

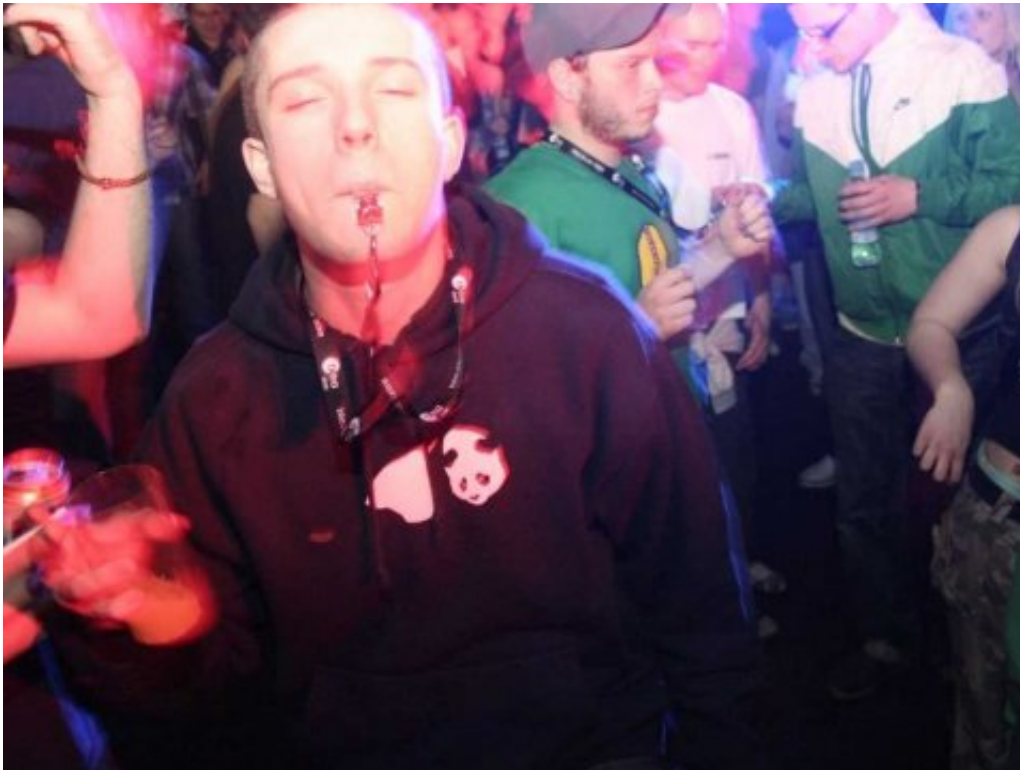
# BUSINESS INSIDER

## People Naturally Retaliate Against Whistleblowers



[Max Nisen](#)

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Trying to make sure that people aren't stealing from a company can be an exhausting and difficult task, especially at larger organizations. Many try encourage a culture of honesty where people report problems.

The problem is that whistleblowers aren't always welcomed with open arms by their colleagues. Others can be hostile and try to exclude them, especially when close colleagues are affected.

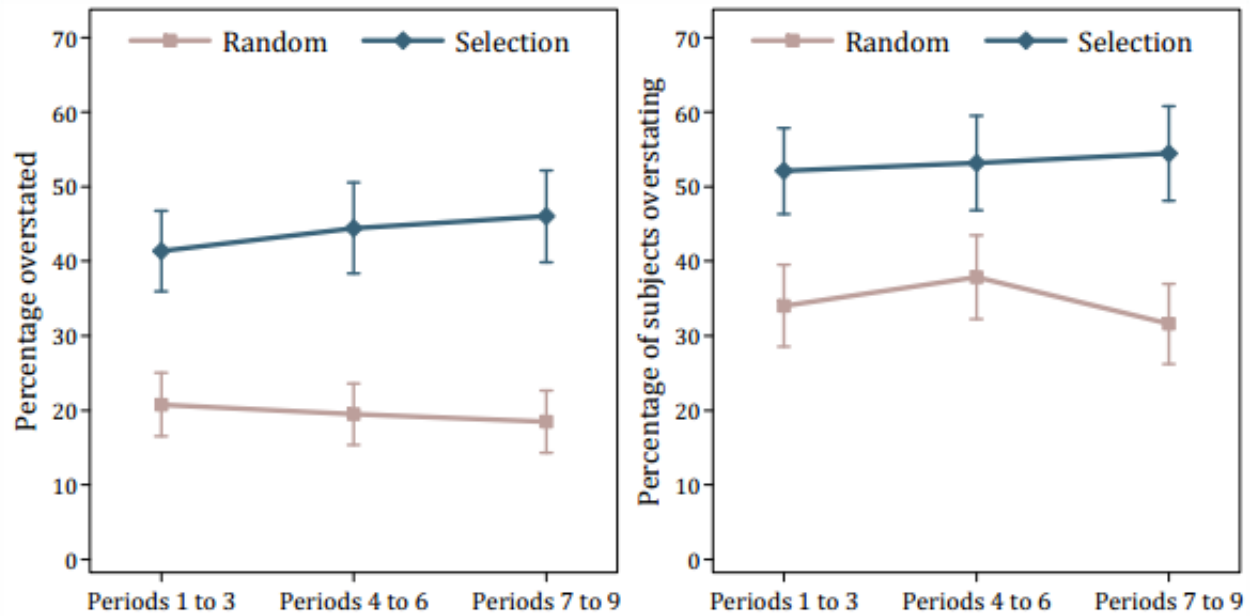
A [recent paper](#) from Columbia professor Ernesto Reuben titled "Nobody likes a rat: On the willingness to report lies and the consequences thereof," [summarized at Columbia Business School's "Ideas @ Work."](#) tests the situations in which people lie, and the ones in which they report lies. Particularly, he wanted to know how people would react when they know their actions will be public, and may hold it against them.

People were given a number representing their real income, and asked to report it publicly. They were paid based on the number they report. Each participant was in a small group that knew each other's figures. Liars could be reported, and would be heavily sanctioned.

After a few rounds of this, one person was removed from each group. Some were randomly assigned, but other groups had the opportunity to pick, and knew if their potential new teammates had been whistleblowers.

The results were surprising. People report lies to the point where overstating income is unprofitable in random and fixed teams. But when people can choose teams, things change. **"When groups can select their members, individuals who report lies are generally shunned, even by groups where lying is absent. This facilitates the formation of dishonest groups where lying is prevalent and reporting is nonexistent,"** Reuben writes.

Random groups had high rates of reporting, keeping people honest. But in selected groups, lying behavior was much more prevalent, as this chart shows:



**Figure 2 - Overstating behavior over time**

*Note:* The left panel shows the mean amount overstated as a fraction of the maximum that could have been overstated. The right panel shows the mean fraction of subjects that overstate. Error bars correspond to 95 percent confidence intervals.

He hypothesizes that whistleblowers were thought of as self-righteous, or that people think that they too would lie under the right circumstances.

Firms can't control every social interaction, so this is a legitimate problem. One thing that worked for Reuben in his experiment was random reassignment, which can help prevent corruption. It might be disruptive, but scandals are even more so.