Spokesperson - to be or not to be?

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Abstract

We study how the separation between *making* and *communicating* a choice affects the decision-maker's choice and the reaction of the individuals affected by that choice. In a modified dictator game, a decision-maker allocates a fair or unfair amount of money, and then decides whether to delegate or not to a spokesperson the communication of the allocation chosen. Receivers can then decide to punish or not. First, we find that decision-makers choose unfair allocations more frequently when receivers can only punish by the same amount both the decision-maker and spokesperson. Second, we find that decision-makers delegate the communication of unfair allocations more frequently than fair allocation when receivers are free to assign whom to punish and the amount of punishment. Third, we find that, while receivers often punish unfair allocations, such behavior is unaffected by delegated communication.

Keywords: delegation, communication, fairness

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1. Introduction

Spokespersons are growingly employed in many contexts. For instance, the *New York Times* recently wrote that more and more companies appoint external consultants to communicate firing decisions to their own workers.[1] In the political arena, the Spanish press has documented that President Rajoy often avoids communicating himself unpopular decisions to the media and rather delegates this activity to the Vice-President.[2] Despite this anecdotic evidence, it remains unclear why spokespersons are used, and what is their effect on the decision-making process and the reaction to the decisions made.

In this paper, we use a laboratory experiment to analyze: (1) how the possibility of delegating the communication of a decision influences the fairness of a decision-maker; and (2) whether the person affected by the decision made reacts differently depending on whether this decision is communicated to her by the decision-maker or by a spokesperson.

Our paper relates to a literature on the reasons why people delegate decision rights altogether[3]. We contribute to this literature by analyzing the delegation of communication, i.e. a situation in which a decision-maker undertakes an action affecting another person and can then communicate this action to the affected person using a spokesperson, i.e. someone who did not make the decision and whose only task is to communicate the decision previously made.

In our experiment, participants play a modified version of the dictator game (similar to Bartling and Fischbacher 2012). They play in groups of four players; in each group, there are three different roles: decision-maker (one player), spokesperson (one player), and

[1] In "Letting a stranger do the firing", *New York Times* (November 10th, 2007). For a similar example, see also "Meet Rebecca. She's here to fire you", *Inc. Magazine* (November 1st, 2007).

[2] See for instance, "Comparecencias de Mariano Rajoy", *20minutos.es*; "Rajoy sigue escondido y tampoco explica el 'caso Bárcenas' tras el Consejo de Ministros", *Publico.es* (February 1st, 2013); "Los cinco silencios más clamorosos de Rajoy", *Eldiario.es* (July 11th , 2013).

[3] Some determinants of delegation include efficiency and commitment (Schelling 1960), incentives provision (Aghion and Tirole 1997; Bolton and Dewatripont 2005), and shame avoidance (Bartling and Fischbacher 2012; Oexl and Grossman 2013; Coffman 2011; Hamman et al. 2010). As for the consequences of delegation, see Charness et al. (2012) who focus on the provision of effort by workers when the wage choice is delegated.

receivers (two players)[4]. Each decision-maker is asked to allocate a monetary endowment among her group members: she can choose a *fair* allocation (same amount to each player), or an *unfair* allocation (substantially larger amount to herself and the spokesperson). Decision-makers also decide whether to employ a spokesperson or to personally communicate to receivers the allocation chosen.[5] Next, a message informs receivers whether the decision-maker has delegated or not the communication, and then the allocation decision is communicated to them (by the decision-maker or spokesperson). Finally, the receivers can, depending on the punishment structure, punish by reducing the earnings of the decision-maker and/or the spokesperson. Punishment is costly to receivers.

There are several reasons why a decision-maker can decide to delegate the communication of an unfair allocation. First, employing a spokesperson can allow the decision-makers to avoid the shame entailed in communicating a harsh decision to the person affected by that choice. This decision is mostly driven by the intrinsic tendency to avoid the communication of personally unkind decisions, which is regarded as emotionally distressing (Folger and Skarlicki 2001). Or a decision-maker may believe that delegating the communication will induce the receivers to consider responsible for the harsh decision both her and the spokesperson, thus reducing the amount of punishment that the decision-maker will get following an unfair allocation. Overall, we posit that the decision-makers who choose an unequal split of the initial endowment will be more likely to delegate the communication to the spokesperson.

Next, we discuss the receivers' reaction to the allocation and communication form chosen by decision-makers. The choice to punish an unfair allocation may be influenced by

[4] Given the high number of subgroups, we employed two C players, as in Bartling and Fischbacher (2012), in order to have more observations in each subgroup.

