continually looking for what they can get away with”; (b) they placed high importance on “preventing others from taking advantage of them”; and (c) they felt that managers erred far more often in the direction of letting employees off the hook for outcomes they could control than in wrongly blaming employees for outcomes they could control (all r’s > .30). Indeed, the conservatism factor ceased to predict reactions to these scenarios after controlling for these three items [partial r(240) = 0.09]. Suspiciousness of human nature, which loads highly on the authoritarianism but not on the libertarianism factor, may thus be driving this effect.

Consistent with past psychological work on cognitive style, managers with strong preferences for cognitive closure, regardless of ideology, were more likely to defend the fundamental attribution error. This result suggests that the psychological appeal of the alleged error is also rooted in aversion to
<table>
<thead>
<tr>
<th>Scenarios</th>
<th>Low/high conservatism</th>
<th>Low/high libertarianism</th>
<th>Low/high need closure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overattribution</td>
<td>3.10 vs. 5.12</td>
<td>3.86 vs. 4.03</td>
<td>3.52 vs. 5.03</td>
</tr>
<tr>
<td>Underattribution</td>
<td>5.21 vs. 3.99</td>
<td>4.39 vs. 4.32</td>
<td>4.83 vs. 3.86</td>
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<tr>
<td>Overconfidence (private thought)</td>
<td>4.02 vs. 5.22</td>
<td>4.35 vs. 4.91</td>
<td>4.21 vs. 5.03</td>
</tr>
<tr>
<td>Underconfidence (private thought)</td>
<td>5.08 vs. 3.80</td>
<td>4.28 vs. 3.74</td>
<td>4.71 vs. 3.72</td>
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<tr>
<td>Overconfidence (public posturing)</td>
<td>3.86 vs. 6.02</td>
<td>4.12 vs. 5.73</td>
<td>4.41 vs. 5.55</td>
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<tr>
<td>Sunk-cost justification serious problem</td>
<td>6.02 vs. 3.52</td>
<td>5.05 vs. 5.37</td>
<td>6.15 vs. 3.71</td>
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<td>Complex heuristics trump simple</td>
<td>6.33 vs. 3.66</td>
<td>5.14 vs. 5.01</td>
<td>5.99 vs. 3.18</td>
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<tr>
<td>Use morally suspect base rate</td>
<td>3.22 vs. 5.21</td>
<td>3.15 vs. 5.36</td>
<td>3.66 vs. 4.08</td>
</tr>
<tr>
<td>Make taboo trade-off</td>
<td>4.46 vs. 4.71</td>
<td>3.85 vs. 5.53</td>
<td>4.03 vs. 4.25</td>
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<tr>
<td>Preemptive self-criticism</td>
<td>5.39 vs. 4.21</td>
<td>4.78 vs. 4.98</td>
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<td>Defensive bolstering</td>
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<td>4.70 vs. 4.91</td>
<td>4.04 vs. 5.54</td>
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<td>Directive accountability</td>
<td>4.72 vs. 6.05</td>
<td>5.15 vs. 5.25</td>
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<td>Protest (voice)</td>
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<td>4.14 vs. 3.65</td>
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<td>Exit</td>
<td>4.13 vs. 4.25</td>
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<td>Loophole exploitation</td>
<td>3.76 vs. 2.83</td>
<td>3.80 vs. 2.70</td>
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<td>4.93 vs. 5.38</td>
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<td>3.37 vs. 5.21</td>
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<td>Stakeholder</td>
<td>5.52 vs. 3.06</td>
<td>5.23 vs. 3.26</td>
<td>4.40 vs. 4.10</td>
</tr>
<tr>
<td>Hierarchical filtering</td>
<td>3.37 vs. 4.89</td>
<td>3.90 vs. 3.83</td>
<td>3.41 vs. 4.28</td>
</tr>
<tr>
<td>Multiple advocacy</td>
<td>5.45 vs. 4.21</td>
<td>4.73 vs. 4.59</td>
<td>4.99 vs. 4.32</td>
</tr>
</tbody>
</table>

*Higher scores indicate a more positive evaluation of the manager, coping strategy, or accountability regime.

the ambiguity that inevitably arises in weighing justifications and excuses for failure. Summary social justice simplifies life.

