

Worker performance and In-Group Bias: Evidence from Chinese firms in Zambia

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Abstract

Chinese investments in Africa and other low-income regions of the world are increasing despite being very contentious. We use a **trust game** to investigate how national identity affects in-group and out-group social capital (trust and reciprocity) at the workplace and whether providing information on the effort and performance of co-workers (from a **slider task**) can decrease the in-group/out-group gap.

We find evidence of an **in-group bias for Chinese workers in Zambia**. Providing information on co-worker performance (effort in the slider task) reduces in-group bias significantly. Hence, transparency on workplace performance is an effective way to reduce in-group favoritism among workers in Chinese firms in Zambia.

Introduction

Chinese firms are currently the leading foreign direct investors and employers in Zambia (Li, Kopiński and Taylor, 2022; Shi and Seim, 2021).

More than 600 firms are operational in the retail, manufacturing, trade, construction, mining and energy sectors and nearly 50,000 jobs have been created for Zambian citizens (Chinese embassy to the Republic of Zambia, 2022).

- At the same time, Chinese firms have faced reports of human rights abuse such as:
- Death of 51 Zambian workers after blast in Chambishi mine in 2005.
 - Wounding of 13 Zambian workers after shooting by Chinese bosses in 2010 (Human Rights Watch, 2011).
 - Shooting of Zambian miner trespassing on Chinese mine in 2022 (Daily Mail, 2022).

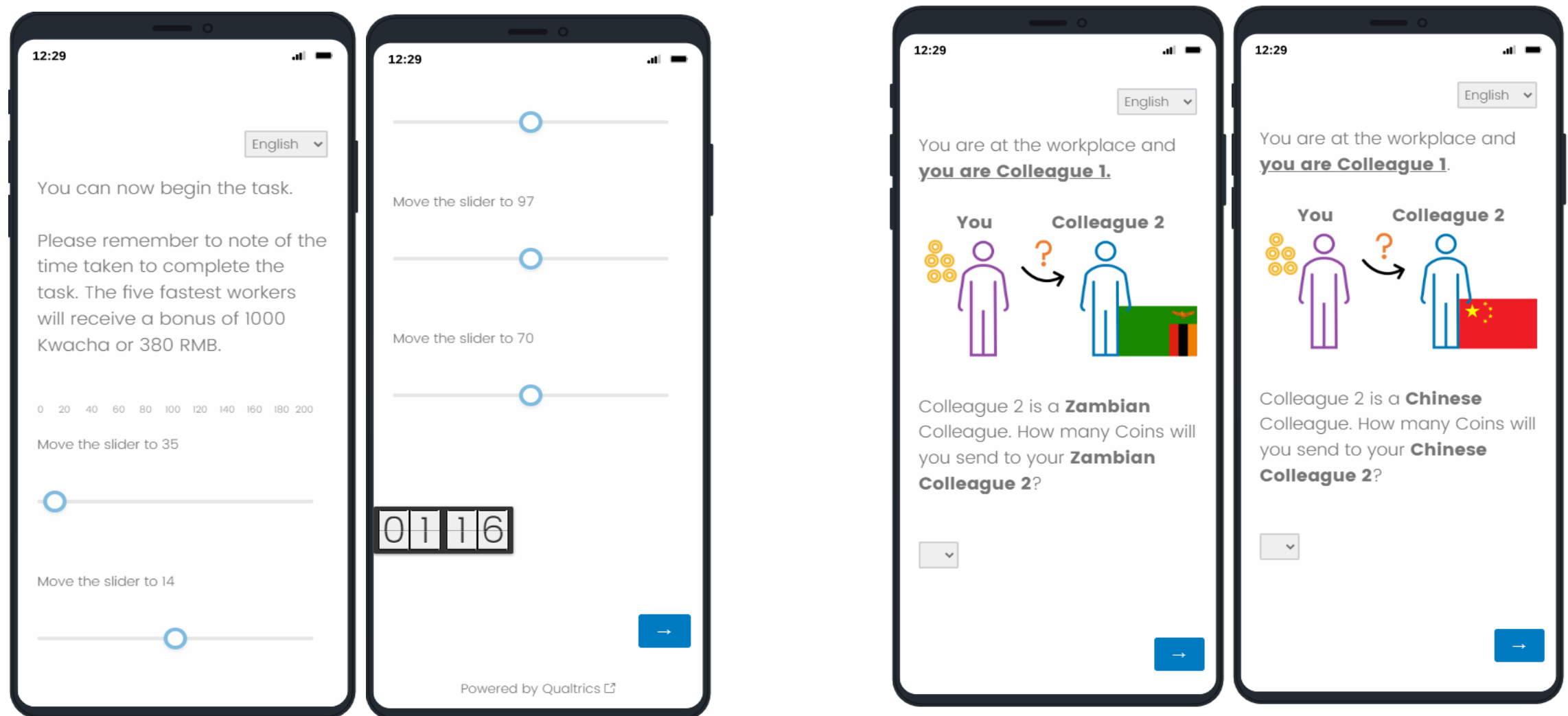
- We investigate the dynamics between Chinese workers and their Zambian employees at the workplace and ask:
- Does an ingroup bias in social capital exist between Zambian and Chinese employees?
 - How can one foster social capital between Zambian and Chinese employees to bridge in-group gaps?