[5] Communication plays in itself a key role in interpersonal relationships and may significantly influence a decision-maker's behavior. For instance, Andreoni and Rao (2011) show that allowing communication in a two-person dictator game induces a significant impact on the dictator's split decision; dictators are significantly more selfish if they are the only ones who can communicate, while communication by the receiver raises their share significantly.

the way in which this allocation is communicated to them. On the one hand, if using a spokesperson is seen as a unkind attempt to avoid responsibility, receivers may decide to punish more severely than in the case of un-delegated communication. On the other hand, if receivers tend to consider the spokesperson primarily responsible for the unfair allocation (e.g. because the mere communication of the bad news triggers negative emotions), they assign the punishment mainly to the spokesperson; in this case, the decision-maker may be punished less as compared to un-delegated communication.

Both decision-makers and receivers' behaviors are likely to be influenced by the ways in which the receivers can punish. To better understand this aspect, we adopt two alternative punishment structures.

First, we consider an *aligned punishment*, in which receivers that decide to punish are obliged to punish both the decision-maker and the spokesperson using the same punishment size. A real-life example of aligned punishment is when the CEO of a firm is the key decision-maker and the HR manager is in charge of communicating the decisions made to workers. If employees decide to punish a harsh decision such as a wage cut, e.g. by providing less effort during the working day, both CEO and HR manager will be negatively affected by this decision. We posit that, following an unfair allocation, the condition that receivers should use the same punishment size for both decision-maker and spokesperson let the decision-maker feel "safer"; she counts on the receiver's guilty that may arise from punishing the spokesperson even if she did not influence or make any decision. In other words, decision-makers may choose an unfair allocation more frequently because they think that the receiver will punish less in order to avoid punishing the spokesperson as severely as the decision-maker.

Second, we consider an *independent punishment*, in which receivers may punish differently decision-maker and spokesperson (or punish only one of them). An example of independent punishment is when a politician, e.g. President, use the Vice-president as a

spokesperson; the receivers can punish them independently, for example by publicly criticizing both or only one of the two politicians. In this setting, the decision-maker looses the protection previously provided by the aligned punishment; following an unfair allocation, receivers can decide to punish the decision-makers or the spokesperson only. In this context, we posit that decision-makers will delegate the communication trying to shift the responsibility towards the spokesperson and thus reduce their own punishment. The idea that spokespersons may be considered responsible by receivers, even if they did not make the harsh decision, is similar to Gurdal et al. (2013), which pointed out that people blame others even for outcomes for which the others cannot be considered responsible.

We analyze the data of the main treatments by first looking at decision-maker's allocation and delegation decisions.[6] Our bivariate analysis indicates that the association between allocation decisions and punishment structures is statistically significant at the 1% level. With aligned punishment, 80% of decision-makers choose to split unequally the initial endowment (unfair allocation), while this fraction drops to 44% with independent punishment. Thus, aligned punishment seems to provide a shield that induces decision-makers to be less fair.

Second, the decision-maker has to decide whether to delegate or not the communication of the decision made. Our bivariate analysis shows that the association between delegation and allocation decisions is not statistically significant when receivers are obliged to punish both the decision-maker and the spokesperson using the same size of punishment. By contrast, when receivers can punish differently the decision-maker and/or the spokesperson, the relationship between delegation and allocation becomes statistically significant: half of decision-makers that choose an unfair allocation decide to delegate the

[6] The control treatments are still in progress. In one of the two control treatments the decision-maker cannot delegate the communication (she is obliged to communicate herself the decision); and in the other one, the decision-maker has to delegate the communication (she cannot communicate personally the decision made). These control treatments will allow us to separate the effect of the communication by a third party compared to the decision-maker's communication, and the effect of voluntary delegation compared to mandatory delegation of the communication to a spokesperson.

communication, while this fraction drops to only 20% for decision-makers that choose a fair allocation. Thus, decision-makers use more the spokesperson whenever the decision that has to be communicated is harsh and when receivers can target whom to punish.

Using a probit regression, we confirm that following an unfair allocation, the delegation decision is influenced by the punishment structure. Choosing an unfair allocation when the receivers can punish decision-maker and the spokesperson independently increases the probability to delegate by 50% (statistically significant at the 1% level). By contrast, choosing an unfair allocation in the aligned punishment does not significantly increase the likelihood of delegating the communication. An interpretation of these results is that, by delegating the communication of a tough decision, the decision-maker anticipates that the spokesperson will be the target of the punishment - even if the spokesperson did not make any decision. The results partially confirm our hypothesis that decision-makers who split unequally an endowment are more likely to delegate the communication to the spokesperson. In fact, this result is true only when the receivers can punish independently the decision-maker and the spokesperson. Thus, it seems that the mere presence of the spokesperson in the aligned punishment led the decision-makers change their decisions about the delegation of communication.