Authoritarian and libertarian conservatives had similar reactions to the over-/underconfidence scenarios. Consistent with H3, H4, and H5, both camps reacted favorably toward the manager who felt that overconfidence was, all other things being equal, a less serious error than underconfidence in both private decision making and public self-presentsions to employees. Again, though, a more fine-grained analysis revealed especially powerful associations between certain items and reactions to the over- versus underconfidence managers. Partial correlation analysis revealed that authoritarian conservatism ceased to predict reaction to the scenarios after controlling for endorsement of the maxim that, in dealing with employees, it is important to "keep it simple, stupid." Libertarian conservatism ceased to predict reactions after controlling for endorsement of the claim that human progress owed a lot to innovators with the courage of their convictions. Thus, although the two camps on the right agreed, they did not have the same reasons for taking this common stand. Support could be rooted in fear and distrust or in hope and techno-optimism.

Also consistent with H4 and H5, authoritarian conservatives were the most favorably disposed toward managers who thought that abandoning good ideas that had run into temporary trouble was a more common mistake than persevering.
Biases and Correctives

with bad ideas (and vainly trying to save face and recoup sunk costs) and that excessive “complexification” was a more common mistake than excessive simplification in decision making. Libertarian conservatism predicted neither sentiment.

The cognitive-style predictions received more mixed support. As Kruglanski and Webster (1996) predicted, the stronger are managers’ preferences for closure, the more support they offered for overconfidence, for staying the course, and for simplifying decision processes. But cognitive style did not predict support for overconfidence in public self-presentation, and none of the expected conservatism-by-cognitive-style interactions materialized.

Consistent with H6, authoritarian conservatives and libertarian conservatives were largely on the same ideological wavelength in their reactions to the morally suspect base rate. Unlike the anti-authoritarian and anti-libertarian egalitarians, these two groups refrained from condemning a business practice that, in pursuit of profit, harmed traditionally disadvantaged groups. This stance was rooted, according to partial-correlation analysis, in the degree to which respondents thought it a bad idea to mix business goals with concerns for social justice. There was also some support for H7: libertarian conservatives, not now joined by authoritarian conservatives, were virtually alone in refraining from condemning the executive who committed the taboo trade-off of affixing an explicit dollar value to human life.

Managers’ reactions to strategies of structuring accountability were consistent with H8: authoritarian conservatives and those with strong closure preferences stood out as most critical of open-ended accountability (in which the boss keeps subordinates guessing about where he stands) and most supportive of directive accountability, in which the boss squarely assumes the mantle of responsibility for setting priorities. Partial correlation analysis suggested that this effect was partly rooted in the belief that people are rudderless without strong leadership.

With respect to strategies of coping with accountability, consistent with H9, both authoritarian conservatism and the preference for cognitive closure scale predicted the attribution of more positive traits to decision makers who coped with accountability by taking clear simple stands from which they could not be easily swayed. Authoritarian conservatism and preference for closure were also negatively associated with the attribution of more positive traits to decision makers who coped with accountability by engaging in preemptive self-criticism and by weighing legitimate competing perspectives against each other. The expected conservatism-by-cognitive-style interactions did not emerge.

There was only partial support for H10 and H11. As expected, libertarian conservatives were the stoutest defenders of outcome accountability and most critical of process accountability, which they disparaged as “just more bureaucracy” and “rules for the sake of rules.” Unexpectedly, however, they were not joined by authoritarian conservatives who
seemed quite ambivalent about the relative emphasis that should be placed on process and outcome accountability.

In the results for the more overtly political strategies of coping with accountability, support emerged for H12, that authoritarian and libertarian conservatives would be more likely than their egalitarian counterparts to (a) condemn the manager who, in their view, avoided the tough decisions by spreading budget cuts equally rather than targeting the cuts at the least productive and then restructuring to compensate for shifts in the division of labor; and (b) applaud the manager who “bit the bullet” and “allocated scarce resources more rationally.”

The ideological agreement broke down somewhat, however, in reactions to the voice, exit, exploitation, and loyalty scenarios. Relative to the low scores on the two factors, authoritarian and libertarian conservatives were both more likely to deplore the subversive, loophole-exploiting response to rising accountability demands and, to a lesser extent, more likely to applaud the loyalty response (all in accord with H13 and H14). But, in accord with H15, libertarian conservatives had a much more positive reaction to the exit response (competent individuals exercising choices in self-correcting labor markets) than did the authoritarian conservatives, who saw the same conduct as rather opportunistic. Authoritarian conservatives also had a more negative reaction to protest than did the libertarians, but not a more negative reaction to cheaters, contrary to H15, a null result probably attributable to a floor effect on the rating scales for cheaters.