Methodology

We contacted several Chinese firms in Zambia to invite Chinese and Zambian workers to participate in the online experiment using their smartphones. The experiment was available in Mandarin, English, Nyanja and Bemba. It took place from mid-October to mid-August.

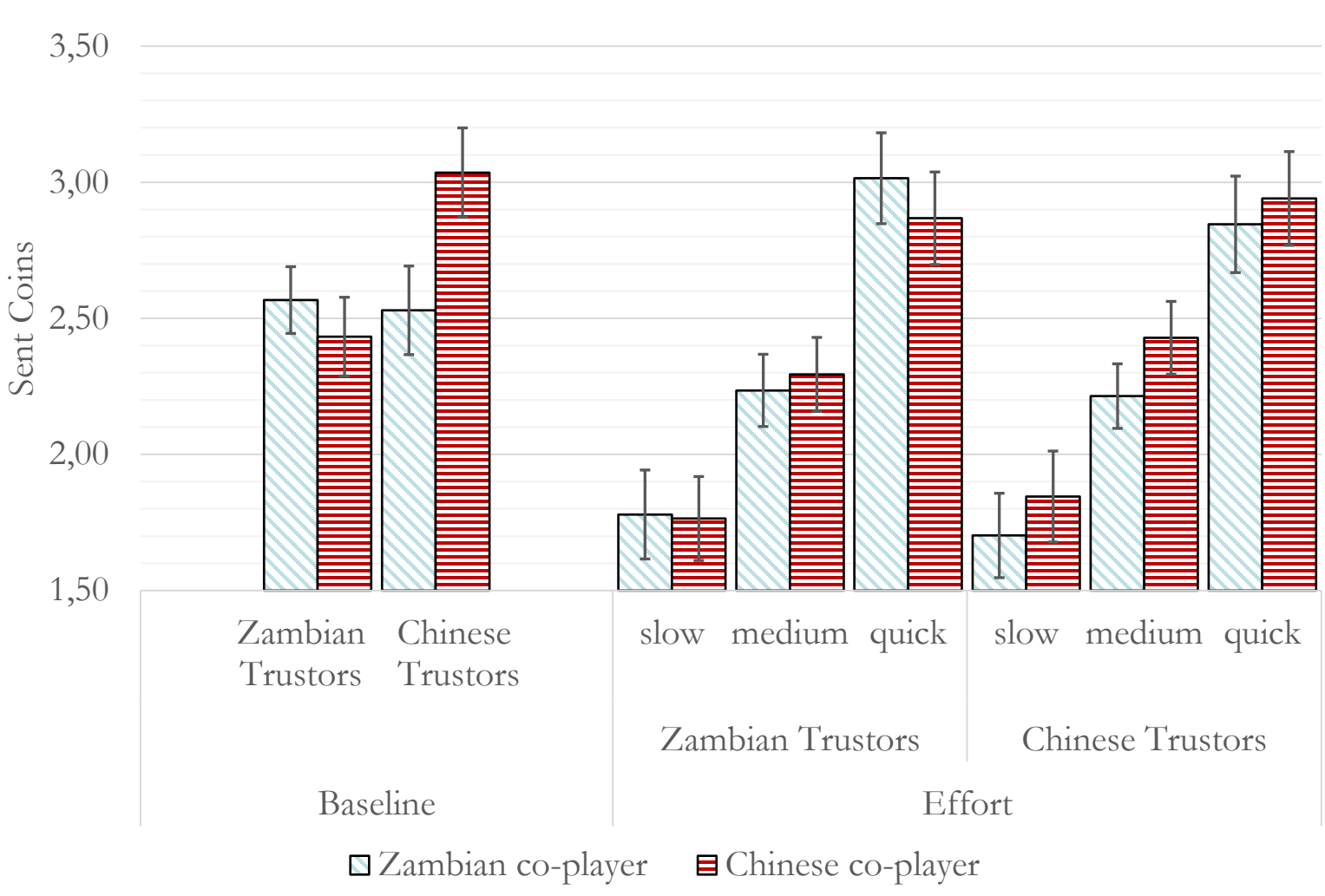
A survey collected demographic information and work experience. 249 Zambian and 315 Chinese participate.

