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**VENICE SCHOOL
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VSM Lectures

San Giobbe Economic Campus, Venice

29th September | Aula Murano | h. 14.00

Also online: <https://meet.google.com/nby-zzsf-zwu>

When Transparency Backfires: How Status Shapes the Effect of Performance Information Openness on Performance-Enhancing Misconduct

Stefan Linder - ESSEC Business School

Transparency is widely regarded as a means of discouraging unethical behavior through greater visibility and scrutiny. Yet, when performance outcomes are visible to colleagues, employees are also exposed to social comparison and evaluation, creating pressure to demonstrate strong performance. We examine this tension by studying performance information openness, the extent to which employees' individual performance is visible to colleagues rather than to supervisors only. Drawing on expectation states theory, we argue that this openness is particularly consequential for high-status individuals because they face elevated performance expectations, and therefore greater pressure to demonstrate performance consistent with those expectations. Across three studies combining experimental and field evidence, we find that openness increases performance-enhancing misconduct among high-status individuals but not among low-status individuals. Our findings further indicate that performance pressure helps explain this effect, with field evidence suggesting that perceived competition contributes to this pressure. Our findings identify a social-evaluative pathway through which transparency can inadvertently encourage misconduct and show that its ethical consequences depend on employees' status.

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