The handle http://hdl.handle.net/1887/40167 holds various files of this Leiden University dissertation

**Author:** Mooijman, Marlon  
**Title:** On the determinants and consequences of punishment goals: power, distrust, and rule compliance  
**Issue Date:** 2016-06-14
Chapter 5
Summary, Discussion, and Conclusions
Leaders have a vital interest in successfully promoting rule compliance. Organizations such as corporations and countries perform better financially when people behave according to the rules, in part because rules tend to promote collective interests rather than individual interests (e.g., paying taxes, Akintoye, & Tashie, 2013; Parks et al., 2013). Part of the reason for this is that—when people behave according to the rules—organizations can refrain from investing resources in preventing rule breaking, thereby freeing up resources for other worthwhile investments (Kramer & Cook, 2007). Considering the importance of rule compliance, the success of leaders in promoting rule compliance with punishments (e.g., fines, penalties, or prison sentences) is surprisingly mixed (Martinez, Moyano, McCaffrey, & Oliva, 2013; Tax Justice Network, 2011). What makes some leaders more, and other leaders less, effective at promoting rule compliance? In this dissertation, I focused on the determinants and consequences of leaders’ punishment goals. That is, I investigated how power affects punishment goals, and how punishment goals affect punishment effectiveness. This facilitates both a top-down understanding of leaders’ punishment goals (Chapters 2 and 3) and a bottom-up understanding of how people’s willingness to comply with rules is affected by leaders’ punishment goals (Chapter 4). This final chapter provides an overview of this research and its theoretical and practical implications.

Summary of Findings

The studies described in Chapter 2 were conducted to provide a better understanding of punishment-goal determinants. As shown in Chapter 2, results derived from eight experiments and a European Value Survey demonstrated that power increased reliance on deterrence—but not just deserts—as a punishment goal. This power-deterrence link was explained by power fostering a distrustful mind set, and was generalizable across different measurements and inductions of power (i.e., chronic trait power, autobiographical power manipulations, manipulations of structural positions of power, and real-life managerial positions). As further shown in Chapter 2, the reliance on deterrence as a punishment goal translated into a preference for punishments that can deter people from rule breaking (i.e., public punishments and mandatory minimum for punishments).

Although these findings strongly suggest that leaders are inclined to punish to deter rule breaking, it did yet not demonstrate how relying on a deterrence or just deserts goal for punishment affects the effectiveness of the punishment. In other words, it remained unclear to what extent leaders’ reliance on deterrence as a punishment goal affected the extent to which they were (in)effective at promoting rule compliance with punishments. In Chapter 4, I addressed this shortcoming by investigating the relationships between punishment-goal justifications and rule
compliance. As described in Chapter 4, results derived from four experiments demonstrated that leaders decreased people’s willingness to comply with their rules when they justified their punishments as an attempt to deter people from rule breaking compared to an attempt to give people their just deserts. This (negative) deterrence-rule compliance relationship was explained by people feeling more distrusted by leaders that justified their punishments as an attempt to deter people compared to an attempt to give people their just deserts. Consistent with distrust being an important determinant of deterrence in Chapter 2, Chapter 4 thus demonstrated that—through leaders signaling their distrust—leaders undermined rule compliance when they relied on deterrence (rather than just deserts) as a punishment justification. Punishment effectiveness, in other words, was affected by the goals that leaders used to justify their punishments.

Integrating Chapters 2 and 4, this strongly suggests that—because of their power—leaders often rely on a punishment goal that is relatively ineffective at promoting rule compliance. Central to this observation was the role of distrust. Distrust explained why leaders relied on deterrence as a punishment goal (i.e., through distrusting others) and why reliance on deterrence as a punishment goal backfired (i.e., through people feeling distrusted by the leader). But what is the reason that power increased distrust towards others (and by doing so increased reliance on a relatively ineffective punishment goal)? In Chapter 3, I addressed these questions by investigating why power fosters distrust—and thus increases reliance on a relatively ineffective punishment goal—and how this distrust-link can be attenuated. Results from three experiments demonstrated that distrust can be explained by power holders’ motivation to maintain power. That is, when individuals gained power they were shown to be more motivated to distrust others to maintain their power over others. Moreover, individuals who were more strongly motivated to maintain power distrusted others more when they gained power, and occupying a stable (versus unstable) power position attenuated the power-distrust effect. This strongly suggests that the reliance of leaders on deterrence as a punishment goal, and its relative ineffectiveness in promoting rule compliance, is in part due to power holders’ motivation to maintain power over others.