The Slider task derived a measure of workers effort (Gill &Prowse, 2012; 2019) and the Trust game (Berg et al., 1995)was used to measure trust and reciprocity between Chinese and Zambian co-workers.

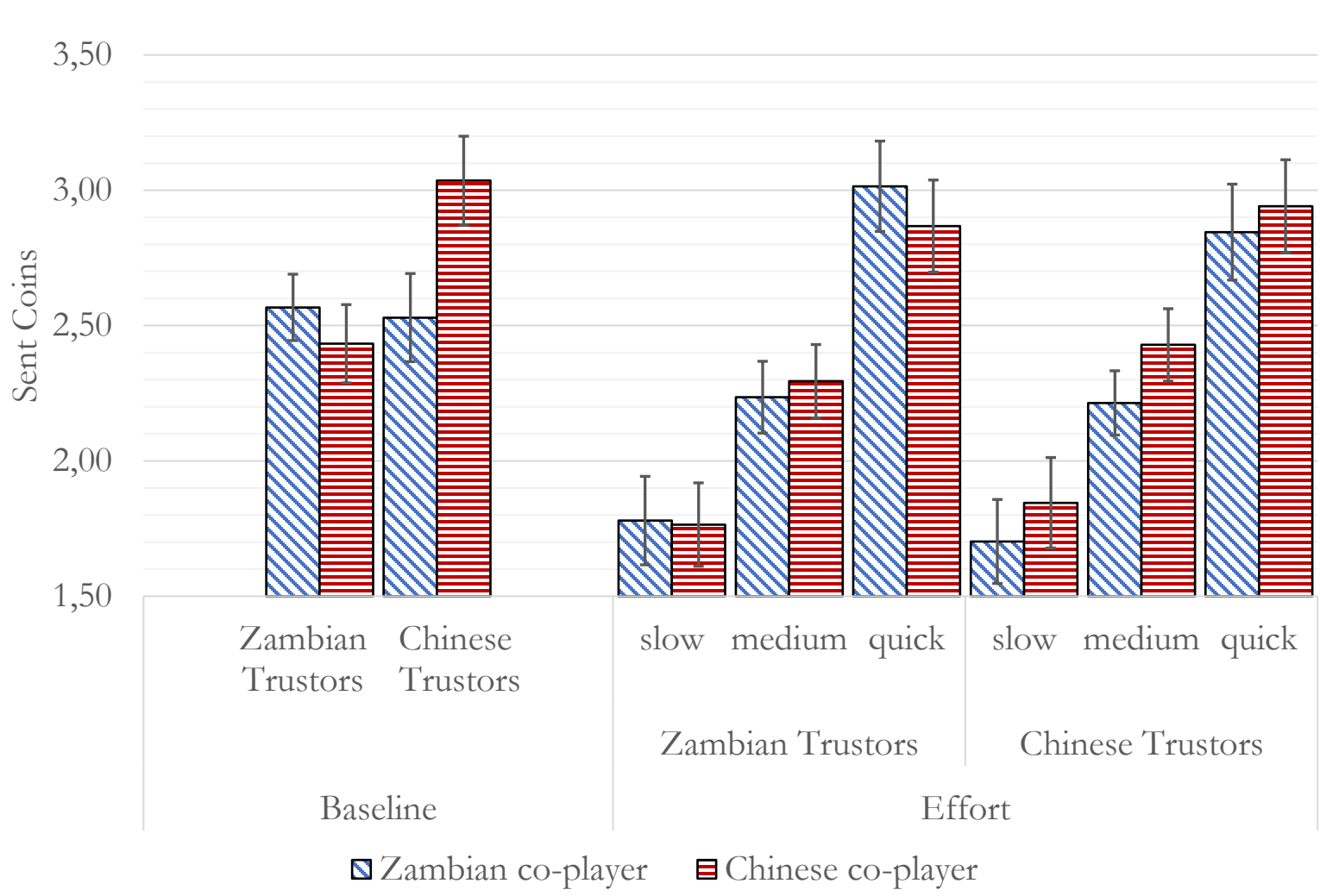


Results

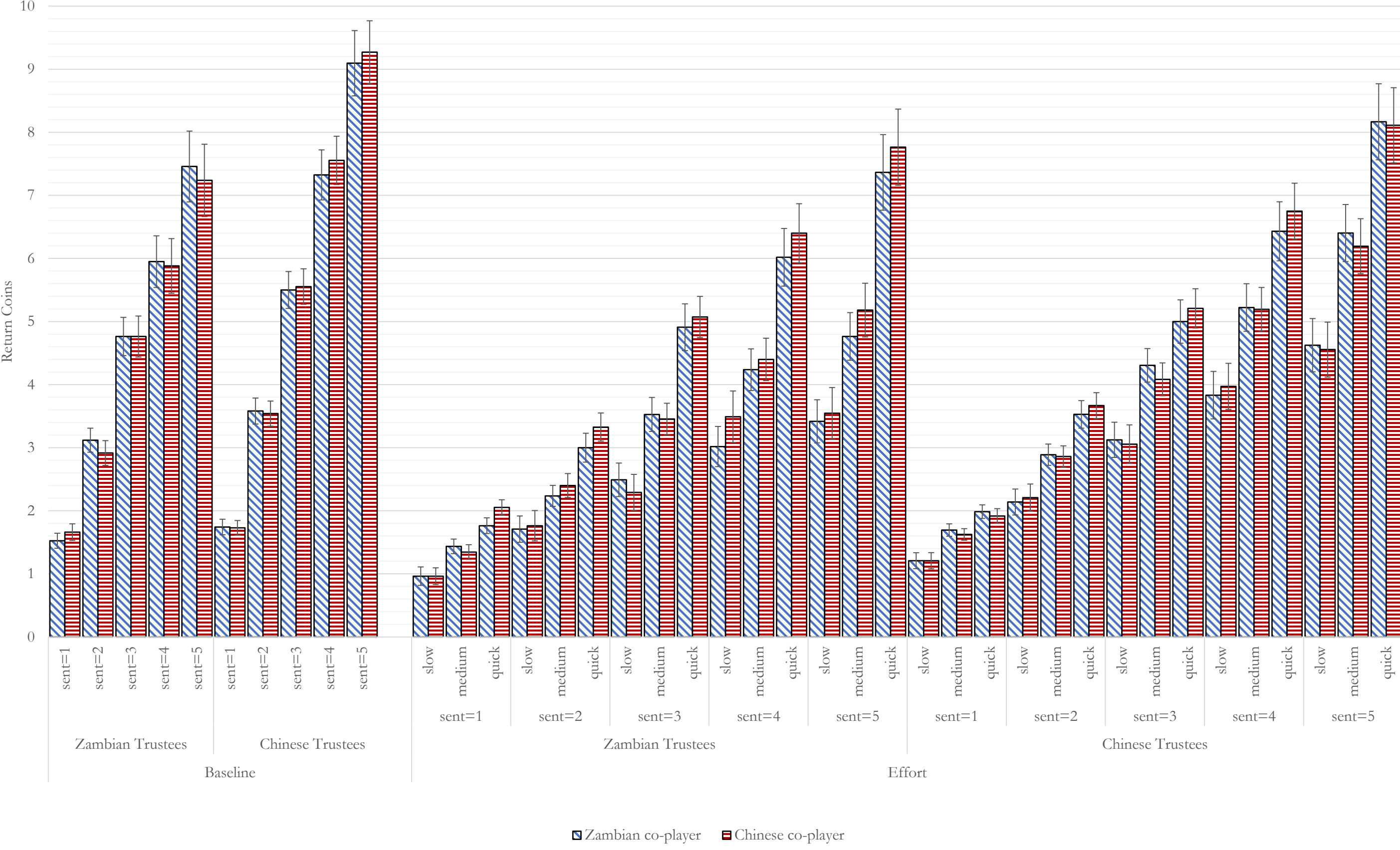
1. Chinese trustors sent more money to Chinese trustees, compared to the Zambian trustees, in the Baseline treatment.



2. Trustors’ sent money is greater, the faster the trustee was in the slider task, in the Effort treatment



3. Trust gap between nationalities not different from zero in the Effort treatment.
4. Trustees’ returned money is greater, the faster the trustor was in the slider task, in the Effort treatment.



Conclusions

- In-group bias is larger among Chinese participants than Zambian participants in the baseline treatment.
- Information about performance in the effort treatment closes the trust gap.
- Transparency about worker performance is key in fostering trust in bi- and multinational workplace settings which are increasing in low-income countries.

References

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