Group Relational Accounting: Why Do We Harm Those Who Have Not Harmed Us?

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1. Why does our study matter?

- Existing social exchange theories predict that individuals behave following the norm of reciprocity.
- But cases of intergroup behaviors violate the principle at the individual level.
- E.g., The Killing of Vincent Shin:
  - In the 1980s, strong anti-Japanese sentiment grew in the U.S. as Japanese car imports weakened the U.S. auto industry, causing many job losses among auto-workers.
  - In 1982, two white auto workers beat Vincent Shin, a Chinese American, to death because they thought he was Japanese.
  - These White workers and Vincent were strangers.
  - These White workers' actions violate Vincent violate the norm of reciprocity.
- Other examples of this phenomenon include vicarious revenge, hate crime, terrorist attack, and sympathy strike.
- These examples suggest:1) **Individuals keep track of social exchange at the group level over time**; 2) **Such group level mental accounts influence how individuals treat (presumed) out-group members, even violating the norm of reciprocity.**
- There are no current theories explaining this phenomenon. So, we launched a multi-method research program to study this phenomenon.

2. Theory generating inductive work

- Used the theory-building-from-cases-method.
- Examined the archival records of the collective bargaining records between the United Auto Workers and the Big Three Corporations (GM, Ford, Chrysler) from 1978 to 1986, which resulted in more than 3,000 pages archival records.

3. Sample derived propositions

- H1: Individuals keep track of, maintain, and update mental accounts for their in-group's social exchange with other groups over time.

- H2: Perceptions of the group level exchange accounts influence how individuals treat out-group members, following the norm of the reciprocity at the group level.
- H3: loss aversion influences the degree to which perceptions of the group level exchange accounts influence how individuals treat out-group members.
  - Specifically, perceptions of one's in-group's losses in its exchange with an out-group have a greater impact on how they treat out-group members than perceptions of their in-group's gains.

4. Experimental study 1

- **Found support for H1,2, and 3 from our pre-registered experimental study (N= 595)**
- **Experimental design:**
1) Participants took a bogus personality test.
2) Then were led to believe that they were assigned to Group A with other participants who have similar personality traits based on the test results.
3) Participants were led to believe that they were assigned to *Player 2* role who passively accepts the distribution of **$5** from *Player 1,* a counterpart from **group B**. In truth, everyone was assigned to *Player 2*.
4) Participants were led to believe that their counterpart gave one of the following amount of $ while keeping the rest to themselves:
- **Condition 1:** $1 out of $5(negative inequity)
- **Condition 2:** $2.5 out of $5 (equity)
- **Condition 3:** $4 out of $5 (positive equity)
5) In round 2, participants were led to believe that they were assigned to *Player 1 and* that they would play the same game with one of the following counterparts:
- **Condition A:** *Player 2* is the same individual who played *Player 1* from round 1
- **Condition B**: *Player 2* is a new individual who comes from the same group as the round 1 *player 1* (Group B)
- **Condition C:** *Player 2 is* a new individual who comes from a new group (Group C).
6)**Measured how they distributed $5 in round 2.**
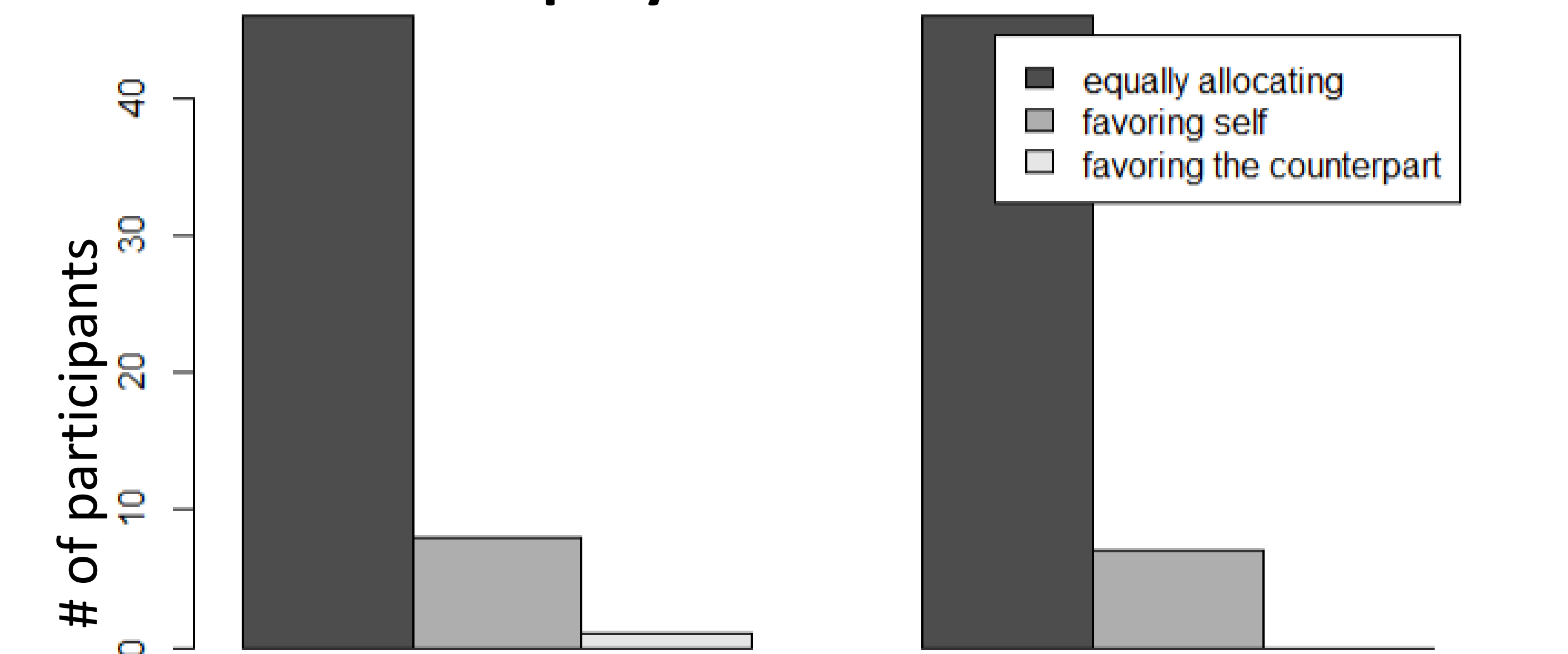
5. Experimental study 1