Finally, sharp ideological cleavages emerged in managers’ evaluations of macro scenarios that explored the tensions between the hierarchical-filtering and multiple-advocacy models of internal corporate governance and the tensions between the shareholder-stakeholder models of external corporate governance. Consistent with H16, authoritarian but not libertarian conservatives judged top management more favorably when it relied on hierarchical filtering to simplify the decision process (screening out weak or irrelevant arguments), whereas anti-authoritarian egalitarians reserved the most praise for top managers who embraced a multiple-advocacy style of decision making that gave priority to considering inputs from a wide range of interest groups within the organization. Consistent with H17 and H18, authoritarian and libertarian conservatives alike judged top management more favorably when it favored a monistic accountability regime centered around shareholders, whereas low scorers on these two factor-analytic scales moved in the opposite direction, attributing the most positive traits to top managers who endorsed the pluralistic regime of accountability to stakeholders. Inconsistent with H17, the preference-for-closure scale failed to predict preferences for accountability regimes at this most macro level. The stands that middle-level managers took on the shareholder-stakeholder debate reflected abstract political sympathies (property rights of well-capitalized principals versus human rights of economic underdogs) more than personal cognitive style. Whether this result would hold up for top management—whose working lives are more tightly linked to the mode of corporate governance—is an open question.

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General observations. Overall, the measures of ideology, and to a lesser extent cognitive style, were the statistically dominant predictors. Moreover, the cognitive style results roughly paralleled those for authoritarian conservatism, with high scorers on the need-for-closure scale resembling authoritarian conservatives in their preference for simple decision-making styles across levels of analysis, but most noticeably at the micro and meso levels. The expected interactive effects of conservatism and cognitive style never emerged.

Among the control variables entered into the regressions, private-sector employment and gender had significant zero-order correlations with decision-style preferences. With only a few exceptions, however, the effects of these alternative predictors disappeared in the multiple regressions. The exceptions included a tendency for women to prefer an openness to situational explanations for performance shortfalls and for public-sector managers to prefer to avoid controversy by spreading the pain of budget cuts equally across constituencies. There was also some tendency for ideology effects to be larger (and justifications for policy preferences to be longer) the more years managers had spent in institutions of higher learning.

Supplementary Analyses of Qualitative Data

The interviews had three guiding objectives. The first was to assess the explanations that managers offered for preferring one or another style of making decisions or of structuring accountability. Could these free-flowing, stream-of-consciousness justifications be mapped onto the conceptual framework advanced earlier, which traces diverging conceptions of good judgment to more fundamental divergences in ideological worldview and in cognitive style? Does a qualitative analysis of the accounts that managers advance for their questionnaire responses point us in the same explanatory direction as do the multiple regression analyses reported earlier? The second objective was to assess the degree to which respondents possessed an intuitive awareness of the types of arguments that might be advanced for alternative answers to the questionnaire and the degree to which they accepted or disparaged these alternative outlooks. The third was to assess managers’ willingness, in principle, to change their minds if it turned out that some of the factual arguments underpinning alternative answers were correct.

Fundamental attribution error. When queried, managers quite readily acknowledged the role of fundamental assumptions about human nature in shaping their openness to subordinates’ accounts for failing to satisfy performance expectations. As the regression results led us to expect, the less trustworthy and committed they thought employees were (“to do the right thing when no one is looking”), the greater their reluctance to accept accounts. Managers with strong opinions on the perils of overattribution or underattribution virtually always had an accompanying horror story. Those who deplored overattribution usually had, ready at hand, there-but-for-the-grace-of-God-go-I parables in which decent, hardworking folks are temporarily overwhelmed by forces outside of their control—bad marriages, disease, depression,
problem children—but eventually overcome these forces and become esteemed members of the organization, an outcome that would have been impossible if their bosses had not been caring and empathic ("open doors, open ears, open minds"). Sometimes, the managers recalled that they themselves were once in the role of the floundering subordinate. By contrast, those most concerned with the perils of undertribution came armed with stories that cut in the opposite direction: parables of free-riders exploiting gullible managers, in which shady characters concoct one cockamamie excuse or justification after another for non-performance and, in the process, harm coworkers, the managers in charge, and the organization as a whole. One manager waxed Shakespearian, "To be kind I must be cruel." One does no one any favors by pretending that poor performance is not poor or does not impose burdens on others who wind up suffering financial penalties or taking on extra work. A few of these tough managers even had stories about receiving thank-you notes from people they had fired. These reformed slackers and ne’er do wells eventually came to appreciate the wake-up call (cf. Rodgers, Taylor, and Foreman, 1992).

