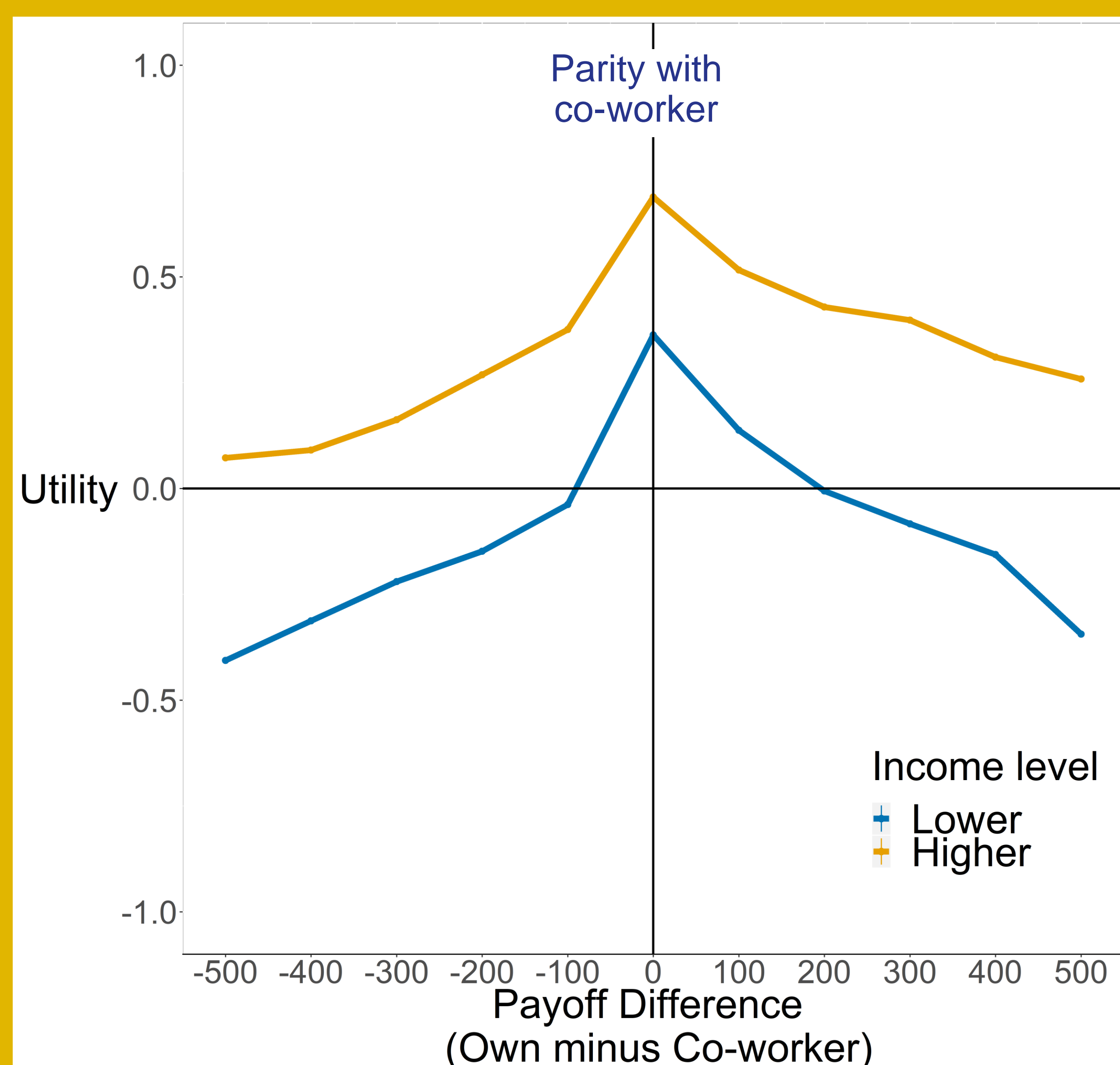


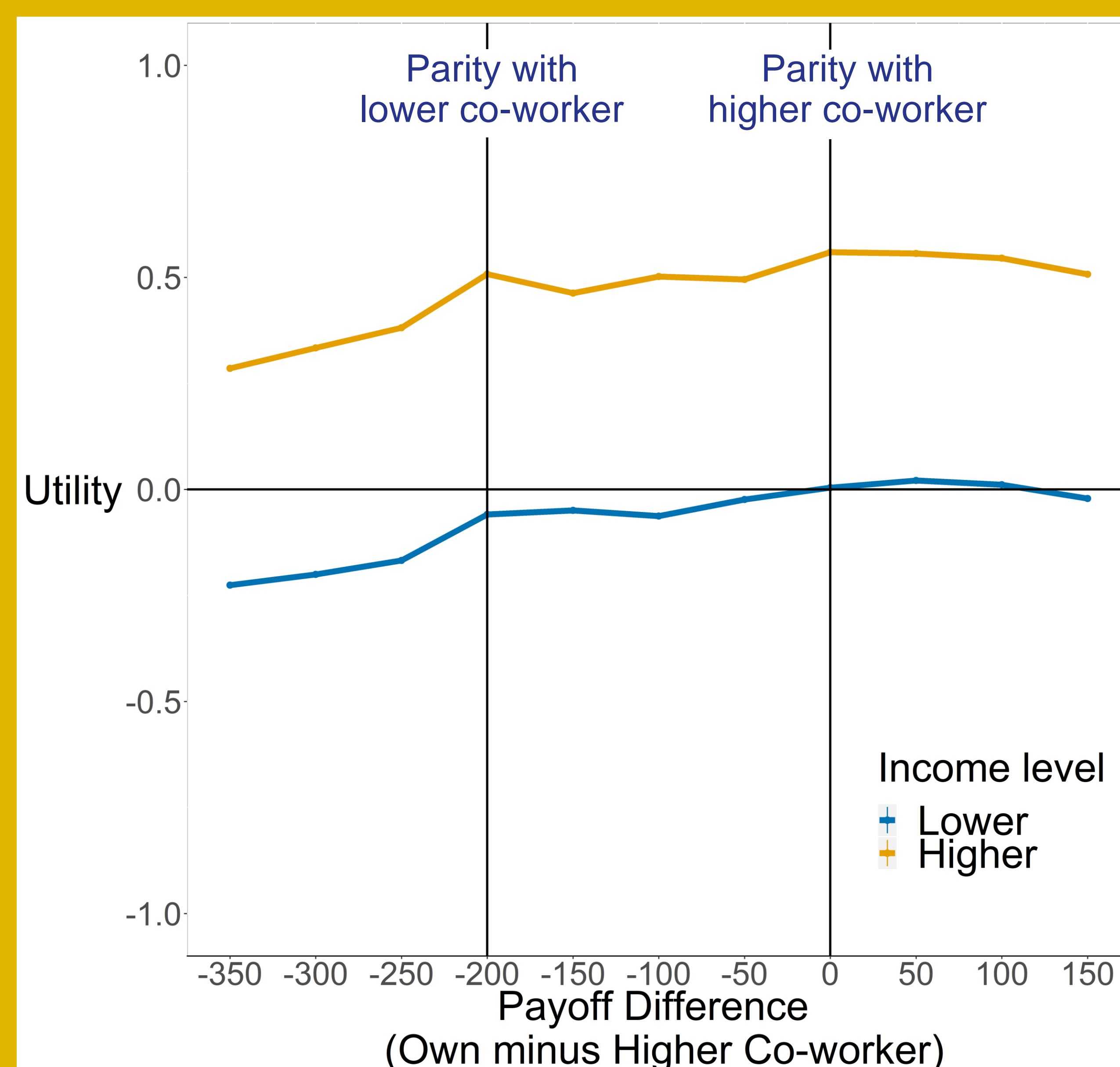
DIFFERENTIATING PREFERENCES IN HYPOTHETICAL DISTRIBUTIVE DECISIONS

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MEAN SOCIAL UTILITY FUNCTIONS



