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Selective Information Sharing and Group Delusion

(with A. Suvorov and J. van de Ven)

20 May 2024 (Mon)
16:00 – 17:30

WYL314, Dorothy Y. L. Wong
Bldg., Lingnan University



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BIOGRAPHY

Marie Claire Villeval is Research Professor at the National Center for Scientific Research (CNRS) and head of GATE-Lab at the University of Lyon, France. Her main research interests are behavioral and experimental economics, with applications to the dynamics of social norms, ethics and dishonesty, and the selective transmission of information. She has published more than 130 articles in various journals including the American Economic Review, the Economic Journal, the Journal of Labor Economics, the Journal of Public Economics, and PNAS. She has been awarded the Silver Medal of CNRS and the Allais Memorial Prize in Behavioral Sciences. She is the Past-President of the Economic Science Association (ESA) and Department Editor at Management Science. She is a member of the Academia Europaea, IZA and GLO.

ABSTRACT

Although they usually manage to combine information to make well-informed decisions, groups also make mistakes. We investigate experimentally one source of sub-optimal decision-making by groups: the selective and asymmetric sharing of ego-relevant information within teams. We show that good news about one's performance is shared more often with team members than bad news. Asymmetric information sharing combined with the receivers' selection neglect boosts team confidence compared to an unbiased exchange of feedback. Consequently, weaker teams make worse investment decisions in bets whose success depends on the team's ability. The endogenous social exchange of ego-relevant information may foster detrimental group delusion.