Styles of decision making and of structuring accountability. Managers justified their preferences for certain styles of decision making, in part, by invoking competing views of human nature. Some managers, especially authoritarian conservatives, subscribed to an implicit theory of leadership that stressed the importance of always projecting can-do confidence to others and not acknowledging errors as long as those errors can be "spun" into sound decisions: "If you don’t believe in yourself, don’t expect others to believe in you" (one defense of overconfidence at the level of private thought), and "Hamlets don’t inspire confidence—you need to show a little bluster to get the troops moving" (a defense at the level of public self-presentation). Others, especially anti-authoritarian egalitarians, subscribed to the view that one gains the long-term respect of others by honestly admitting one’s shortcomings and displaying a willingness to heed constructive criticism and make timely mid-course corrections.

But rationales for decision-making styles were also rooted in competing views of the challenges confronting the organization. Some managers, especially authoritarian conservatives, explicitly declared that, in many choice situations, one quickly reaches the point of diminishing marginal returns for further information search and analysis, whereas other managers, especially egalitarians, were equally explicit about the need to be wary of "premature closure." Popular refrains among those most skeptical of the value of protracted cognitive assessments of problems included “Time is money,” “Real managers make decisions, they don’t talk about them,” “On-the-one-hand-and-on-the-other presentations get tiresome very quickly,” and, most crudely, “S–t or get off the pot.” Those more sympathetic to protracted cognitive assessments were equipped with fewer snappy aphorisms, but the gist of their comments was plain enough: “Learn to live with uncertainty,” and “As soon as you stop hearing that little voice in the back of your mind saying ‘you might be wrong,’ you are definitely in trouble.” These cleavages in managers’
intuitive theories of decision making thus mirror themes in the now vast literature on contingency theories of social cognition and decision making (Chaiken and Trope, 1999) and the ongoing controversy over when simple heuristics generate as accurate assessments and as utility-enhancing decisions as do more complex and effort-demanding methods of making up one’s mind (Gigerenzer and Todd, 1999).

Libertarian conservatives, with their dislike of rule-bound systems that constrain individual initiative, were harshest in their evaluations of the process-accountability manager (“He personifies what was wrong with the old approach to running businesses,” and “That's how you get $1000 toilet seats.”) and most favorable to the outcome-accountability manager (“who pays the people working for him the highest compliment: they are smart and they should use their smarts.”). Authoritarian conservatives and egalitarian liberals had more mixed reactions, winding up on approximately the same locations on the rating scales but for somewhat different reasons. Moralistic conservatives rated both managers quite favorably. They resonated to the structure that the process-accountability manager gave employees and to the no-nonsense, results orientation of the outcome-accountability manager. Egalitarians were also quite favorable to both managers. They resonated to the procedural fairness of the process regime and to the autonomy to stray from guidelines in the outcome regime, although the latter reaction was qualified by concern that the outcome accountability regime might unfairly assume more potential employee control over outcomes than is humanly possible.

Authoritarian conservatives offered the most positive evaluations of the executive who ran meetings quickly and directed discussion down avenues he deemed productive (“Isn’t this what leaders are supposed to do?”) and the least positive evaluations of the executive who adopted a low profile in group discussions in order to stimulate creativity (“I understand the rationale but it looks like dilly-dallying and passing the buck to me.”). Libertarian conservatives and egalitarians had one of their rare moments of convergence: they both made more positive character attributions to the manager who encouraged creativity among subordinates (“a reasonable strategy for encouraging open expression of unpopular opinions”) and less positive attributions to the manager who played a more proactive role in steering the conversation (“He seems to want an echo chamber for his own views.”).