Theoretical Implications and Contributions

Determinants of punishment goals

One of the most prominent questions for leaders is how to promote rule compliance. As far back as the 17th and 18th century, philosophers such as Thomas Hobbes (1651/1988) and Jeremy Bentham (1789/1988) already argued that—because people are inclined to break rules—leaders should use punishments to deter rule-breaking behavior. To this day, many corporations and government institutions follow this line of reasoning and use harsh fines and penalties to deter employees and citizens from breaking their rules (Kirchler et al., 2014). The results
presented in this dissertation demonstrate the psychological principles and assumptions that underlie this reasoning, and the consequences that follow from it. As shown in Chapter 2, relying on punishments as a means to deter others is a hallmark of powerful leaders such as top managers, policy makers and politicians. Indeed, reliance on deterrence, but not just deserts, as a punishment goal was determined by the power position that one occupied. Power thus increases leaders’ reliance on punishments aimed at the deterrence of rule breaking.

These findings are in contrast with previous research that suggested the importance of just-deserts over deterrence as a goal for punishing (Darley, 2009). Concluding that the just-deserts goal is more important than the deterrence goal is therefore premature. Rather, punishing to deter people from rule breaking seems to be elicited by different concerns than punishing others to give them their just deserts. Previous research on the just-deserts goal has focused mainly on the punishment of the individual offender (micro-level perspective) rather than the punishment of the individual in its broader context such as the effects on societal norms and values (macro-level perspective). Some may thus argue that the currently observed relationship between power and deterrence is explained in part by such societal-level considerations instead of specific offender-focused considerations (consistent with the notion that power holders think more broadly and abstractly; Magee & Smith, 2013). However, Rucker, Polifroni, Tetlock, and Scott (2004) demonstrated that perceptions of societal threat (in terms of low conviction rates of criminals) increased people’s desire for harsh punishments through increasing the desire to give criminals their just deserts, but not through increasing the desire to prevent future criminal behavior. Moreover, the studies described in Chapter 2 did not show that macro-level considerations—such as the collective welfare of the group—mediated the effect of power on deterrence. As such, macro-level considerations seem unfit to explain the observed findings of power on deterrence.

Instead, the current findings are perfectly consistent with Thomas Hobbes’ and Jeremy Bentham’s assumption that others cannot be trusted to comply with rules that promote cooperation. Indeed, they explicitly mention in their writings that punishments should deter rule breaking primarily because people care little about the rules (and would thus break rules when punishments are absent). Power thus seems to increase reliance on such “Hobbesian” and “Benthamian” philosophies; power holders tend to think that deterrence is needed because others cannot be trusted to comply with rules. As shown in Chapter 3, power holders’ distrust towards others is explained by power holders’ motivation to maintain power over others, and the reliance on deterrence through distrust can therefore be construed as part of the motivation to maintain power. The effect of power on deterrence is, at least in the current dissertation, thus not determined by macro-level considerations but by power holders’ desire to maintain their own
power. This provides a novel perspective on the psychology of punishments goals, as punishments can also be guided by power-protecting considerations, instead of more other-oriented concerns such as the desire to restore justice (Darley, 2009), the desire to make offenders suffer (Carlsmith, Wilson, & Gilbert, 2008), or the desire to help victims (Gromet et al., 2012). This dissertation therefore makes an important contribution to the psychology of punishment goals by providing a specific psychological understanding of leaders’ punishment goals.

