



## **Controls and the Asymmetric Stickiness of Norms**

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This study highlights how formal controls and the behavior of peers can shape individual behavior in business contexts. We manipulate formal controls and visible peer behavior in a laboratory experiment, allowing us to precisely investigate the interaction of controls and social norms. In a setting where appropriate behavior is somewhat ambiguous, we demonstrate that individuals conform more to peer behavior when that behavior conflicts with individuals' own beliefs about appropriate behavior, which are shaped by formal controls. We further find that individuals preferentially attend and conform to the self-interested actions of peers when given mixed signals about peer behavior, causing these self-interested norms to be "stickier" than socially-interested norms for behavior. Our results suggest that the interaction of formal controls and normative influence can lead to a gradual movement toward noncompliance with management expectations or regulatory requirements.