**Moral boundaries on the thinkable.** Libertarian conservatives were least appalled by the life-money trade-off, often taking the position that no product is perfectly safe and that the market will punish manufacturers who sell particularly unsafe products. As one libertarian commented, “If people really wanted perfectly safe cars, they’d drive in tanks and accept 10-mile-per-hour speed limits. The hypocrisy . . . is overwhelming.” Nonetheless, even this libertarian reluctantly endorsed recall, because “the public-relations hit could easily exceed the legal tab.” The only other libertarian who thought the company should recall the cars with the potential defect did so not on the grounds that it was immoral to monetize life, a taboo trade-off (Tetlock, Peterson, and Lerner, 1996;
Fiske and Tetlock, 1997) but, rather, on the grounds that the company may not have been fully honest with its customers about the risks to their safety and thus prevented the customers from making money-life trade-offs of their own. By contrast, egalitarians were quite vehement in denouncing resistance to a vehicle recall, and their irritation focused on the taboo character of the trade-off ("Decent human beings just aren’t supposed to dollarize human life," and "Who would want to do business with a company that doesn’t care about your safety? It’s just one more step and we start saying the lives of the poor are worth a lot less than those of the rich."). Authoritarian conservatives fell between libertarian conservatives and egalitarians. They shared the libertarian view that nothing is perfectly safe (and therefore that taboo trade-offs are an inevitable part of life) but shared the egalitarians’ repugnance for the explicitness with which the cost-benefit analysis translated lives into money. Unlike the egalitarians, though, who invoked a secular morality to express their repugnance, authoritative conservatives tended to use the religious language of “sin” and even “evil.” One authoritarian conservative nicely captured the ambivalence of this faction toward taboo trade-offs: “I am not an idiot. I know that businesses and their customers can’t put 100% emphasis on safety. But we shouldn’t be so upfront about putting a dollar value on human life. Call it hypocrisy if you want, I think it is degrading. Society must treat some things as sacred.”

Egalitarians were also most upset about the executive who kept in place a premium policy that boosted profits but hurt racial minorities and the poor, whereas libertarian and authoritarian conservatives were least bothered. Indeed, libertarians were unapologetic backers of the executive who retained the profit-maximizing scheme (“He was honoring his responsibilities to his firm and to the shareholders, not pandering to pressure groups. If he wants to give to charity, let him spend his own money, not other people’s.”).

**Shareholder-stakeholder controversy.** Managers for this study were drawn largely from the middle ranks of large organizations and had little experience making decisions that required answering directly either to shareholder or stakeholder representatives. Here, we thus entered a realm remote from the cognitive and interpersonal challenges that participants faced in their everyday lives—answering pressing questions such as “Is this person trustworthy or competent?” and “Should I decide now or give it more thought?” The tension between the two models of corporate governance struck many as a tad contrived. In the words of one skeptical centrist, “I don’t get it. How can you please shareholders if everyone—from the customers to the politicians—is furious with you? And how can you keep stakeholders happy if you don’t have any money to spread around?” That said, though, the interviews also revealed why ideology still predicted preferences for models of corporate accountability. Authoritarian and libertarian conservatives gravitated toward the shareholder model largely for the ideologically correct reason, the primacy of property rights: shareholders are owners of the corporation and managers are their agents.
Authoritarian conservatives also occasionally added a procedural reason, an almost visceral distaste for messy accountability arrangements that blur lines of authority ("Where’s the boss in this system and how will we ever know if he’s doing a good job?") and that make it difficult to hold anyone accountable for anything ("Where does the buck stop in a setup like that?"). Egalitarians also arrived at the “right” answer (the stakeholder model) for largely the right political reasons: the need to protect the weak and control negative externalities ("There need to be some checks and balances on corporations,“ "How else can the little people be heard?" and "What’s wrong with a bit more democracy in the workplace?").

Acknowledging the legitimacy of other perspectives.
Although many respondents were aware of arguments against the positions they preferred, awareness should not be confused with tolerance, less still, willingness to change one’s mind. In the controversy over corporate governance, conservatives, both authoritarian and libertarian, understood stakeholder concerns and the necessity of taking them into account as a means to the end of profit maximization. But they feared that egalitarian efforts to promote the stakeholder vision rested on a fundamental misunderstanding both of human nature and of capitalism that would impair long-term growth by enmeshing corporate executives in ever more elaborate webs of communitarian regulations ("You can’t do anything until the local politicians, labor unions, environmentalists, minority-rights activists, and other assorted opportunists have all had their palms crossed with silver.") and by creating an inexhaustible source of excuses for poorly performing managers to put off long-suffering shareholders. As one freshly minted M.B.A. pontificated, "The stakeholder model aggravates the principal-agent problem at the heart of corporate capitalism—it gives agents too much wiggle room to evade their responsibility to promote the principal’s interest." Those on the egalitarian left often understood the value of "incentivizing" management to make the hard choices that are necessary to promote growth but felt that the concentration of power and wealth had just become too lopsided: "People who like the shareholder model are just out for number one and they really don’t give a damn what happens to anybody else," and, more philosophically, "Society created corporations and it has the right to define the rules that they operate under."