Condition 1: negative inequity in round 1
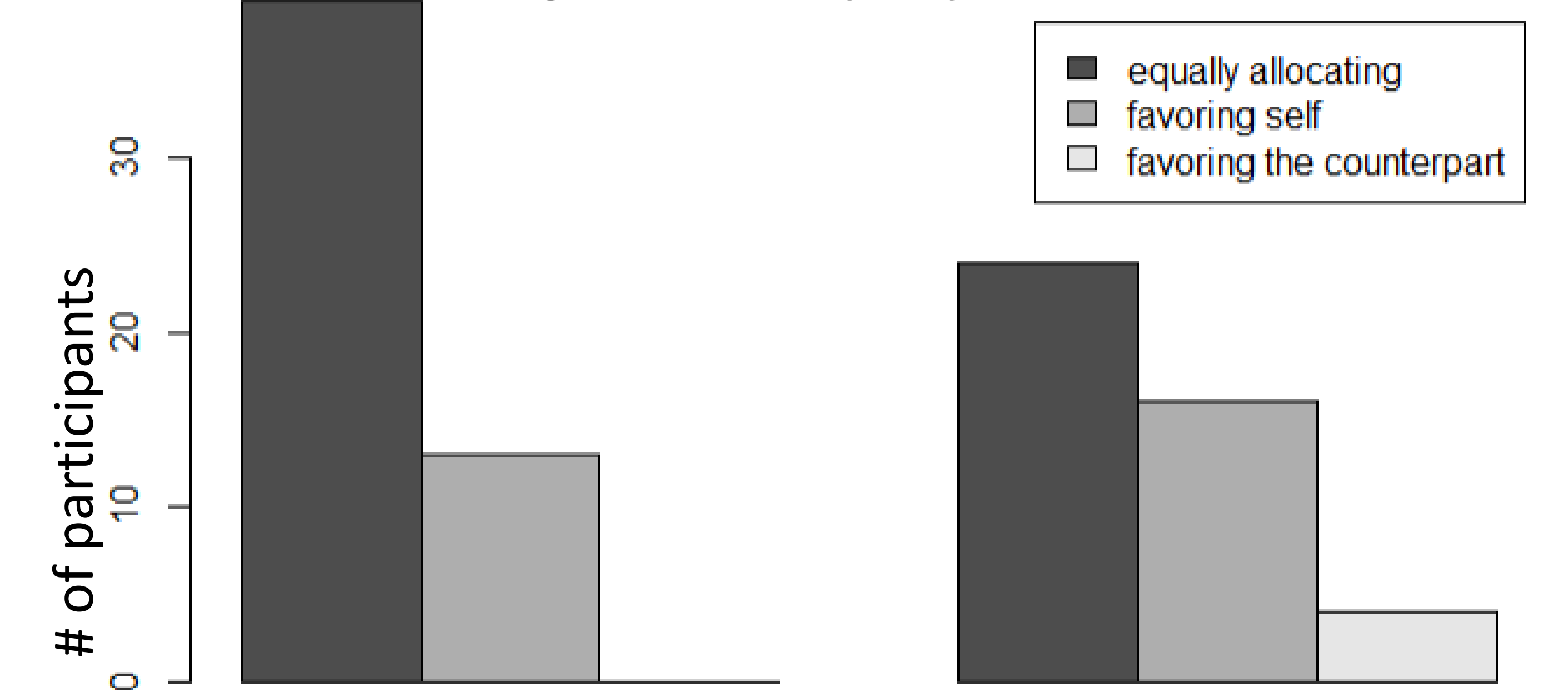
Legend: equally allocating / favoring self / favoring the counterpart