Next, we use probit regressions to analyze the receivers' choices. Our results indicate that the receivers' punishment choice is strongly influenced by the allocation decision; however, such relationship is unaltered by the delegation of the communication. Choosing an unfair allocation increases the probability to punish (the decision-maker and/or the spokesperson) by 37% and this effect is similar regardless of whether the decision-maker decides to delegate the communication or to communicate personally the decision made. Thus, contrary to the decision-maker expectations, the delegation decision does not influence receivers' punishment decision. Using the spokesperson to shift the responsibility of the unkind choice does not seem to be a mechanism that works. Receivers assign the

responsibility mostly to the decision-maker even when they decide to delegate the communication. This result shows that the receivers have concerns about the fairness of the decision-maker's choice, but they do not see the delegation of the communication as an unkind choice to be punished. They mostly decide to punish unfair allocation, regardless the delegation decision.

Finally, we analyze the amount of punishment assigned. Receivers that punish the unfair allocation in the independent punishment assign, on average, a punishment to the decision-maker that is twice as large as the one assigned to spokesperson (the difference is statistically significant at the 5% level). In addition, our results show that when the receivers decide to punish, the decision-maker is always punished, while the spokesperson is punished only in 60% of the cases. Again, these results do not confirm the decision-maker's beliefs that the receivers' reaction to an unfair allocation is altered by the delegation of the communication. Following an unfair allocation, the receivers tend to punish much more frequently the decision-maker, regardless of the delegation decision.

A recent literature analyzes how the delegation of decision rights influences the action of a decision-maker. For instance, Fershtman and Gneezy (2001) suggest that proposer's payoffs in the ultimatum game are significantly higher if she delegates to an agent who has incentives to make harsh offers.[7] Other works suggest that delegation provides a way to shift the responsibility of an unkind action (Oexl and Grossman 2013; Coffman 2011; Hamman et al. 2010). Along this line, Bartling and Fischbacher (2012) show that when receivers have no option to punish, only 17% of decision-makers delegate the decision right; however, when receivers can punish decision-makers and/or delegees, 56% of decision-makers decide to delegate. Our work extends Bartling and Fischbacher (2012) by allowing potential shift of responsibility towards the spokesperson while at the same time

[7] Another related paper is Erat (2013), which shows that a significant fraction of people uses an agent to lie even when they could lie by themselves. In addition, the likelihood of delegating to an agent depends on the harm degree, more people choose to delegate when the lie hurts to a greater extent the receiver.

not giving away the decision rights. Thus, our setting is particularly important in cases when the decision rights are valuable and the decision-maker wants to keep full control on them.

A different strand of research analyzes the delegation of decision rights within the firm. Graham et al. (2013) show that CEOs are more likely to delegate the decision right to other managers when the firm is large, and when the CEO is overloaded. By contrast, CEOs delegate less when they are more informed about the decision, when their compensation is incentive-based, and when the decision concerns external issues such as mergers and acquisitions. Using survey data on Italian companies, Colombo and Delmastro (2004) suggest that workforce and capital spending decisions are delegated more frequently in large firms, and when the task has to be done immediately. The above-mentioned research exclusively focuses on the effects of the delegating a decision right, and does not take into consideration that the simple communication of the decision can be outsourced. Yet, as we saw in the opening examples, a growing number of firms outsource communication practices while keeping the decision-making internal. By investigating this new aspect and contrasting our results with the standard case of delegation of decision rights, our paper contributes to the debate on best practices to make a firm's decision-making and communication strategies more effective (Bies 2010).

In Section 2, we discuss our predictions on delegation and punishment behavior. In Section 3, we present the experimental design. In Section 4, we report our descriptive and regression analysis. In Section 5, we conclude.

2. Fairness, delegated communication and punishment behavior

Organizations deal on a daily basis with the communication of bad news, such as negative performance feedbacks, downsizing and employee layoffs (Bies 2010). Managers are often called to communicate bad news, but they are typically unwilling to do. This is because

communicating bad news may cause of emotional distress (Tesser and Rosen 1975; Folger and Skarlicki 2001), or because the person delivering the bad news may become a target of anger and retaliation by the recipients of the bad news (Tripp and Bies 2009). Overall, Bies (2010) shows that business leaders classify the communication of a bad news as one of the most difficult tasks.

Employing a spokesperson may provide a solution to this problem. Letting a spokesperson communicate the bad news can allow the decision-maker to avoid the negative emotions entailed in communicating an unpleasant decision to the affected person. Moreover, employing a spokesperson may reduce the blame and the likelihood of being subsequently punished by the receiver for the harsh decision[8]. On the basis of this argument, we posit that the decision-makers, who choose to split unequally the initial endowment, are more likely to delegate the communication to the spokesperson.