At the micro end of the continuum of questions posed, there is also considerable awareness of the reasons for taking a position on the other side. In terms of the fundamental attribution error, authoritarian conservatives sometimes conceded that they might be too hard on employees (in this case, too slow to acknowledge legitimate excuses) but insisted that although many might think them hard-hearted, they had no difficulty living with themselves: "Somebody has to draw a line somewhere," and "It is only human nature to keep testing the limits." Egalitarians sometimes acknowledged that they might be "suckers" but thought the balance they were striking was best for themselves ("I can look myself in the
mirror.

In the language of decision theory, most managers, when challenged, acknowledged that there was no dominant (trade-off-free) option. But this acknowledgment was rarely spontaneous and tended to be grudging and perfunctory. In the language of cognitive-consistency theory, managers seem to have rather thoroughly rationalized their preferred styles of thinking, evaluating, and acting. Perceptions of facts and endorsements of values were in close alignment. If a characteristic managerial stance emerged from the interviews, it appears to have been belief-system overkill, in which participants insisted that their preferred working style minimizes the more common type of error (factual claim) and the more serious type of error (largely a moral or value judgment). Authoritarian conservatives put priority on minimizing what, for convenience, might be called Type II errors, such as failing to hold employees accountable for outcomes potentially under their control, exaggerating the complexity of fundamentally simple problems, pursuing additional information beyond the point of diminishing marginal returns, abandoning sound policies that run into temporary trouble, and resisting misguided efforts to make the decision process more democratic, pluralistic, and, in their view, chaotic. This policy posture was justified by maintaining that these Type II errors were both more likely and more serious than the logically complementary errors that tend to preoccupy anti-authoritarian and anti-libertarian egalitarians and that do so for roughly mirror-image reasons.

DISCUSSION

Opinions about cognitive biases and organizational correctives hinge on the ideological worldview and cognitive style of the beholder. Most fundamentally, managers of varying political persuasions subscribe to markedly different assumptions about human nature that, in turn, shape their underlying philosophies of governance. Authoritarian conservatives believe that “most people” look for and exploit loopholes in accountability systems, whereas anti-authoritarian egalitarians believe that most people will refrain from exploiting loopholes as long as they feel fairly treated. These competing views lead, among other things, to different assessments of the fundamental attribution error. Authoritarian conservatives deem it prudent managerial practice to communicate to subordinates a low tolerance for justifications and excuses that invoke situational causes for conduct that falls short of organizational expectations. People will be more motivated to behave properly if they believe that improper behavior will almost automatically tarnish their reputations—a social variant of the legal doctrine of strict liability. From an authoritarian-conservative perspective, failing to hold people responsible for outcomes that they could have controlled is arguably a more serious error than holding people responsible for outcomes that they could not control. By contrast, the anti-authoritarian egalitarians see the fundamental attribution error as punitive, not prudent. They disagree with conservatives about both the frequency with which subordinates will invent spurious justifications and fictitious excuses for substandard

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1 From Aristotle to the Federalist Papers, there are numerous precedents for assigning a foundational role to assumptions about human nature in philosophies of governance. It is perhaps surprising, therefore, that the topic has received as little attention as it has in contemporary behavioral and social science (for exceptions to this generalization, see Lane, 1973; Wrightsman, 1974).
performance and the relative importance of avoiding Type I errors (condemning the innocent) versus Type II errors (acquitting the guilty), deploring the former error to a greater degree.

Authoritarian conservatives and those with a strong preference for cognitive closure were also more likely to concur with the sentiment that the world is often far simpler than it initially appears to be. They viewed simplicity as evidence of insight, not simple-mindedness, whereas low scorers on these scales viewed complexity as evidence of thoughtfulness, not confusion. Authoritarian conservatives also believed that lack of will power and of commitment to principles are common human failings, whereas anti-authoritarian egalitarians believed that an unwillingness to entertain self-critical thoughts and to reexamine basic assumptions are common human failings. Extending previous work in political psychology on the connections between political ideology and cognitive style, these competing views of the world translated quite directly into different evaluations of a host of putative biases, including the relative perils of over- and underconfidence, of staying the course versus escalating commitment to sunk costs, of simple versus complex choice heuristics, of preemptive self-criticism versus defensive bolstering as strategies of coping with accountability, and of directive versus open-ended strategies of structuring accountability. These two groups’ markedly different evaluations of overconfidence and of staying the course are emblematic. Authoritarian conservatives believe that the can-do determination and optimism of the overconfident decision maker more than offsets the risk of persevering with a wrong assessment of the situation (cf. Staw and Ross, 1980). Anti-authoritarian egalitarians believe that the capacity of self-critical thinkers to realize quickly that they are on the wrong path more than offsets the risk of prematurely abandoning a good policy that has run into temporary difficulties. And, at the level of self-presentation, they think it a bad idea for managers to wear a worry-free mask and stress the benefits of keeping coworkers (they dislike the term “subordinates”) reasonably fully informed.

