

Outside competition breeds more trust among coworkers

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Working in a competitive industry fosters a greater level of trust amongst workers, finds a new study from the University of British Columbia, Princeton University and Aix-Marseille University, published

today in *Science Advances*.

This phenomenon was identified using data from the both the U.S. and Germany across multiple manufacturing industries. The authors suggest that more intense [competition](#) in an industry leads to more pro-social behavior, like sharing, co-operation, and volunteering, at a company.

"In competitive markets, employers unable to elicit such cooperative behavior are likely to be out-competed by those that are more successful in doing so," said Patrick Francois, co-author and professor of the Vancouver School of Economics at UBC. "Pro-social behavior from employees makes them more productive, which is good for business."

In a laboratory experiment aimed at replicating the [industry](#) data in a controlled environment, the researchers had participants play the public goods game, a standard of experimental economics. The game sees participants make a choice between making a financial contribution to a collective pool, or keeping their money for themselves.

They ran the game twice—once in the traditional way, and the second time manipulating the degree of competition across the groups to mimic the variation in competition across industries. They found the more competitive version of the game gave rise to more pro-social behavior and a reported increase in generalized trust amongst the participants; exactly as seen in the data.

According to the researchers, the origins of pro-social [behavior](#) among humans is still poorly understood, but point to competition across firms as a potential factor supporting cultural evolution.

Francois' co-authors are Thomas Fujiwara of Princeton University in the U.S. and Tanguy van Ypersele of Aix-Marseille University in France.

About the game

In the first traditional game, individuals were paired up anonymously across multiple rounds with different partners and given 10 Euros to play with in each round. Both parties in a round could decide how much they would want to contribute of that to a collective pool, which would benefit themselves and their partner equally. The amount of the collective pool would increase by 1.5 times if the players made a contribution, giving subjects a net earning of 0.75 for every Euro given. The best strategy then is for both to contribute nothing in every round. A prediction in game theory known as the Nash equilibrium. As in most cases of this game, players were seen to have their contributions decline as the rounds progressed, and the players became more strategic heading closer towards the Nash equilibrium prediction.

In the more competitive version of the game, the collective pool depended not only on the joint individual contribution and their partner's, but also on the size of their joint contribution relative to that of a randomly allocated comparator group. If their joint contribution equaled or exceeded the comparator group, they would receive their share of the collective pool, as in the standard game. If not, they received nothing. This made contributing more risky than in the standard game. But surprisingly, the researchers found that competition did in fact induce higher levels of contribution to the collective pool in the public goods [game](#) across all rounds, with no declining pattern. In surveying the participants after, they also reported higher levels of generalized trust.

More information: P. Francois at University of British Columbia in Vancouver, BC, Canada et al., "The origins of human prosociality: A test of cultural group selection on economic data and in the laboratory," *Science Advances* (2018). advances.sciencemag.org/content/4/9/eaat2201

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