The possibility to moderate the punishment in case of the delegation of communication depends on whether the receiver reacts differently to an unfair allocation that is communicated by the decision-maker herself or by the spokesperson, and whether they have social preferences.

Three models help to understand how receivers will react to an unfair allocation. First, if receivers are self-interested and punishment is costly, they would not give up part of their earnings to punish an unfair decision (Fehr and Schmidt 1999); in this case, delegation of the communication should not matter. Second, if receivers have social preferences and act based on intentions and fairness (Rabin 1993), they would punish an unfair allocation even if punishment is costly. Depending on how the delegation of the communication is perceived, whether an unpleasant action or not, the receivers will decide upon the punishment action. Third, if receivers interpret the decision-maker's allocation based on

[8] This argument is similar to Bartling and Fischbacher (2012), who shows that delegating an unfair action is an effective way to shift the blame that arises from making such a decision.

responsibility, they will decide to punish an unfair allocation (Bartling and Fischbacher 2012)[9].

In elaborating their punishment reaction, receivers may take into account whether the communication of the unfair allocation to them was made by the decision-maker or the spokesperson. One possibility is that receivers perceive the choice of a spokesperson to communicate an unfair allocation as a further irresponsible action by the decision-maker. In this case, receivers could decide to punish more the decision-maker for an unfair allocation communicated by the spokesperson, as compared to when the same unfair allocation communicated personally by the decision-maker. Another possibility is that the receiver assigns the responsibility to the person who delivers the bad news (Tripp and Bies 2009), and shows her anger punishing mainly the person in charge of the communication. In this case, the receiver will punish less the decision-maker as compared to the case of un-delegated communication. A third possibility is that the receivers are indifferent to the delegation decision, and they punish only an unfair allocation.

3. Design of the experiment

3.1. Experimental procedure

We conducted the experiment at the Universitat Autònoma de Barcelona and Universitat de Valencia. Participants were recruited by email using a database (ORSEE) of students who voluntarily registered in the database to participate in previous experiments. The experiments were programmed using the software z-Tree (Fischbacher 2007). Each subject can participate only in one session. The overall number of participants was 200. The final profits of each subject are equal to the sum of the earnings she makes during the experiment plus a 5€ show-up fee. Subjects are paid privately in cash right after the experiment. Each session takes slightly less than 1 hour, including the instructions reading and the payment.

[9] Bartling and Fischbacher (2012) look only at the delegation of the decision rights.

3.2 Experimental design

At the beginning of the experiment, the participants are randomly divided in groups of four players.[10] In each group there are three types of players: players A – decision-maker (dictator); player B - spokesperson; and two players C - receivers.

The experimental procedure can be divided in three main parts: the allocation decision; the delegation decision; and the punishment decision. The first step of the game follows the structure of a classic dictator game. Each player A has to choose between a fair or unfair allocation of her initial endowment corresponding to 20€. The fair allocation assigns 5€ to each member of the group: herself (player A), player B and two C players; the unfair allocation assigns 9€ each to herself (player A) and player B, and 1€ each to both C players.

Next, player A has to choose whether to delegate the communication of the allocation choice or whether to communicate it personally. Thus, delegating the communication in our setting is voluntary. If player A decides to delegate the communication, player B plays the role of the spokesperson and she has the obligation to communicate to the C players the decision made by player A using one of the two pre-formulated sentences[11].

If player A chooses the unfair allocation, then player B can select of these two sentence: (1) "*Participant A chose option 1. I feel uncomfortable with this decision. I am sorry*"; (2) "*Participant A chose option 1. I did not make the decision but I need the money. Probably you would have chosen the same*". If player A chooses the *fair* allocation, then player B can select one of these two sentences: (1) "*Participant A chose option 2. I think this is an equal split because we all receive the same amount*."; (2) "*Participant A chose option 2. Please, take into account that decision-maker's earnings and mine will be*

[10] Each player will never learn the identity of the three persons assigned to her group before or after the experiment.

[11] The official language used during the experiment was Spanish (see the appendix for the original instructions and the Spanish version of the sentences used for the communication)

affected by this decision. I hope you are fine with it". The spokesperson cannot refuse to communicate the decision made by player A.

