

Bagels at work: honesty and dishonesty

Many company canteens are currently experimenting with self-service checkout systems. The classic situation forces employees, after selecting their meal, to pass a cashier before sitting down to eat. But a cashier costs money, and for that reason many businesses have converted to another system: employees must use a self-checkout system, without the involvement of a cashier. Some supermarket chains are also experimenting with this. Can people cope with the responsibility? In this case no large sums of money are involved, such as those that Lincoln was exposed to in the previous chapter.

The story of the 'bagel man', described by Steven Levitt and Stephen Dubner, is very enlightening. Out of the blue they received a call from a certain Paul Feldman offering his sales figures. Who was Paul Feldman, what did he sell and what did he have to show them?

Paul Feldman had worked for the Center for Naval Analyses in Washington since the 1960s. He had acquired the habit of buying bagels for everyone whenever his department won a new research contract. Because this proved popular with his colleagues, Feldman decided to bring some in every Friday. This quickly became a success, also attracting colleagues from other departments. Eventually Feldman was taking fifteen boxes of bagels to his office every week. To cover the costs he placed a money box with the price next to the bagels.

In the eighties, when new management took over, Feldman decided to leave and make selling bagels his profession. He went around offices in Washington with a simple proposition. Every morning he would put down one or more trays of bagels by the entrance to the canteen, and beside it a wooden box with a slot in which consumers could put money. It turned out to be a gap in the market. Within a few years he was supplying 8,400 bagels to 140 offices.

Because Feldman kept track of how much he picked up from each company, he collected interesting data and a fine experiment was created: stealing was simple, so the only thing that counted was the integrity of the consumer. In his old department takings were 95 percent. Everyone knew Feldman, so why wouldn't they pay? Feldman therefore blames the remaining 5 percent on carelessness on the part of his colleagues. But what was the yield when he made this his profession? When he began it was 91 percent, and that fell gradually over 20 years to 87 percent, although there was a 2 percent recovery after the 9/11 terrorist attacks. Only one money box was stolen each year.

The facts of the bagel man case show that, when it comes to paying for a bagel, most people act honestly. Clearly many people, once they have reached adulthood, are able to resist this small temptation. Nonetheless, one in seven people abuses the opportunity and does not pay.

It is therefore naïve to assume that everyone is always honest, even in small matters. Pinching a little piece of the pie, bending a rule once in a while, occasionally telling a white

lie, just looking the other way for a moment, that's all it takes. Some companies that had decided to get rid of cashiers in their restaurants therefore changed their minds. Initially the payment behavior remained the same and in some cases even increased, but after a while standards dropped so low that the losses were greater than the cost of the cashiers. The trusted cashiers have therefore reestablished their place in these companies.

But are they really trusted? Research by Thomas Gabor and colleagues shows that cashiers too are only human. Researchers visited a shop as a customer, bought a newspaper for 30 cents, paid the cashier with a dollar bill, and walked slowly out of the shop, seemingly absent-mindedly, without waiting for the change. There was plenty of time for the cashier to call the customer back and give them their change. Still 16 percent did not, which incidentally fits in nicely with Paul Feldman's figures. Another study shows that in more than three-fifths of cases not giving change results from carelessness or sloppiness on the part of the cashiers, and in the other cases from dishonesty.

All this raises the question whether people are more prone to be dishonest when it comes to petty misdemeanors, odds and ends (where both the misdemeanor and the gain are small), or when it comes to serious transgressions (where both the damage and its fruits are significant). Is it easier to resist small or large temptations? Little research has been carried out in this area. An exception is research by Ephraim Yuchtman-Yaar and Giora Rahav. They had bus drivers in Israel give back too much change to passengers and varied the amounts involved. They found that the more change was given back, and therefore the greater the temptation for the passenger, the more female passengers kept the money and the more male passengers gave it back. For men, as the temptation increased, so did the sense of responsibility, whereas with women the opposite was the case, according to the researchers.

Petty misdemeanors in organizations should not be trivialized. The workplace is full of small temptations like Feldman's bagels. Figures show that, whether it's stationery (especially at the start of the school year), toilet paper, or milk and sugar sachets (especially at the start of the summer vacation), employees take them in large quantities for private purposes without permission. And the slightly larger crumbs are also almost daily fare. KPMG research among the American working population shows that over a year, 21 percent witnessed a colleague overclaiming expenses, 18 percent saw a co-worker stealing property belonging to the organization, and 15 percent were aware of unauthorized business gifts being accepted within the organization.

When a chairman was presented with such figures regarding the situation in his own organization, he waved this away with the words: 'There are big, general sins, the deadly sins, and there are daily, petty sins. We're talking about the latter here. This is peanuts.' But perhaps values lie precisely in those petty matters. Watch the pennies and the dollars will take care of themselves. It's the small things that matter. The criminal often begins as a petty thief. Penny wise, pound foolish is a criticism often directed at organizations. The opposite can be equally dangerous, however, as when the owner of a discredited

construction company once said, 'An entrepreneur should think big and act small. You stumble over the threshold, not the fence.'