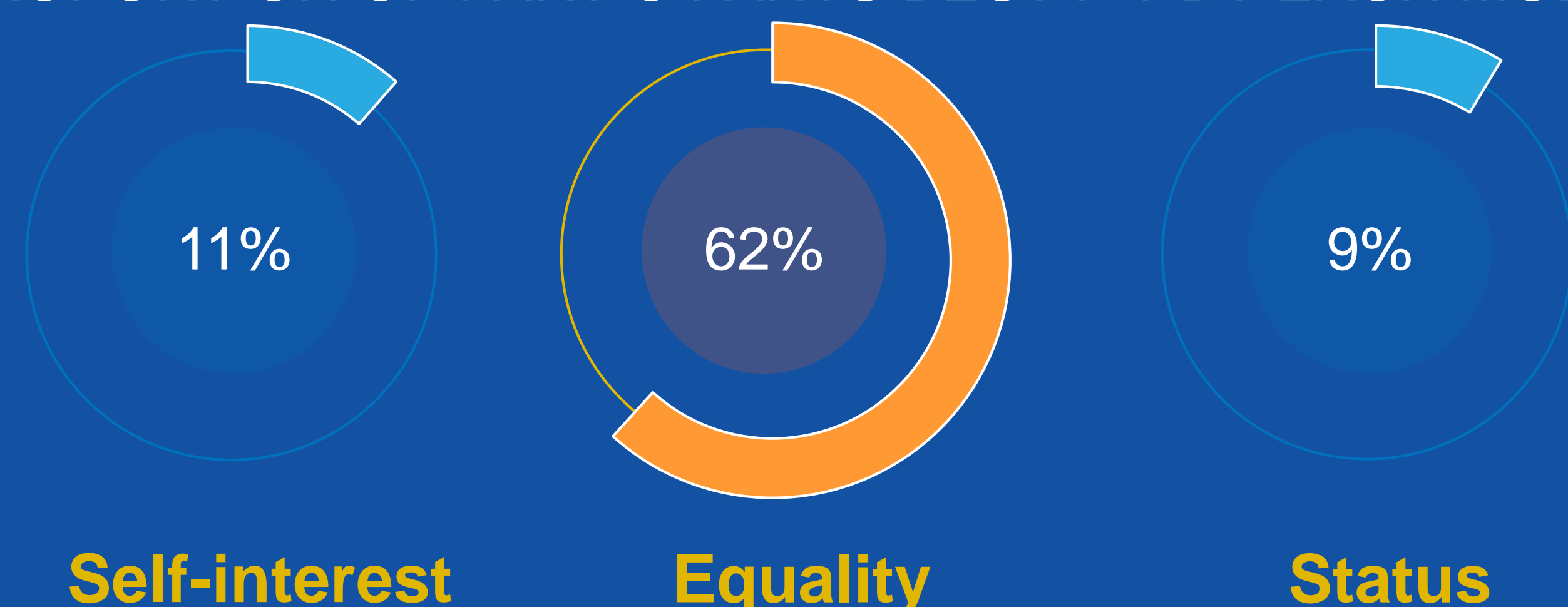
ONE PEER (Study 1)



TWO PEERS (Study 2)