If player A decides not to delegate the communication, then she has to communicate herself to the C players the allocation choice using one of the two pre-formulated sentences showed on the screen. If she chooses the *unfair* allocation, she has to choose between these two sentences: (1) "*I chose option 1. I feel uncomfortable with this decision. I am sorry.*" (2) "*I chose option 1. I made this decision because I need money. Probably you would have chosen the same*". If she chooses the *fair* allocation, then she has to choose between these two sentences: (1) "*I chose option 2. I think this is an equal split because we all receive the same*." (2) "*I chose option 2. Please, take into account that the spokesperson's earnings and mine will be affected by this decision. I hope you are fine with this decision*".

Finally, in response to the allocation received and the communication strategy chosen, players C can choose to punish or not player A and/or B, and the size of the punishment. Players C can decide to give up 1€ and reduce up to 7€ (in total) players A and/or B's payoffs (maximum 3.5€ per player - values between 0.5 and 3.5 in intervals of 0.5). Players C can also decide to punish using less than 7€, and give up the money not used.

We adopt two punishment structures. In the aligned punishment, the two players C are forced to punish player A and B using the same punishment size; they can punish both or none. For instance, if a player C does not want to punish the spokesperson, then she cannot punish the decision-maker either. If player C wants to punish the decision-maker by cutting 2€ from her earnings, then she has to cut 2€ from the spokesperson's earnings as well. The two players C do not need to agree on whom to punish and by how much.

In the independent punishment, players C can decide to punish player A and/or B using different amounts. In other words, they can punish both spokesperson and decision-maker or only one of them, and they can also choose a different amount of punishment.

The total earnings for players A and B are given by the allocation payoffs, 9€ or 5€, minus the assigned punishment from players C; and for players C the total earnings are given by the allocation payoffs, 1€ or 5€, minus the cost of the punishment, 1€.

4. Data and results

4.1. Descriptive analysis

Using a post-experiment questionnaire, we collected a number of personal data such as age, education and gender of participants. In Table 1, we report the summary statistics. The average age is about 24 years. The educational level is classified using different study fields: economics, psychology, sociology, languages, medicine, computer science, and others. Half of the participants come from economics. The proportion of female and male participants is almost the same; 49.5% and 50.5%, respectively.

4.2. Preliminary results

Table 2 shows the proportion of decision-makers that choose a fair or unfair allocation depending on the punishment structure. The relationship between allocation decision and punishment structures, which is tested using a chi-square test, is statistically significant at the 1% level. When the receivers can only punish by assigning the same amount of punishment to the decision-maker and the spokesperson (aligned punishment), 20% of the decision-makers choose a fair allocation. However, when the receivers are free to choose whom to punish and can decide different amounts of punishment (independent punishment), 57% of the decision-makers choose a fair allocation.

When the receivers are asked to punish the decision-maker and the spokesperson using the same size of punishment, it seems that the decision-makers feel free to choose more unfair allocation. This punishment structure may provide a "shield" to the decision-maker. If the receivers want to punish the decision-maker for an unfair allocation, they are obliged

to punish the spokesperson as well and using the same amount. This may generate guilty feelings, and then a decrease in the punishment amount. Thus the decision-maker may act following her beliefs about the receivers' feelings.

In Table 3, we investigate how the delegation behavior and the allocation choice of decision-makers depend upon punishment structure. In columns 1 and 2, we report the percentage of decision-makers that choose unfair/fair allocation and decided to delegate or not the communication of the decision made in the aligned punishment. The relationship between allocation and delegation decisions in the aligned punishment is not statistically significant.

Columns 3 and 4 report the relationship between delegation behavior and the allocation choice in the independent punishment. The relationship is statistically significant at the 5% level. More than half of decision-makers that choose an unfair allocation chose to delegate the communication; by contrast, only 20% of the decision-makers that choose a fair allocation delegated the communication. This behavior may be interpreted as avoidance to face the communication of an unfair choice and the potential subsequent punishment. An interpretation of these results is that, by delegating the communication of the unfair choice, the decision-maker believes that the spokesperson will be the one punished by the receivers, even if the spokesperson did not make any decision. This argument mirrors Gurdal et al. (2013), who pointed out that people can blame others for outcomes for which the others cannot be considered responsible. A second interpretation is that the decision-makers who choose an unfair allocation decide to delegate only to not face the negative feelings of communicating an unpleasant decision.

These results partially confirm our hypothesis that decision-makers who choose to split unequally the initial endowment are more likely to delegate the communication to the spokesperson.

In Table 4, we look at the receiver's reaction to the choices made by the decision-maker. Given the negligible percentage of punishment as response to a fair allocation (less than 10% of receivers punish a fair allocation), we condition the following analysis to unfair allocation choice. In columns 1 and 2 of Table 4, we show that the relationship between the receiver's punishment behavior and the decision-makers' delegation choice is not statistically significant (p-value = 0.765). The percentage of decision-makers that are punished following an unfair allocation is around 45% regardless of whether they have delegated the communication or not. Delegation does not alter either the percentage of decision-makers that are not punished following an unfair allocation (around 55% regardless of whether they have delegated the communication or not).