Condition C — new counterpart from new out-group

Condition B — new counterpart from the same out-group as round 1

Chi-squared test: $p < 0.05$

Condition 2: equity in round 1

Legend: equally allocating / favoring self / favoring the counterpart

Condition C — new counterpart from new out-group

Condition B — new counterpart from the same out-group as round 1
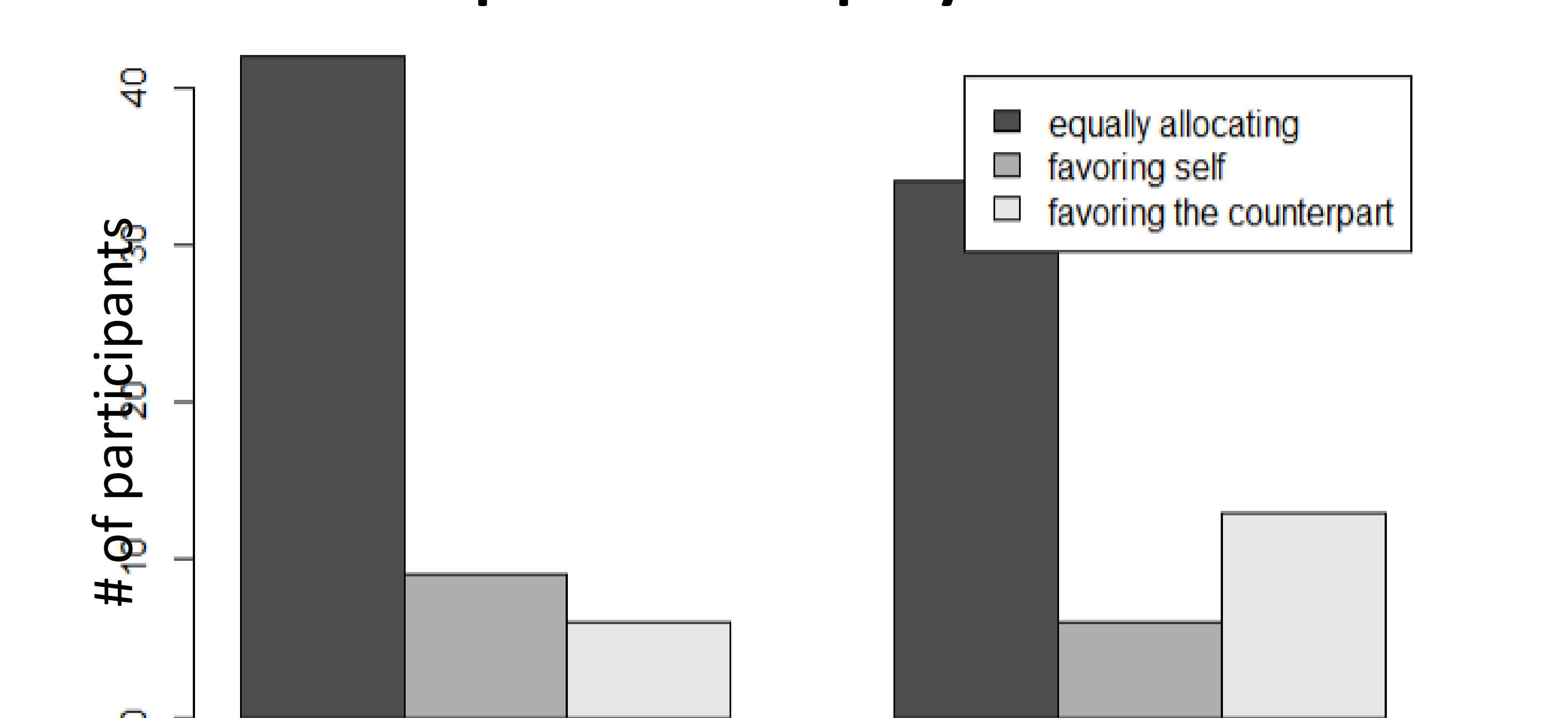
Chi-squared test: $p = 0.60$

Condition 3: positive inequity in round 1

Legend: equally allocating / favoring self / favoring the counterpart

Condition C — new counterpart from new out-group

Condition B — new counterpart from the same out-group as round 1

Chi-squared test: $p = 0.14$