INDIVIDUAL MODEL FITS

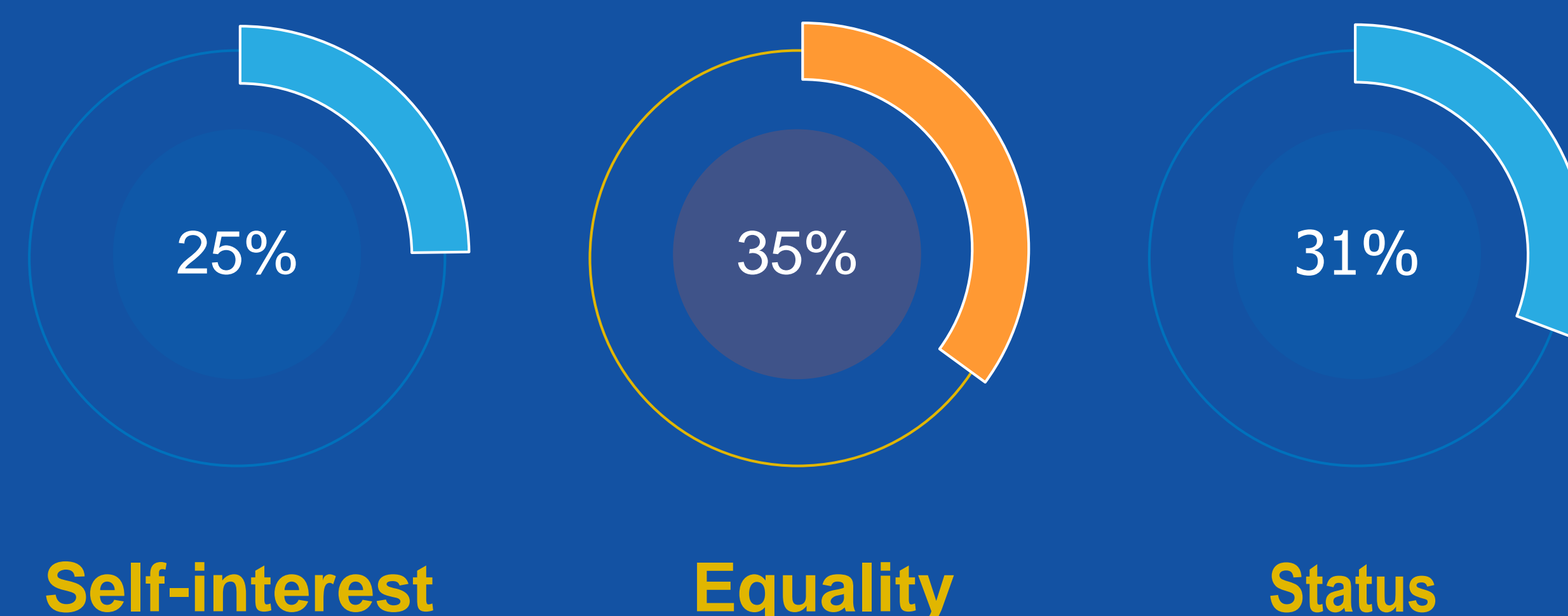
PROPORTION OF PARTICIPANTS BEST FIT BY EACH MODEL



Self-interest

Equality

Status



Self-interest

Equality

Status

BACKGROUND

Theories of social context in decision making challenge neoclassical models of self-interest. While *some* role of social context is largely agreed, there is less consensus on the specific form that such social preferences may take in contexts with multiple individual peers (e.g., co-workers).

For example, are you most satisfied with uniform distributions achieving equality with peers, or do you prefer competitive outcomes in which you outdo your peers?

AIM

Investigate potential manifestations of social preference. Including:

- **Material self-interest** (baseline)
- **Forms of equality or fairness** (e.g., Inequality aversion; Fehr & Schmidt, 1998)
- **Competitive status-based concern** (e.g., Brown et al., 2008)

METHODOLOGY

ADAPTED LOWENSTEIN ET AL. (1989)

Participants completed a series of utility ratings on hypothetical outcomes for themselves and:

- a single co-worker (Study 1)
 - or two individual co-workers (Study 2)
- in a range of domains:
- **Income** (reported above)
 - Vacation time
 - Attractiveness

Social Utility Functions: satisfaction as a function of difference between own and co-worker(s) payoffs. Constructed for each individual (and then on aggregate; reported above)

Model selection (BIC): determine best fitting model; differentiating potential preferences for each participant (for each domain).

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- Fehr, E., & Schmidt, K. M. (1999). A theory of fairness, competition, and cooperation. *The quarterly journal of economics*, 114(3), 817-868.
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DISCUSSION

Model selection indicates prominent **equality**-based preferences for resource distribution. The majority of participants were most satisfied by outcomes in which all parties received the most similar or equal outcomes (e.g., Inequality aversion; Fehr & Schmidt, 1998).

Preferences regarding hypothetical allocations differed by domain and varied greatly among individuals. Results indicate substantial discrete individual differences.

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