Ideologically grounded disagreements over human nature and the causal structure of the social world parallel in key respects disagreements over how to manage people, at both a micro and macro level. Authoritarian conservatives and their high-preference-for-cognitive-closure allies approve of managers who communicate their policy preferences clearly to subordinates and approve of subordinates who respond equally decisively, whereas low scorers on these scales see advantages in encouraging open, balanced debate and cultivating an atmosphere of normative ambiguity that keeps coworkers guessing, at least for a while. Those on the political left—and this now includes both anti-authoritarian and anti-libertarian egalitarians—also offer more muted negative evaluations of the manager who responds in a borderline-dishonest, loophole-exploiting manner to an accountability regime perceived as unjust. Some egalitarian managers see such behavior as an understandable human bid to “empower oneself” when confronted by insensitive or arrogant authori-
ties, with even occasional quasi-Marxist warnings about alienating and dehumanizing those lower in the pecking order.

At the most macro level, both authoritarian and libertarian conservatives favored the monistic regime of accountability solely to shareholders ("It is hard enough to do one thing well, less still half a dozen."). whereas the anti-authoritarian and anti-libertarian egalitarians embraced the value of accountability to a host of constituencies whose interests would often have to be combined in different ways in different situations ("Corporations can't be allowed just to focus on making money," and "There is more to running a society than just efficiency.").

Looking back on the full range of correlations between ideology and managerial policy preferences, it becomes clear that the more macro the issue domain, the more likely authoritarian and libertarian conservatives were to agree. As one might expect from the variable loadings in the rotated factor matrix, high scorers on both dimensions defended property rights and free markets (unless national security/sovereignty issues were implicated, in which case support from authoritarian conservatives quickly fades) and opposed what they frequently saw as misguided government efforts to help the less competitive and to dampen fictitious externalities. By contrast, the more micro the issue, the more likely authoritarian and libertarian conservatives were to be temperamentally and stylistically at odds with each other, agreeing strongly with each other only on the adaptive value of overconfidence and on the appropriateness of using morally suspect base rates. Libertarians tended to be more cognitively flexible (or, if one prefers, unprincipled), less preoccupied with precedent, status, and hierarchy (or, if one prefers, less loyal to existing organizational structures), and more prone to have an upbeat assessment of their fellow humans (or, if one prefers, an unrealistic or naive assessment). In certain respects, libertarian conservatives resembled anti-authoritarian egalitarians, especially in their lack of enthusiasm for deference and obedience to established ways, but breaking abruptly with this outlook when questions tapped into broader attitudes toward social equality, markets, and government. And, in certain respects, authoritarian conservatives resembled the anti-libertarian egalitarians, especially in their doubts about the self-sufficiency of the isolated individual, but breaking sharply with this camp on the more macro questions of societal and economic organization. In brief, this data set allows us to observe in a managerial microcosm the cross-cutting tensions documented by survey researchers in society at large between authoritarian conservatism/secular liberalism and economic individualism/egalitarianism (Kinder, 1998). If nothing else, the current results demonstrate that organizational behaviorists err if they suppose that these deep differences in worldviews do not insinuate themselves into a wide array of managerial preferences and practices. There is no "Chinese wall" between attitudes toward work and toward politics.²

Taken as a whole, the pattern of findings suggests the usefulness of revisiting a much maligned but still standing distinction in philosophy and social science: that between facts
and values. One unresolved issue concerns the degree to which ideological disagreements over cognitive biases and organizational correctives are rooted either in competing views of the facts (How likely is this or that inferential error?) or in competing values (How important is it to avoid this or that inferential error?). Disagreements rooted in competing appraisals of a common reality should, in principle, be resolvable via recourse to evidence. From this standpoint, if we could persuade conservatives that they have exaggerated the degree to which people are inherently untrustworthy and prone to exploit empathic managers, conservatives should become less tolerant of the fundamental attribution error. Or if we could persuade low-need-for-closure respondents that simple heuristics perform as well as more complex decision rules developed through grueling hours of group discussion (cf. Gigerenzer and Todd, 1999), these respondents might be quicker to realize when they have reached the point of diminishing returns for further deliberation.