**Consequences of punishment goals**

Another important contribution of the current dissertation is that it couples the determinants of punishment goals to its consequences for rule compliance. More specifically, I investigated how and why leaders’ reliance on punishment goals previously emphasized by philosophers such as Thomas Hobbes (1651/1988) and Immanuel Kant (1780/1961), affects the effectiveness of the punishment in terms of promoting rule compliance. As shown in Chapter 4, leaders that justified their punishments as an attempt to deter people from rule breaking (cf. Thomas Hobbes) were less effective at promoting rule compliance than leaders that justified their punishments as an attempt to give people their just deserts (cf. Immanuel Kant). These findings show that understanding the psychology of punishment goals is not only important for understanding determinants of punishments; it also fosters a specific understanding of how punishment goals affect punishment effectiveness. More specifically, Chapter 4 demonstrated that people felt more distrusted by leaders that justified their punishments as an attempt to deter them from rule breaking compared to provide them with their just deserts, and that this perceived distrust mediated the effect of punishment-goal justifications on rule compliance. This finding is consistent with the findings from Chapter 2 that distrust underlies leaders’ reliance on deterrence—but not just deserts—as a punishment goal, and the more general notion that leaders can signal such underlying considerations to others through their behavior. For instance, in a series of experiments, McKenzie, Liersch, and Finkelstein (2009) demonstrated that people perceive the fact that they are by default “not an organ donor” as revealing the implicit recommendation of society’s policy makers. Moreover, in three experiments conducted by Tannenbaum, Valasek, Knowles, and Ditto (2013), participants accurately inferred policy makers’ negative attitudes towards the overweight from policy makers’ decisions to increase (or decrease) health care premiums for overweight employees. The findings presented in this dissertation thus demonstrate that people can similarly, and accurately, infer leaders’ distrust from their punishment-goal justifications.
Furthermore, the observed rule-undermining effect of feeling distrusted by a leader is consistent with the literature on interpersonal justice. This literature states that the perceived interpersonal treatment of people by their leaders is an important determinant of people’s willingness to comply with leaders’ rules (e.g., relational model of authority and the group-value model of procedural justice; Tyler & Lind, 1992). The assumption in this literature is that people comply with leaders’ rules in part because of the “social contract” between people and their leaders; people are willing to comply with leaders’ rules as long as leaders ensure that justice is done (i.e., people who cooperate are rewarded and people who break rules are punished; see Plato 380 BC/1992). The findings described in Chapter 4 are consistent with this notion. A perceived lack of trust from leaders may seem unwarranted when no prior breach of rules was displayed, and may thus seem unjust, thereby undermining rule compliance. Interestingly, this notion of the social contract is also central to deterrence theory and just-deserts theory (Hobbes, 1651/1988; Kant, 1780/1961). Both theories differ, however, in how leaders should uphold the social contract—by deterring rule breaking with punishments or by giving rule breakers their just deserts with punishments? The current findings strongly suggest that, compared to deterrence, leaders using just-deserts as a justification for their punishments best uphold the social contract, as demonstrated in people’s increased willingness to comply with rules. This dissertation therefore makes an important contribution to understanding the consequences of punishment goals by providing a specific psychological understanding to how and why using punishment goals as a justification affects punishment effectiveness.

**Integrating determinants and consequences of punishment goals**

By integrating both determinants and consequences of punishment goals, this dissertation also addresses an important limitation of previous research on punishment goals. Previous research has largely neglected to investigate the consequences of punishment goals and was therefore unable to connect the determinants of punishment goals to their consequences. Indeed, are leaders’ punishment goals beneficial or detrimental for how effective they are at promoting rule compliance? In the current dissertation, I demonstrated that leaders’ power increases reliance on deterrence as a punishment goal through increasing distrust towards others and that relying on deterrence as a punishment justification is relatively ineffective at promoting rule compliance because it signals leaders’ distrust towards others. Distrust is thus shown to directly connect leaders’ reliance on deterrence as a punishment goal to the subsequent ineffectiveness of the punishment. Moreover, I demonstrated in Chapter 3 that this distrust is in part explained by leaders’ concern to maintain power, thereby demonstrating that leaders’ reliance on deterrence as a (relatively ineffective) punishment goal is part of leaders’ concern for maintaining power. Thus,
although power increases leaders’ reliance on punishments to deter rule-breaking behavior, this can paradoxically stimulate instead of prevent rule-breaking behavior.

