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Identity and in-group/out-group differentiation in work and giving behaviors: Experimental evidence

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ABSTRACT

We investigate the existence and relative strength of favoritism for in-group versus out-group along multiple identity categories (body type, political views, nationality, religion, and more) in four alternative contexts: (1) giving money in a dictator game, (2) sharing an office, (3) commuting, and (4) work. We carried out two studies. The first study entailed hypothetical situations and imaginary people; the second study was similar to the first, but the dictator game component was incentivized (actual money) and involved actual receivers. Our subjects' behavior towards others is significantly affected by their respective identities. (1) Those that belong to the in-group are treated more favorably than those who belong to the out-group in nearly all identity categories and in all contexts. (2) Family and kinship are the most powerful source of differentiation, followed by political views, religion, sports-team loyalty, and music preferences, with gender being basically insignificant. (3) The hierarchy of identity categories is fairly stable across the four contexts. (4) Subjects give similar amounts and discriminate between in-group and out-group to similar degrees in the hypothetical and incentivized dictator games.

1. Introduction

Identity is "a person's sense of self" (Akerlof and Kranton, 2000); it is the concept that individuals come to realize when they answer the elemental question of "who am I?" The answer, typically, includes multiple categories or attributes such as gender, facial features, and height, as well as religion, ethnicity, social-group affiliation, sports-team loyalty, family, profession, artistic preferences, culinary preferences, and place of origin. These attributes represent how a person views himself or herself, and are likely to have different weights to the sense of self.

Identity is often the source of positive and desirable outcomes, such as the warm feeling of amity and affiliation, constructive and cooperative behavior in the context of social, ethnic, and religious organizations, as well as desirable diversity and variety (e.g., Eckel and Grossman, 2005; Page, 2007) However, identity is also the basis for discrimination and hatred, exclusion, enmity, sports riots, national and religious wars, ethnic 'cleansing' and extermination, distrust and conflict (e.g., Costa and Kahn, 2003; Putnam, 2007).

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Generally, people act more favorably towards persons who share with them an important attribute of their identity compared to persons who differ significantly on that attribute. For example, fans of the same sports team give each other high-fives but jeer fans of a rival team; enthusiasts of certain musical groups may work more readily with those who share their preferences than with others; and members of some religious groups sacrifice their own lives but take the lives of members of other groups to advance their group's cause. Even arbitrary assignment of identity in the context of a psychology experiment can elicit partisan behavior (Tajfel and Turner, 1979; see also examples in Akerlof and Kranton, 2000, 2005).

The difference in how someone treats a person of the same identity as compared to a person of a different identity is likely to depend on several factors: the identity attribute in question, the circumstances of the interaction between subject and object, as well as the subject's individual characteristics. There is a large and expanding body of literature on identity in several disciplines.[1] However, many questions with regard to how different identity attributes affect behavior towards others remain unaddressed in the literature. For example, does religion evoke more passion than ethnicity or than sports? Are all differences in identity fertile grounds for discrimination? Do differences affect equally various social and economic behaviors? We address these questions in this paper.

An understanding of the role identity plays in the context of various interactions is important for both economic theory and policy, as Akerlof and Kranton (2000, 2002, 2005) illustrate. In markets where the identity of the transacting parties is known, the same good or service may have different prices, depending on the degree of similarity in the identities of the parties. Employees that identify with their organization or team require fewer and different incentives to exercise high levels of effort than other employees (Akerlof and Kranton, 2005; Eckel and Grossman, 2005). But are identity effects of significant magnitude in an economic sense? Are identity effects widespread or are they restricted to a few identity categories only? Are identity effects relevant to diverse contexts? These questions have received only scattered theoretical and empirical attention, and our paper is the first to address them collectively within a consistent and comprehensive framework.

In this paper, we outline three complementary theoretical perspectives on the role of identity in interactions between individuals: inclusive fitness theory, evolutionary theory, and social identity theory. The three perspectives suggest that identity and the distinction between in-group and out-group are important, although they have somewhat different implications regarding the relative importance of different categories.

The central contribution of the paper consists of an empirical examination of the extent to which attitudes and behaviors of individuals towards in-group members differ from those towards out-group members. We study this question relative to multiple identity categories, from gender, body type and culinary preferences to religion, nationality and political views. We evaluate the relative importance of these categories in the context of giving in a dictator game, willingness to work with another person on a project that is critical to one's career advancement and other situations. We do so by carrying out two studies. In Study I, we asked 222 subjects how willing they were to give money (out of a $10 endowment) to another person, work with another person on a critical project, commute with another person, and share an office with another person. Subjects were asked to consider separately dozens of other persons, each described by a single attribute. In this study subjects were surveyed about imaginary persons and in the dictator game we used hypothetical money. We were thus able to present 91 alternative persons, most of whom could not be found in a commonly available subject pool, as well as keep the cost of the study at reasonable levels.

In order to validate the *differences* in the giving behavior towards in-group versus out-group despite reliance on hypothetical money and hypothetical persons, we carried out a second study. In Study II, we asked 37 subjects to participate as senders in eight dictator games; the subjects were also asked to indicate their willingness to work on a project critical to their career advancement, commute and share an office with each of eight individuals.

The two studies suggest that attitudes and behaviors individuals exhibit towards others are affected strongly by the similarity of the identity of the two parties. (1) Those that belong to the in-group are treated more favorably than those who belong to the out-group in nearly all identity categories and in all contexts.[2] (2) Family and kinship are the most powerful source of differentiation identity in our sample, followed by political views, religion, sports-team loyalty, and music preference, with gender being basically insignificant. (3) The hierarchy of identity categories is fairly stable across the four contexts, although some identity categories are substantially more important in some contexts than in others (notably, family is most important in the work context). (4) Subjects favor and discriminate others to similar degrees in the hypothetical and incentivized dictator games.

Our subjects represent a fairly homogenous sample of young men and women who have very little experience with strife associated with religious, national, or ethnic identities, the kind of conflicts that fuel much of the most visible identity-based behaviors. Such a sample is likely to inform about the presence or absence of deep-seated, perhaps hard-wired, sentiments about the differentiation between in-group and out-group people, and behaviors driven by such sentiments, possibly mixed with culturally-transmitted values regarding such differentiation, but with only limited contribution from direct life experiences.

[1] See the review article by Ellemers et al. (2002), and literature reviews in Akerlof and Kranton (2000) and Leonard and Levine (2006).

[2] Our results are likely to represent an underestimate of the degree of differentiation between in-group and out-group in our sample. Although confidential and anonymous, there is still the possibility that some subjects did not express fully their discriminatory attitudes.