

The Atlantic

It Pays to Be Nice

... even when other people are screwing you over.



Market Basket's CEO was so nice that his employees adored him—and saved his job.

Steven Senne/ AP

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Research labs, like most workplaces, come in two broad varieties: The cut-throat kind, where researchers are always throwing elbows in a quest for prestige, and the collaborative kind, where they work together for the good of the team. And when David Rand first established his Human Cooperation Lab at Yale University, he was clear about the kind of culture he wanted to promote.

Rand's post-docs help each other and share their expertise willingly, he says. Rand spends some of the lab's money on social events and happy hours. "Not in a lame, cheesy way, but in a way that's fun for people," he told me recently. "It creates bonds among people and makes them not want to cut each other down."

That's because Rand's research center is devoted to examining the behavioral economics of niceness, and over the years his studies have pointed to one clear takeaway: Being collegial is good for both individual workers and for businesses as a whole.

It's a comforting message to hear these days. In *The New York Times* last weekend, Georgetown University business professor Christine Porath lamented the decline of civility in the workplace. "A quarter of those I surveyed in 1998 reported that they were treated rudely at work at least once a week," [she writes](#). "That figure rose to nearly half in 2005, then to just over half in 2011."

That might be because of a perception that, at least in business, nice guys finish last. In the previous issue of *The Atlantic*, [Jerry Useem](#) reported that there are some perks to being a jerk—or at least, an ultra-confident, occasional rule-breaker.

But other research shows that in many situations, it pays to be nice. Not because it helps other people, but because it helps you.

Let's say you're a machiavellian automaton out in the world. You have no scruples and no basic sense of human decency. The only thing that drives you is an unyielding desire to scramble to the top of the ladder. In that case, Rand says, "when you have one-off interactions with someone, then it's in your self-interest to take advantage of them." (You cut in line for the bathroom at the museum because you don't live in that town anyway—that sort of thing).

But if you're interacting with someone repeatedly, like in an office environment, it's in your best interest to be cooperative, Rand says. Usually, colleagues work together for longer than just a few days. People start to realize that if they yield to a co-worker one day, he or she will yield to them the next.

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And even if that specific person doesn't pay the niceness back, someone else might. According to the theory of indirect reciprocity, others might take notice of your kindness and form a higher opinion of you in general, Rand says. Eventually, you might be able to cash in all that good will in the form of a huge favor or pay raise. It's worth noting that this works best if bosses highlight their employees' cooperative behaviors, rather than their sales figures. But the point remains: At work, everyone's playing a long game—one in which the spoils go to the accommodating.

Of course, Rand says, there are some companies where this understanding of reciprocity does not exist. Instead, the prevailing ethos is “no matter what you do for me today, I will not cooperate with you tomorrow.”

He recommends that CEOs discourage that kind of thinking for the sake of their bottom lines. “What an organization is a bunch of people trying to do something together,” he said. “The goal of a business is to get the members of the organization to put the good of the organization ahead of their own personal good.”

The conclusions of Rand's studies support corporate do-gooders. Judging by his research, you should be nice even if you don't trust the other person. In fact, you should keep on being nice *even if the other person screws you over*.

In [one experiment](#), he found that people playing an unpredictable prisoner's-dilemma type game benefitted from being lenient—forgiving their partner for acting against them. The same holds true in the business environment, which can be similarly “noisy,” as economists say. Sometimes, when someone is trying to undermine you, they're actually trying to undermine you. But other times, it's just an accident. If someone doesn't credit you for a big idea in a meeting, you can't

know if he or she just forgot, or if it was an intentional slight. According to Rand's research, you shouldn't, say, turn around and tattle to the boss about that person's chronic tardiness—at least not until he or she sabotages you at least a couple more times.

“If someone did something that hurt me, and I get pissed, and I screw them over, that destroys that relationship over a mistake,” Rand said. And losing allies, especially in a cooperative environment, can be costly. In his studies, “the strategy that earns the most money is giving someone a pass and letting the person take advantage of you two or three times.”

A [2013 study](#) of his has an interesting takeaway for hiring managers looking to fill a role quickly: He found that when negotiating, if you have no idea what the other person is going to demand, it's better to make a more generous offer than to be stingy. At least that way, a deal gets made. If you err on the side of being too tight-fisted, meanwhile, the other person might get offended and walk away. His conclusion: “In an uncertain world, fairness finishes first.”

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It's not just Rand's studies that celebrate workplace menches. People in all industries increasingly desire leaders who are more like Gandhi and less like Gordon Gekko. [As I wrote last year](#), there's evidence that people are embracing female leaders in greater numbers, in part because, according to a [meta-analysis from 2011](#), “Leadership now, more than in the past, appears to incorporate more feminine relational qualities, such as sensitivity, warmth, and understanding.”

In its [2014 leadership](#) survey, the PR firm Ketchum wrote that there's a “seismic move away from an outdated, ‘macho’ model of solitary leadership—a command-and-control approach centered on one-way rhetoric, obsessively controlled messaging and solitary decision-making—and towards a new, more ‘feminine’ archetype.” Though respondents to the survey still said they preferred male leaders

by a slight margin (54 percent to 46 percent), they also said that women possessed more of the individual leadership characteristics they desired, like bringing out the best in others and being transparent. Women came out on top on 10 of the 14 leadership attributes the firm examined.

Fred Kiel, head of the executive development firm KRW international, recently studied 84 CEOs and more than 8,000 of their employees over the course of seven years. The results, written up in the Kiel's recent book *Return on Character*, found that people worked harder and more happily when they felt valued and respected. So-called “character-driven” CEOs who possess four virtues—integrity, compassion, forgiveness, and accountability—lead companies whose returns on assets are five times larger than those of executives who are more self-centered, he found.

In *the Harvard Business Review*, Emma Seppala, the associate director of Stanford University's Center for Compassion and Altruism Research, details additional boons for nice bosses:

Harvard Business School's Amy Cuddy and her research partners [have also shown](#) that leaders who project warmth—even before establishing their competence—are more effective than those who lead with their toughness and skill. Why? One reason is trust. Employees feel greater trust with someone who is kind.

And [an interesting study](#) shows that [when leaders are fair to the members of their team, the team members display more citizenship behavior and are more productive](#), both individually and as a team. [Jonathan Haidt](#) at New York University Stern School of Business shows in his research that when leaders are self-sacrificing, their employees experience being moved and inspired.

For a stark, recent example of how niceness can reap rewards in the long-run, look no further than the story of Arthur Demoulas, CEO of the New England grocery chain Market Basket. As [Inc. reported](#), Demoulas went out of his way to learn many of his 25,000 employees' names and to greet them warmly each time he visited. He paid workers at least 11€ per hour, well over the minimum wage, and he maintained a profit-sharing plan even as he bled money during the financial meltdown.



A poster of Arthur Demoulas in a Market Basket on Aug. 28, 2014 (Steven Senne / AP)

His workers didn't forget it: When the Market Basket board fired Demoulas last year, thousands of them protested [on his behalf](#), wielding placards adorned with his face. The employee rallies paved the way for Demoulas to [buy out](#) his cousin, who ran the board, and regain control over the company.

“If everyone in the workplace is equal and treated with dignity, they work with a little extra passion, a little extra dedication,” Demoulas told the [Boston Globe](#) at the time. “I think that’s a wonderful business message to the world.”

ABOUT THE AUTHOR



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