By contrast, disagreements rooted in values should be profoundly resistant to change. Authoritarian conservatives may so detest being suckers that they are willing to endure a high rate of falsely rejecting employees’ accounts. Libertarian conservatives might oppose the (confiscatory) stakeholder model even when confronted by evidence that concessions in this direction have no adverse effects on profitability to shareholders. Expropriation is expropriation, no matter how prettified. And some egalitarians might well endorse the stakeholder model, even if shown compelling evidence that it reduces profits. Academics who rely on evidence-based appeals to change minds when the disagreements are rooted in values may be wasting everyone’s time.

Placed in the broadest perspective, the current findings remind us that decision theorists are not the only people with strong opinions on the nature of good judgment and rationality. Decision theorists characteristically adopt an explicitly prescriptive stance to their subjects of study: there are right answers that can be derived from well-defined axiomatic systems of logic such as Bayes theorem or expected utility theory or game theory. To paraphrase John Milton in “Paradise Lost,” their task is to explain the ways of God to man, not the ways of man to God, where God translates for early twenty-first-century audiences as the eternal truths of mathematical models of choice.

The intuitive theories of good judgment that many managers possess are not anchored in mathematical axioms and do not have a rigorous hypothetico-deductive structure. Rather, these intuitive theories are a conceptual mish-mash: loose amalgams of hunches that rest on speculative assumptions about human nature (How prone are people to exploit loopholes in rules and accountability regimes?), the efficacy of simple rules of thumb, and ultimately, the nature of the good society (How should we structure accountability ground rules so as to strike reasonable balances among such diverse values as efficiency, autonomy, equality, and fairness?). Insofar as this mish-mash coheres, and it often does not, psychological theory suggests that it does so in response to a combination of intrapsychic-consistency pressures to justify one’s
working style to oneself—Am I doing the right thing?—and self-presentational pressures to justify one's working style to others (cf. Schlenker, 1985).

Strictly speaking, there is no direct contradiction between logic and psycho-logic, between the formal prescriptivism of decision theory and the informal ideological hunches of decision makers who cope with messy human and organizational realities from day to day. Indeed, there is a rough complementarity. Formal prescriptive theories make minimal assumptions about the external world but extensive assumptions about how decision makers should integrate cues once they have been assigned likelihood or utility values, whereas intuitive theories make extensive assumptions about the world but are notoriously vague on the precise rules for combining elementary beliefs and preferences into final judgments. But there is also a palpable tension. Micro-economic reductionists might be tempted to argue that disagreements grounded in ideology and cognitive style are merely atavistic vestiges of a more primitive social order, soon to be swept away by the intensification of competitive market forces that have ever-closer-to-zero tolerance for obfuscation, fuzzy thinking, and self-serving posturing. What counts is what works, and it is only a matter of time before we are all converted into Bayesian belief updaters converging on common truths about human nature, the social world, and how best to go about understanding both. This is a crude but popular variant of the end-of-ideology and end-of-history theses (Friedman, 1999; Fukuyama, 1992). Other scholars, of a more pluralistic bent, might stubbornly insist, with Immanuel Kant and Isaiah Berlin, that from the crooked timber of humanity, no straight thing can be built, and that it will prove impossible to banish ideological posturing and human imperfections from business (Berlin, 1990). Even in perfectly competitive markets pulsating signals at the speed of light, there will be numerous niches of ever changing shape and size where each ideological worldview can survive, even thrive. In this view, if one is willing to concede that human nature is at least as bafflingly complex as that conceptual prototype of economic efficiency, the stock market, where bullish and bearish observers seem fated to co-exist indefinitely in dialectical interdependence, why should one resist the notion that an equally broad spectrum of managerial opinion on human nature will prove sustainable in the face of even ferocious market competition?

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Kagel, J. H., and A. E. Roth (eds.)

Kinder, D.

Koehler, J.

Kruglanski, A. W., and D. M. Webster

Lane, R.

Lipsett, S., and E. Raab

March, J. M., and J. P. Olsen

McClosky, H., and A. Brill

Messick, D. M.

Meyer, J. W.

Rodgers, T. J., W. Taylor, and R. Foreman

Schlenker, B. R. (ed.)

Simon, H.

Simonson, I.

Sniderman, P., and P. E. Tetlock

Staw, B. M., and J. Ross

Tetlock, P. E.


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Tyler, T. R.

Wilson, J. Q.

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