

Why collaboration may encourage corporate corruption

August 21 2015



While the benefits of cooperation in human society are clear, new research from The University of Nottingham [suggests it also has a dark side](#) - one that encourages corrupt behaviour.

"Collaborative settings, not just greed, can provide fertile ground for corruption, as typified by recent scandals in the football and banking worlds. But while much is known about individual immoral behaviour, little is known about the collaborative roots of corruption," explains lead author Dr Ori Weisel from the School of Economics at the University.

The study, *The Collaborative Roots of Corruption*, published in *PNAS* journal, focused on cases where working together meant violating moral rules, by lying, at a possible cost to the larger group, or the organisation to which they belong.

Researchers created a die-rolling game to examine collaborative corruption. Volunteers could adhere to one of two competing moral norms: collaborate or be honest. In the main experiment, the outcomes of the two players are perfectly aligned.

Player A privately rolled a six-sided die first, then reported the result by typing the number onto a computer. The outcome was relayed to player B, who then privately rolled and reported the results as well.

Both players are paid the value of the report if, and only if, they are identical e.g. if both report six, each earns £6. Because rolls were truly private, players could inflate their profit by misreporting the actual outcomes.

Indeed, the proportion of reported doubles was 489 per cent higher than the expected proportion assuming honesty, 48 per cent higher than when individuals rolled alone and 96 per cent higher than when lies only benefited the other player.

"Humans are an exceptionally cooperative species, which is at least partly driven by deeply ingrained moral sentiments that help to build trust and achieve mutual beneficial outcomes. However there can be tension between two fundamental moral obligations - to tell the truth or to join forces in collaboration," said Dr Weisel, a research fellow who specialises in group cooperation and decision-making.

"Some of the findings support the view that collaboration might have been a liberating effect, freeing people to behave unethically.

"People also bend the truth more when it improves not only their own but also others' outcomes, when their lies benefit a cause or another person they care about and group-serving dishonesty is modulated by oxytocin - a socially-bonding hormone."

The study found the highest levels of corrupt collaboration occurred when parties shared profits equally, and were reduced when either player's incentive to lie was decreased or removed.

Dr Weisel said: "When partners' profits are not aligned, or when individuals complete a comparable task alone, corruption levels drop."

The researchers suggest that organisations may be paying a ([corruption](#)) premium for having their employees team-up and work together.

Dr Weisel adds: "From the point of view of an organisation seeking to reduce corrupt behaviour, assuring a decent base salary that does not depend on performance can reduce the likelihood that its employees engage in brazen lying."

More information: The collaborative roots of corruption, Ori Weisel, [DOI: 10.1073/pnas.1423035112](https://doi.org/10.1073/pnas.1423035112)

Provided by University of Nottingham

Citation: Why collaboration may encourage corporate corruption (2015, August 21) retrieved 8 May 2024 from <https://medicalxpress.com/news/2015-08-collaboration-corporate-corruption.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--