

Choosing less a form of protection says new study on decision-making

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Imagine you have a choice to make. In one scenario, you'd get \$8 and somebody else—a stranger – would get \$8 too. In the other, you'd get \$10; the stranger would get \$12.

[Economists](#) typically assume you'd go for the \$10/\$12 option because of the belief that people try to maximize their own gains. Choosing the other scenario would just be irrational.

But new research conducted in collaboration with a professor at the University of Toronto's Rotman School of Management shows that if a person is feeling threatened, or concerned with their status, they are more likely to choose the option that gives them less. And although this choice might seem irrational from an economic perspective, this choice satisfies an important psychological need.

People who do this, "have a reason for their behaviour, and that reason is to protect themselves from low status," described as a low position or rank in relation to others, says Prof. Geoffrey Leonardelli, who co-wrote the paper with Vanessa Bohns from the University of Waterloo and Jun Gu from Australia's Monash University.

Through a series of experiments, the researchers found that people who showed a systematic [preference](#) for "relative outcomes" (economic payoffs which gave them the same as or more than others) had a focus on security and sought to protect themselves from being assigned to a lower position or rank. But those who looked for "absolute" outcomes

(overall value) had a "growth" focus, one that goes after maximum positive results.

Jun Gu, the lead author of the research, noted that "People with a security focus also tend to walk away from economic deals that suggest they have low status, even if walking away means earning less [money](#) than they could have."

In one experiment, participants were offered \$1 but were also told that the party making the offer would get \$9. Even though they would have pocketed an additional \$1, some 48% of those with a security focus rejected the offer, whereas only 17% of those with a growth focus turned the offer down.

Previous research by Prof. Leonardelli and his collaborators has shown that, in negotiations, those with a growth focus tend to set higher goals, are more aggressive in their negotiating, and ultimately attain better gains for all those involved.

"People with a growth focus appear to more easily move back and forth between cooperation and competition," because they have no special fears or concerns about their own security, says Prof. Leonardelli.

If governments want to pursue economic policies that promote growth, the study's findings suggest people first need to feel secure enough to support and participate in those policies, says Prof. Leonardelli.

Provided by University of Toronto

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