This demonstrates that it is fruitful to theorize both on how and why leaders punish, and how and why such punishments affect rule compliance. An integrative understanding of leaders’ punishment behavior and subsequent effectiveness, for instance, sheds light unto why informing leaders about how they should punish does not always directly translate into behavioral change. Even if leaders are explicitly told that they should justify their punishments as an attempt to achieve just deserts, and not as an attempt to deter rule breaking, their power still edges them towards reliance on deterrence as a punishment goal. Especially in the long run, when leaders’ strategies are subject to unexpected problems and crises, leaders may fall back on their psychological tendency to deter rule breaking with punishments, thereby promoting rule compliance with punishments relatively ineffectively. This strongly suggests that it is leaders’ power and subsequent distrust towards others, that is a potential problem for their ability to promote rule compliance effectively. This dissertation therefore makes an important contribution to an integrated understanding of leaders’ punishment behavior and peoples’ reaction to such punishment behavior. That is, by providing a specific psychological understanding of how and why leaders’ inclination to rely on specific punishment goals affects people’s willingness to comply with the leader’s rules.

**Practical Implications and Contributions**

Powerful leaders frequently punish others for their rule-breaking behavior. Leaders therefore need to understand how their power affects their punishment goals, and how reliance on such punishment goals affects people’s willingness to comply with rules. The current dissertation demonstrates that the power hierarchy of an organization can increase (or decrease) leaders’ reliance on the deterrence goal for punishment. Especially in organizations where rule compliance is of great importance (e.g., financial institutions), leaders are often given a great deal of power over others. After the recent financial crisis in 2008, for instance, many financial institutions hired rule-compliance officers who were given the power to oversee bank manager’s decisions, create rules, and guidelines, and enforce rules with punishments (Trevino, den Nieuwenboer, Kreiner, & Bischop, 2014; Trevino, den Nieuwenboer, & Kisch-Gephart, 2014). Ironically, the power that such individuals have can thus impede the extent to which they are effective at promoting compliance with such rules. This strongly suggests that organizations that afford a great deal of power to leaders make these individuals relatively ineffective at promoting rule compliance. That is, leaders’ power and reliance on deterrence as a relatively ineffective punishment goal are positively related—decreasing leaders’ power thus decreases reliance on
deterrence as a punishment goal. Moreover, the findings described in Chapter 3 hint at the notion that decreasing the extent to which leaders feel threatened (e.g., feel stable and certain about their power position) may also decrease their reliance on deterrence as a punishment goal. An interesting implication may thus be to hire temporary leaders to enforce rules through punishments (Andreoni & Gee, 2012). These “guns for hire” know that they will have to leave their job after a certain amount of time, thereby reducing their feelings of power instability and possibly reducing their reliance on deterrence as a punishment goal.

These implications are important because leaders are frequently told to achieve behavioral change through creating a shared vision and providing inspiration to others (i.e., transformational leadership; Bass, 1985). However, leaders still have to enforce rules with punishments, as inspirational leadership is not always sufficient for promoting rule compliance (Wyld, 2013). Although creating “flatter” organizations (with smaller power differences between people) may seem like a possible solution to counteract the negative effects of power on punishment effectiveness, power differences within organizations are unlikely to disappear any time soon. Part of the reason is that the existence of a power hierarchy can be functional in terms of creating clarity with regard to “who has to do what”, thereby increasing the extent to which people are effective at their respective jobs (Anderson & Brown, 2010). Leaders should thus at least be aware of the negative effects of using deterrence as a punishment goal and should also be motivated to create explicit strategies towards communicating about punishments in terms of justice. Leaders should in particular be aware of how their own distrust towards others affects their punishment goals, and others’ willingness to comply with rules.

