# Modeling & Simulating Cooperation in Organizations

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#### Introduction

• Stress has a significant effect on performance of organizations

 Approx. 75 % of emplyoees regularly experience psychic and somatic symptoms of stress

In 2014, the cost of stress to US ecomony has been estimated as 300 billion USD

## Stress and performance

 Most commonly, the relationship between task performance and stress is understood as ∩ -shaped

 However, many empirical studies showed that the relationship may be either positively or negatively linear, or even no relationship at all.

 To study this phenomena, we have decided to develop a model and perform in silico studies that allow to eliminate effects of sample, context, selected methodology or other effects that are present in in vivo studies

#### The model

Laboratory of Search and Dialogue, Masaryk University

NetLogo Environment for modeling and simulations of complex systems

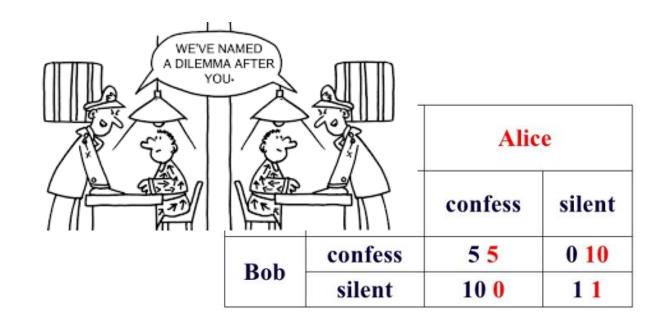
 Multi-variable agent-based model using spatialized prisoner's dilemma game

## Prisoner's dilemma game

- Standard setting from game theory to study aspects of cooperation
- Can cooperation be a logical choice even for rational agent?

To cooperate or to defect?

Short term vs. long term



#### PDG in our model

- Employees exchange certain part of their work
- Whether the work is delivered as promised is a subject to PDG
- Employees use strategies that are well known in the PDG context

Strategy	Label	Description
Defect	D	Always defects
Cooperate	С	Always cooperates
Tit for Tat	T	Repeats partner's last move.
Tit for two Tats	T2	Defects if defected in both last 2 rounds, otherwise cooperates.
Tit for Tot Now o	T	Repeats partner's last move. There is a probability for cooperation if defected.
Tit for Tat – Naïve Peacemaker	nT	Initiates with cooperation. Then repeats last own action when
Pavlov	Р	won and switches action when lost last round.
Unforgiving	U	Once defected by a partner, always defects. Otherwise cooperates.

#### Stress

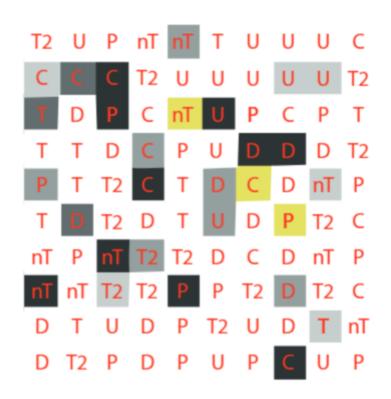
- 3 sources of employees' stress:
  - PDG
  - Effort
  - Management evaluation

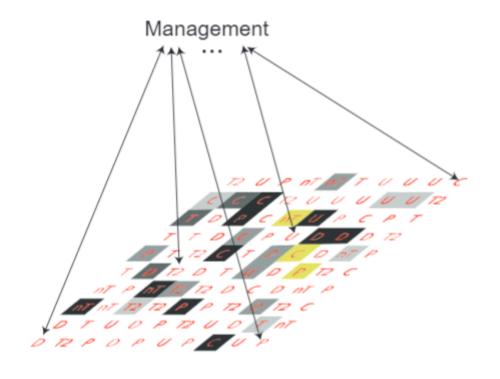
• Stress regeneration

### Management Module

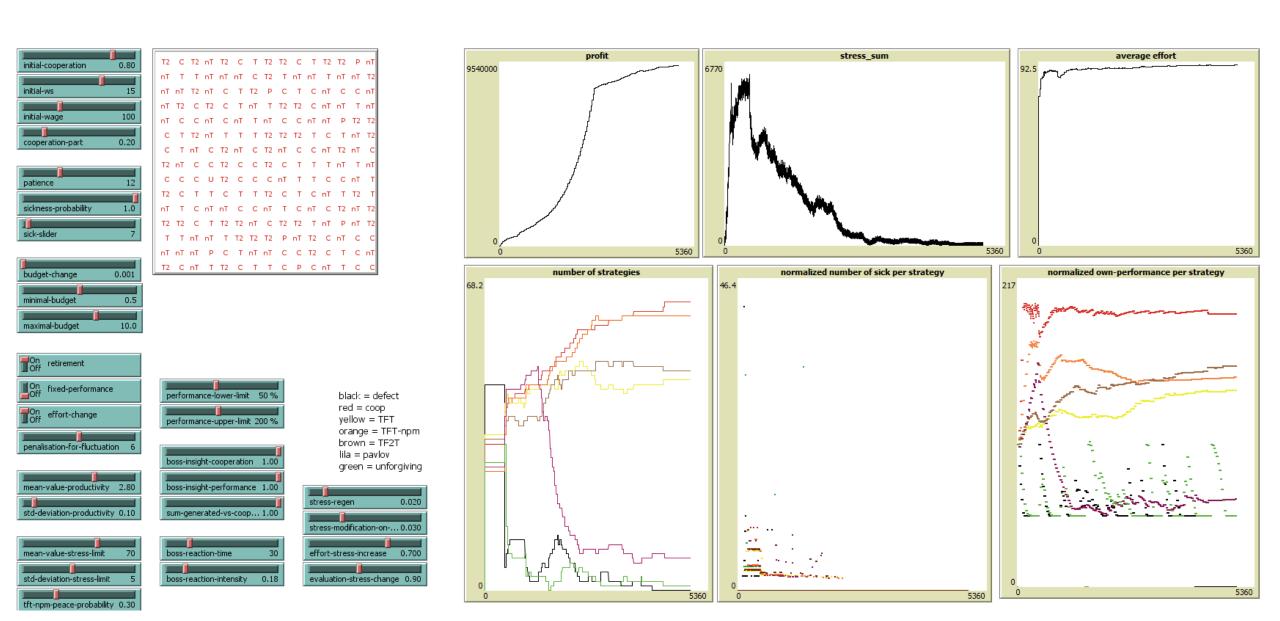
- Management evaluates emplyoees on monthly basis
  - Insight into cooperation
  - Insigh into performance
  - What to prefer
  - Intensity of reaction

#### Visualization of the model



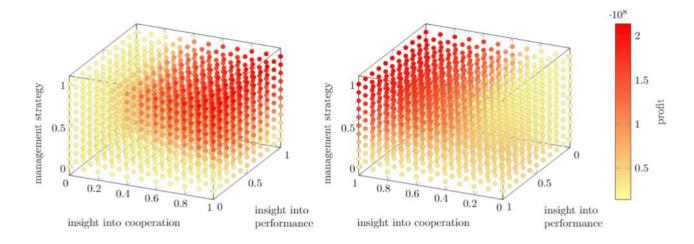


#### The model interface



## Results from pilot experiments

- Focus on cooperativeness performs better than focus on performance
- Focus on performance never exceed 40% of performance, when compared to best setting
- Lowest perfomance is observed when emplyoees are rewarded randomly



#### Future work

- Social network model
- Growth model
- Improving fluctuation algorithm
- Improving employees' productivity

Field study to set parameters closer to reality