In columns 3 and 4, we report the percentage of receivers who punish in the two punishment structures. We find that the relationship between the punishment decision and the punishment structure is not statistically significant (p-value = 0.331). In the case of aligned punishment, the number of receivers who punish is exactly the same as the number of receivers who decide not to punish. This result is slightly different in the case of independent punishment, whereby the percentage of receivers that punish is 63%.

Finally, we focus on the amount of punishment assigned. Receivers that punish the unfair allocation in the independent punishment assign, on average, a punishment of 3.11 € to the decision-maker and 1.83 € to the spokesperson; this difference is statistically significant at the 5% level. Furthermore, our results show that when the receivers decide to punish, the decision-maker is always punished, while the spokesperson is punished only in 60% of the cases.

4.3. Regression results

This section reports our regression results. Along the line of the previous section, our goal is to understand: (1) how the possibility of delegating the communication of a decision

influences the fairness of the decision itself; and (2) whether the person affected by the decision reacts differently depending on whether this decision is communicated to her by the decision-maker or by a spokesperson.

Given the binary nature of our dependent variables, we adopt probit regression results reporting the marginal effects. In Table 5, the dependent variable is a binary variable equal to one if the decision-maker delegates the communication, and zero otherwise. Our main explanatory variable is a binary variable equal to one if the decision-makes chooses an unfair allocation, and zero otherwise. We further include a number of individual characteristics such as gender, age and education.

In columns 1 and 2, we provide results obtained estimating our model on the full sample. As shown, choosing an unfair allocation increases by 33% the probability to delegate the communication, and such increase is statistically significant at the 1% level.

In columns 3 and 4, we restrict the analysis to the case of independent punishment. Here, choosing an unfair allocation increases the probability to delegate by 53% and the increase is statistically significant at the 1% level. By contrast, in the aligned punishment choosing an unfair allocation has no significant effect on the delegation decision. The interpretation of these results is in line with the argument we suggested above.

Finally, we analyze the receiver's response to the decision-maker's choices. In Table 6, the dependent variable is a binary variable equal to one if the receiver decides to punish, and zero otherwise. Our main explanatory variable is a binary variable equal to one if the decision-makes chooses an unfair allocation, and zero otherwise. As in the previous regression, we also include a number of individual characteristics such as gender, age and education.

In columns 1 and 2, we estimate the model on the full sample. Choosing an unfair allocation increases by 37% the probability that the receivers decide to punish (the

decision-maker and/or the spokesperson). The coefficient is statistically significant at the 1% level.

In columns 3 and 4, we estimate the model using the subsample in which the communication was not delegated. Similar to the result obtained on the full sample, the probability that the receivers punish an unfair allocation is about 39% and statistically significant at 1% level. In columns 5 and 6, we focus on the subsample of delegated communication. The results show that the probability of being punished following an unfair allocation remains constant and statistically significant, about 36%. In unreported test, we check that the effect of allocation on punishment decision does not statistically differ across the two subsamples.

Thus, our results indicate that the receivers' decision to punish is mainly influenced by the allocation decision of the decision-maker. If the decision-maker chooses an unfair allocation, the receivers decide to punish regardless of the delegation decision.

4.3.1. Additional results

We further investigate whether our results in Tables 5 and 6 display any gender differences. In untabulated regressions, we find that male and female decision-makers do not differ in their delegation behavior. Neither do we find any difference in the punishment behavior of male and female receivers.

Finally, we exploit the information contained in the pre-formulated sentences used by the decision-maker or spokesperson to communicate with the receivers. As described in Section 2.2, one sentence is based on "needs" (i.e. I chose the unfair allocation because I needed the money), whereas the other expresses "regret" (i.e. I feel uncomfortable with the decision and I am really sorry for you). We analyze the likelihood of choosing one or the other sentences in the case of unfair allocation. Our untabulated results indicate that spokesperson and decision-makers have a significantly different communication approach. In the case of un-delegated communication, the decision-maker chooses the sentence based

on needs in 72% of the cases; by contrast, in the case of delegated communication, the spokesperson chooses the sentence expressing regret in 76% of the cases. This diverging approach may due to the fact that, since the spokesperson is not involved in the decision-making, she prefers to express regret for the unfair allocation that she is forced to communicate.

5. Conclusion

Imagine a manager that makes a decision, such as a wage cut, that negatively affects a firm's employees, and that such decision can be communicated to employees either personally by the manager or by a spokesperson. In this thought example, does the manager undertake harsher decisions when she can rely on a spokesperson to communicate her decision? Does the communication strategy influence how employees respond to the wage cut? And would the employees punish the spokesperson, the manager, or both? In this paper, we use a laboratory experiment to investigate these questions.

