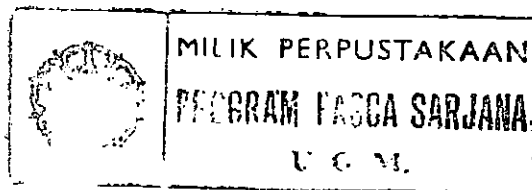


ABSTRACT

A significant body of research indicates that managers often continue projects which logically should be discontinued to prevent subsequent losses to their firms. Explanations are usually illogical, such as feelings of personal responsibilities. Recent empirical studies have developed an expanded economic decision-making based on an agency theory framework. The studies support self-interest as the sole basis for economic decision as predicted by agency theory.

However, agency theory cannot explain why many subjects in the studies were willing to sacrifice their self-interest in order to benefit the interest of their firm. A possible explanation for such behavior may be found by examining the influence of ethical consideration. Ethical consideration will constrain self-interest based behavior. The results of laboratory experiment suggest that both ethical reasoning level and adverse selection conditions (self-interest) have significant effects on managers' projects evaluation decisions.



INTISARI

Dari berbagai penelitian yang menggunakan *framework* teori agensi, sejumlah penelitian empiris menemukan *self-interest* merupakan satu-satunya dasar dalam pengambilan keputusan-keputusan ekonomi seperti yang diprediksikan oleh teori agensi. Sayangnya, penelitian-penelitian tersebut tidak mampu menjelaskan mengapa sebagian partisipan yang terlibat dalam eksperimen mereka mengorbankan kepentingannya dan mengutamakan kepentingan perusahaan

Hal ini dapat dijelaskan dengan pengaruh pertimbangan etis yang dimiliki tiap individu dalam pembuatan keputusan. Pertimbangan etis yang mempengaruhi *judgment* akan membatasi perilaku individu. Hasil eksperimen menunjukkan bahwa *self interest* dan pertimbangan etis akan mempengaruhi evaluasi *judgment* manajer.

