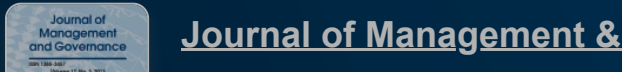


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Behavioral finance in corporate governance: economics and ethics of the devil's advocate

Published: 05 June 2008

Volume 12, pages 179–200, (2008) [Cite this article](#)



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chairs, and committees excluding CEOs might induce greater rationality and more considered ethics in corporate governance. Empirical evidence of this is scant—perhaps reflecting problems identifying genuinely independent directors.



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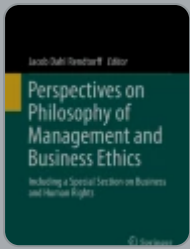
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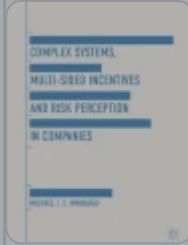
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5. Such reflexive behavior is appreciated by students of marketing, such as [Cialdini \(1998\)](#), and motivates free samples and “no obligation” gifts as sales strategies.
6. This knowledge is used by, for example, professional pollsters to generate answers that lend the aura of popular support to causes advanced by their clients (see Cialdini ([1998](#))).
7. Shiller ([1995](#)) speculates, based on the anthropology literature, that compliance and herding echo social conventions of polite conversation that enhance group survival odds. Brown and Levinson (1987) argue that such aspects of conversational politeness are standard across cultures, and that

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This work was partially undertaken while a Visiting Professor at Harvard.

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