First, the decision-maker is asked to allocate her initial endowment choosing between a fair and unfair allocation. The main results show a statistically significant relationship between the allocation decision and the punishment structure. Decision-makers tend to choose more frequently the unfair allocation when receivers can only punish by subtracting the same amount from spokesperson and decision-maker's earnings. The decision-maker's may believe that punishing the spokesperson, even if she did not make any decision, should increase the receivers' guilty feelings and thus decrease the overall punishment size and/or decrease the probability of being punished. This setting may lead decision-makers feel *safer* in choosing an unfair allocation.

Second, the decision-maker decides whether to delegate or not the communication of the decision made to the spokesperson. Results show a statistically significant relationship between allocation and delegation decisions only when the receivers can decide whether to

punish both decision-maker and/or spokesperson, and assign same or different size of punishment. Decision-makers who choose unfair allocations are significantly more likely to delegate the communication. In particular, when decision-makers choose an unfair allocation and receivers can punish independently the decision-maker and/or spokesperson, the probability that the decision-makers delegate increases by 50%. By contrast, when decision-makers choose an unfair allocation and receivers have to punish by the same amount both decision-maker and spokesperson, there is no significant increase in the probability to delegate. This result is consistent with decision-makers believing that, following an unfair allocation, the delegation of the communication will address the punishment behavior of receivers towards spokesperson.

Looking at the receivers' behavior, we find that receivers decide to punish unfair allocations regardless of whether the communication is delegated or not. When receivers decide to punish, the decision-maker is always punished, whereas the spokesperson is punished only in 60% of the cases. On average, the receivers assign to decision-makers an amount of punishment that is twice as large as the amount assigned to the spokesperson.

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Appendix 1. Tables

Table 1. Summary statistics

		[1]	[2]
		Nr. of participants	Average
Age		212	23.58
Education (%)	Economics	90	42.45
	Psychology	0	0
	Sociology	4	1.89
	Language	4	1.89
	Medicine	2	0.94
	Computer science	3	1.42
	Others	109	51.42
Gender (%)	Female	105	49.53
	Male	107	50.47

This table reports individual characteristics of participants. In column 1, we indicate the number of participants, whereas column 2 shows the average values.

Table 2. Allocation decisions by punishment structure

	[1]	[2]
	Aligned punishment	Independent punishment
Unfair allocation	20 (80%)	12 (43%)
Fair allocation	5 (20%)	16 (57%)
Nr. observations	25	28
p-value	0.006	

This table reports the number of observations and percentage of unfair/fair allocation choices by punishment structure. An unfair allocation is an allocation such that the decision-maker and spokesperson get 9€ each, and each of the two receivers gets 1€. A fair allocation is an allocation such that the decision-maker, spokesperson and the two receivers get 5€ each. Aligned punishment is the situation in which the receiver that decides to punish can do so by using the same amount of punishment for both the decision-maker and the spokesperson. Independent punishment is a situation in which the receiver that decides to punish can do so by choosing whom to punish and by which amount. The relationship between allocation choices and punishment structure is tested using a chi-square test; the p-value is reported in the last row of the table.

Table 3. Delegation and allocation decisions by punishment structure

		[1]	[2]	[3]	[4]
		Aligned punishment	Aligned punishment	Independent punishment	Independent punishment
		Unfair allocation	Fair allocation	Unfair allocation	Fair allocation
Delegation	Yes	10 (50%)	2 (40%)	7 (58%)	3 (19%)
	No	10 (50%)	3 (60%)	5 (42%)	13 (81%)
Nr. observations		20	5	12	16
p-value		0.541		0.050	

This table reports the number of observations and percentage of delegation and allocation choices by punishment structure. Delegation corresponds to a situation in which the decision-maker employs a spokesperson to communicate her allocation decision to receivers. Unfair/fair allocation and aligned/independent punishment are defined in Table 2. The relationship between delegation and allocation choices in the aligned punishment is tested using a Fischer test; the p-value is reported in the last row of the table below columns 1 and 2. The relationship between delegation and allocation decision in the independent punishment is tested using a Fischer test; the p-value is reported in the last row of the table below columns 3 and 4.