Even though leaders’ own distrust towards others may at times be hard to attenuate, leaders should also realize that the consequences of such distrust might be contrary to their own interest. Although leaders’ distrust may at times protect them from losing power to others in the short term, the rule-undermining effect of their distrust is unlikely to be an optimal long-term strategy. Leaders’ power positions are often dependent on their ability to successfully promote rule compliance in the long run (e.g., politicians can fail to get reelected if crime rates increase). Consistent with the notion that changes are easiest implemented when such changes appeal to people’s self-interest (Parks et al., 2013), leaders should be aware of the fact that their own power position might be best maintained by using punishments aimed at giving rule breakers their just deserts and thereby achieve justice.

Limitations and Future Research

Although the studies that I have presented in this dissertation are consistent with my hypotheses and deploy a variation of different methodologies, there are still some methodological
limitations that should be addressed. For instance, one of these limitations is the experimental nature of many of the empirical data reported in this dissertation. With one exception (i.e., data from the European Value Survey in Chapter 2; Study 2.3a), all data were derived from carefully constructed laboratory experiments. Such experiments provided advantages. First, it provided the advantage of being able to manipulate specific variables of interest (e.g., power; punishment justifications) while excluding alternative explanations (e.g., income differences between power positions; pre-existing animosity between people and their leaders). Secondly, it allowed me to draw causal inferences between variables, thereby moving beyond reporting simple correlations. Although the advantages of such an experimental approach are profound, it still begs the question to what extent the observed effects of power on deterrence, and deterrence on rule compliance are reflected in more dynamic and real-life settings. For instance, future research could investigate how the justifications that rule-compliance officers in financial instructions provide for their actions affects their effectiveness in promoting rule compliance. Future research could also investigate how tax-compliance officers' justifications for monitoring (and possibly punishing) taxpayers affect the relationship between the tax-compliance officer and taxpayer, and consequently taxpayers' willingness to comply with tax rules. Although these studies may be challenging, the current dissertation provides a specific theoretical framework for exploring these interesting dynamics.

Consistent with the above, future research should also apply a more dynamic and interactive approach to understanding the relationships between leadership, punishment, and rule compliance. Future research could, for instance, investigate the role of status, its effects on punishment goals and subsequent punishment effectiveness. More specifically, leaders' perceptions of status may increase a desire for positive group functioning and cohesion (in part because leaders' status is dependent on others' positive evaluations; see Blader & Chen, 2012), which may increase reliance on just deserts as a punishment goal. But how do people react to such status-induced punishment? And do leaders, in turn, adjust their own punishment behavior when they receive feedback about people's reactions to their punishments? And do such adjustments lead to more (or less) effective punishments? Without an understanding of both leaders' behavior and followers' reactions to leaders' behavior, answering such questions is difficult. Future research should therefore apply a more interactive research approach to understanding leaders' punishment (effectiveness).

Lastly, future research could also benefit from a more functionalist-approach to the study of power (i.e., whether power holders act in ways that is functional for maintaining their power). In recent years, we have seen an increase in the number of studies on the social-cognitive effects of power (e.g., effects of the experience of power on perspective taking; Galinsky et al., 2006),
but few studies have been conducted on how power holders behave to maintain their own power (but see Case & Maner, 2014; Maner & Mead, 2010). Indeed, do some effects of power result from strategic considerations to maintain power? The current dissertation strongly suggests that power can affect relevant behavioral outcomes as part of a strategy to maintain power, thereby implying that strategic considerations play a role for power holders. Since individuals occupying real-life power positions are often reluctant to let go of such positions (Fehr et al., 2013), a further understanding of the psychology of power from a functional perspective seems worthwhile.

**Conclusion**

Based on the findings in this dissertation, it seems safe to conclude that understanding the determinants and consequences of leaders’ punishment goals is important. Together, the findings reported in Chapters 2, 3, and 4 on the role of power, distrust, punishment goals, and punishment effectiveness provide new insights into safeguarding leaders against relying on suboptimal punishment goals. These findings also provide new evidence as to what punishment goals leaders should use to promote rule compliance most effectively.