

The Impact of Organizational Decision Structures in Collaborative Corruption: The Role of Diffusion and Displacement of Responsibility

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INTRODUCTION

The notion of responsibility is central to organizations, yet the interplay between organizational decision structures, moral disengagement mechanisms (Bandura, 1991) and coordinated dishonesty remains underexplored. While much research has focused on individuals' *propensity* to morally disengage (Newman et al., 2020), less attention has been given to situational factors activating moral disengagement mechanisms. No studies have directly investigated how different organizational decision structures – such as flat vs hierarchical structures – affects moral disengagement and fraudulent behavior. Through three experimental studies, we address this gap by employing a novel method to measure diffusion and displacement of responsibility across decision structures and investigate their impact on coordinated dishonesty in real-time team interactions.

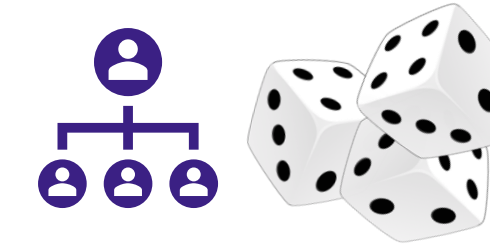
1 Study 1: Observer perspective



Participants ($N = 498$) completed an online experiment, evaluating unethical behavior in different decision structures based on Rilke et al., (2021)

1. Random assignment to one of four conditions;
 - 1) Individual, 2) Simultaneous, 3) Partial sequential, 4) Fully sequential
2. Shown description of structure and level of dishonesty
3. Measured perceived responsibility of different role (7-point scale)

2 Study 2 & 3: Behavior



Study 2

Participants completed an online experiment ($N = 1005$) using a triadic dice roll game

1. Randomly assignment to one of three decision structures (inspired by Rilke et al., (2021))
2. Coordinated dishonesty = # reported triples
3. Measured perceived responsibility for the outcome of both oneself and others using a Likert scale from 1 (not at all responsible) to 7 (very much responsible)

Study 3

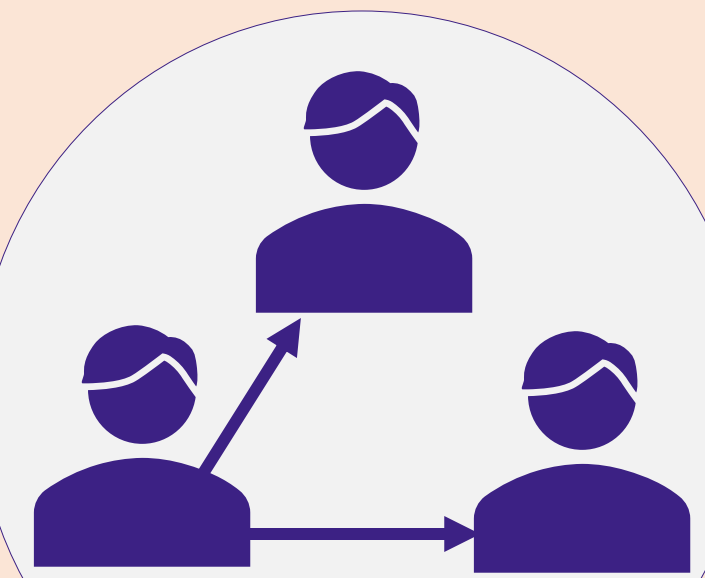
Replicated and extended Study 2 ($N = 1017$)

1. Increased sense of leadership (leader labeling + group name decision power).
2. Increased group identification by assigning group name

3 Main result

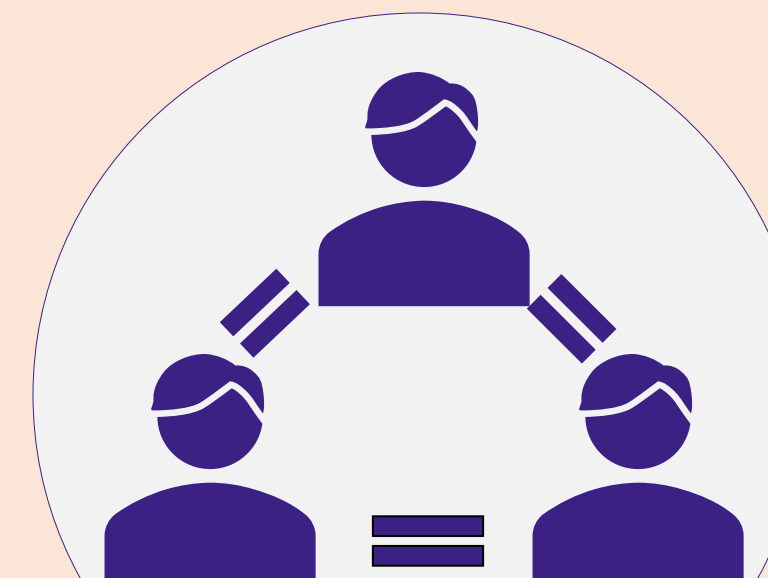
Responsibility attribution

Displacement



Lower perceived personal responsibility relative to one or both team players

Diffusion



Equal attribution of responsibility for self and others

- 1 **Study 1:** Groups were considered less responsible than individuals. Flat decision structures was related to diffusion of responsibility and hierarchical structures to displacement of responsibility.



60% – 81%

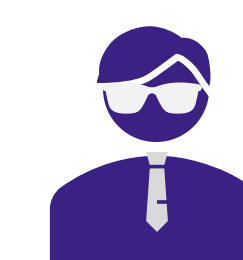
- 2 **Study 2:** hierarchical structures led to more coordinated dishonesty compared to flat structures (48.82%). The fully sequential structures had the highest level (80.95%), $\chi^2(2) = 82.7, p < .001$. Diffusion ($r = -.12, p < .001$) and displacement ($r = .08, p = .011$) were significantly related to number of reported triples.



- 3 **Study 2:** diffusion of responsibility was dominant across decision structures (69.8%) but highest in flat structures (81.1%), $\chi^2(2) = 38.91, p < .001$.

8% – 23%

- 4 Responsibility was more often displaced in hierarchical structures (16-23%) vs. flat structures (8.1%), $\chi^2(2) = 29.278, p < .001$.



- 5 **Study 3:** replicated Study 2 and found that even when perceiving themselves as leaders, first movers were more or as likely to displace (17.7 - 19.5%) and diffuse (64.6 – 68.1%) responsibility to subordinates (displace: 5.3 – 19.5%; diffuse: 77.9 – 69%).

CONCLUSION

Organizational decision structures significantly influence dishonest behavior in teams, with hierarchical structures leading to the highest level of coordinated dishonesty. Diffusion of responsibility was the dominant mechanism across structures, while hierarchical structures also exhibited increased levels of displacement of responsibility. These findings suggest that structures enabling both diffusion and displacement of responsibility, particularly in hierarchical structures, may be especially prone to fostering corrupt environments.

Acknowledgements

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