Table 4. Punishment behavior by delegation and punishment structure, conditioning to unfair allocation

		[1]	[2]	[3]	[4]
		Delegation	No delegation	Aligned punishment	Independent punishment
Punishment	Yes	16 (47%)	13 (43%)	20 (50%)	15 (63%)
	No	18 (53%)	17 (57%)	20 (50%)	9 (37%)
Nr. observations		34	30	40	24
p-value		0.765		0.331	

This table reports the number of observations and percentage of punishment choices by delegation and punishment structure. Punishment corresponds to a situation in which the receivers decide to punish the decision-maker and/or the spokesperson. Delegation and aligned/independent punishment are defined in Table 2 and 3. The relationship between punishment and delegation choice is tested using a chi-square test; the p-value is reported in the last row of the table below columns 1 and 2. The relationship between punishment and punishment structure is tested using a chi-square test; the p-value is reported in the last row of the table below columns 3 and 4.

Table 5. Delegation decisions

Dependent variable: Delegation						
	[1]	[2]	[3]	[4]	[5]	[6]
	Full sample	Full sample	Independent punishment	Independent punishment	Aligned punishment	Aligned punishment
Unfair allocation	0.293 **	0.339 ***	0.396 **	0.529***	0.100	0.098
	(0.129)	(0.129)	(0.176)	(0.132)	(0.251)	(0.291)
Gender		-0.171		- 0.442 **		0.037
		(0.142)		(0.135)		(0.214)
Economics		-0.141		0.043		-0.266
		(0.134)		(0.185)		(0.215)
Age		0.126		0.578		-0.030
		(0.118)		(0.404)		(0.160)
Age squared		-0.003		-0.012		0.000
		(0.002)		(0.008)		(0.003)
Nr. observations	53	53	28	28	25	25

This table reports results from probit regressions in which the dependent variable is the dummy equal to one if the decision-maker employs a spokesperson to communicate her allocation choice to the receiver, and zero otherwise. Explanatory variables and subsamples used in columns 3-6 are defined in Tables 1 and 2. The table reports marginal effects. Heteroskedasticity-adjusted standard errors are reported below the marginal effects. *, **, and *** indicate significance at the 10%, 5% and 1%, respectively.

Table 6. Punishment behavior

Dependent variable: Punishment						
	[1]	[2]	[3]	[4]	[5]	[6]
	Full sample	Full sample	No delegation	No delegation	Delegation	Delegation
Unfair allocation	0.358***	0.378***	0.340***	0.393***	0.371**	0.366**
	(0.077)	(0.076)	(0.105)	(0.107)	(0.129)	(0.133)
Gender		-0.099		-0.137		-0.004
		(0.094)		(0.108)		(0.158)
Economics		0.095		0.173		-0.047
		(0.093)		(0.121)		(0.155)
Age		-0.003		0.250 **		-0.055
		(0.042)		(0.129)		(0.066)
Age squared		0.000		-0.005**		0.001
		(0.000)		(0.002)		(0.000)
Nr. observations	106	106	62	62	44	44

This table reports results from probit regressions in which the dependent variable is the dummy equal to one if the receivers decide to punish the decision-maker and/or the spokesperson, and zero otherwise. Explanatory variables and subsamples used in columns 3-6 are defined in Tables 1 and 3. The table reports marginal effects. Heteroskedasticity-adjusted standard errors are reported below the marginal effects. *, **, and *** indicate significance at the 10%, 5% and 1%, respectively.

Appendix 2. Instructions

List of sentences to communicate the decision made (in Spanish).

Spokesperson's screen:

- If the decision-maker chooses an unfair allocation, then the spokesperson has to choose between the two following sentences: (1) "El participante A ha elegido la opción 1. Me siento incomodo con la decisión. Lo siento por ti. (2) "El participante A ha elegido la opción 1. No he tomado la decisión pero necesito el dinero. Es probable que t˙ elijas el mismo";

- If the decision-maker chooses a fair allocation, then the spokesperson has to choose between the two following sentences: (1) "El participante A ha elegido la opción 2. Creo que esta es una división justa porque recibimos todos lo mismo"; (2) "El participante A ha elegido la opción 2. Por favor, tenga en cuenta que mis ingresos y los ingresos del participante A serán afectados por la decisión. Espero que la decisión te parezca bien".

Decision-maker's screen:

- If she chooses a unfair allocation, then she has to choose between the two following sentences: (1) "He elegido la opción 1. Me siento incómodo con la decisión. Lo siento por ti." (2) "He elegido la opción 1. He tomado esta decisión porque necesito el dinero. Es probable que t˙ elijas el mismo.

- If she chooses a fair allocation, then she has to choose between the two following sentences: (1) "He elegido la opción 2. Creo que esta es una división justa porque recibimos todos lo mismo." (2) "He elegido la opción 2. Por favor, tenga en cuenta que mis ingresos y los ingresos del participante B serán afectados por la decisión. Espero que la decisión te parezca bien";