



On confident men and rational women: It's all on your mind(set)



Sabine Hügelschäfer^{a,*}, Anja Achtziger^{b,1}

^a Department of Economics, University of Cologne, Albertus-Magnus-Platz, D-50923 Köln, Germany

^b Zeppelin University, Am Seemooser Horn 20, D-88045 Friedrichshafen, Germany

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ABSTRACT

We tested the hypothesis that inducing the deliberative and the implemental mindset differently affects judgment and decision making. More specifically, we explored mindset effects on decision makers' confidence ratings, risk preferences, and susceptibility to anchoring effects. As earlier research on mindsets showed that individual differences sometimes moderate mindset effects, we also tested for interaction effects of mindset and gender. For confidence ratings, we found a main effect of mindset and a main effect of gender. For risk preferences and anchoring effects, mindset interacted with gender. When being in an implemental mindset, the judgments of female decision makers came closer to their actual performance compared to being in a deliberative mindset where they were observed as underconfident. Male decision makers were already overconfident in the deliberative mindset and showed even more overconfidence when being in an implemental mindset. Concerning risk attitudes it was found that female decision makers were more prone to choose the less risky, but also less profitable option (in terms of expected payoffs) when they were in the deliberative compared to the implemental mindset. For men the opposite effects were observed. When investigating anchoring effects, male but not female participants' judgments were influenced by mindset: In an implemental mindset, male participants followed an irrelevant anchor more strongly (i.e., made more anchor-consistent judgments) compared to being in a deliberative mindset.

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1. Introduction

1.1. Automatic and controlled processes in judgment and decision making

Research in economic decision making has shown that people's judgments, preferences, and choices often do not result from extensive deliberation and application of well-considered strategies, but rather from spontaneous and implicit processes, for instance from processes based on emotions (e.g., Damasio, 1996; Hastie, 2001; Loewenstein, Rick, & Cohen, 2008). This has been explicitly formulated in dual-process models (see Evans, 2008; Sanfey & Chang, 2008; Weber & Johnson, 2009) in which a distinction is made between deliberate, resource-consuming controlled processes and fast, effortless automatic processes. Although automatic processes do not always conflict with rational behavior and might lead to very good

* Corresponding author. Tel.: +49 221 470 8318; fax: +49 221 470 8321.

E-mail addresses: sabine.huegelschaefer@uni-koeln.de (S. Hügelschäfer), anja.achtziger@zu.de (A. Achtziger).

¹ Tel.: +49 7541 6009 1376.

results (e.g., Glöckner & Betsch, 2008; Hammond, Hamm, Grassia, & Pearson, 1987; Klein, 1993), they can also lead to severe and systematic errors which are referred to as cognitive biases (Gilovich & Griffin, 2002). Due to their characteristics (fast, operating below consciousness, sometimes deeply rooted in personality), automatic processes are very difficult to control. In the present research we were interested in some consistently observed biases and attitudes in judgment and decision making which are based on rather non-deliberate processes and which are known to be quite robust: Overconfidence concerning one's own performance (Fischhoff, Slovic, & Lichtenstein, 1977), risk aversion in the domain of monetary gains (Kahneman & Tversky, 1979), and anchoring (Mussweiler & Strack, 1999; Tversky & Kahneman, 1974).

Many researchers have addressed the question whether such phenomena can be influenced by external manipulations (see, e.g., Fischhoff, 1982). For example, several methods aiming at debiasing decision makers from making errors based on intuitive strategies have been tested, such as providing training on statistics (e.g., Fong, Krantz, & Nisbett, 1986) or on heuristics and biases (e.g., Mumma & Wilson, 1995), requiring participants to justify their choice (e.g., Simon, Fagley, & Halleran, 2004) or to consider alternative options (Hirt & Markman, 1995). Studies testing these methods have yielded mixed results. For instance, studies investigating if training on the concepts of statistics and probabilities improves decision making mostly failed to find an effect (e.g., Awasthi & Pratt, 1990; Kahneman & Tversky, 1973; Lindeman, Van den Brink, & Hoogstraten, 1988; Ouwersloot, Nijkamp, & Rietveld, 1998), although in some studies training interventions were successful (e.g., Fong et al., 1986; Kosonen & Winne, 1995). Monetary incentives do also not seem to consistently increase performance if people are supposed to spontaneously apply principles of rational choice when at the same time simple heuristics are available (see Camerer & Hogarth, 1999). Regarding the anchoring bias, for instance, Tversky and Kahneman (1974) found no effects of incentives. Wilson, Houston, Etling, and Brekke (1996) showed that anchoring effects persisted in spite of incentives and forewarnings. However, other studies (e.g., LeBoeuf & Shafir, 2009) have found forewarnings to be effective in reducing anchor effects. Concerning overconfidence, only few attempts to reduce this cognitive bias have been successful (e.g., Soll & Klayman, 2004; Winman, Hansson, & Juslin, 2004). Risk attitudes are also assumed to be individual traits which are stable across different contexts according to economic standard models. This has been confirmed in empirical research (e.g., Dohmen et al., 2011; Einav, Finkelstein, Pascu, & Cullen, 2012) and fits with evidence showing that risk attitudes can be automatic, spontaneous, and non-deliberate (Franken, Georgieva, Muris, & Dijksterhuis, 2006). However, there are studies demonstrating that they are at least to some extent malleable, as for instance by scaling manipulations (e.g., Harrison, Lau, Rutström, & Sullivan, 2005; Stewart, Chater, Stott, & Reimers, 2003).

In summary, the inconsistent evidence from these studies suggests that further research is needed to identify methods of altering decision strategies or preferences which are not based on deliberate considerations, thereby for instance minimizing decision makers' use of intuitive strategies and biases under circumstances in which they are detrimental to judgment or decision performance. Taking a look at the social psychology literature, mindset research seems to provide ideas how rather intuitive biases and preferences could possibly be altered. For this reason, we tested the effects of the deliberative and the implemental mindset (Gollwitzer, 1990) on different phenomena in judgment and decision making. Moreover, as a couple of studies on mindset theory suggested that there are moderators of mindset effects (individual differences: Bayer & Gollwitzer, 2005; Puca & Schmalt, 2001; situational contexts: Gagné & Lydon, 2001a, 2001b), we also considered to test whether gender might interact with mindset. The reason why we focused on gender was that research in many areas of decision making often reports differences between female and male decision makers. One prominent example are gender differences in confidence ratings of individuals' own performance. Frequently it is reported that men assess the confidence in their own performance much higher than women do (e.g., Barber & Odean, 2001; Macbeth, de Kohan, Razumiejczyk, & López Alonso, 2006). Similarly, many studies in economics showed that female decision makers are more risk-averse than male decision makers (e.g., Agnew, Anderson, Gerlach, & Szykman, 2008; Barber & Odean, 2001; Rosen, Tsai, & Downs, 2003). Both psychologists and behavioral economists have tried to analyze the mechanisms underlying these gender differences in economic contexts (see special issue on gender differences in risk aversion and competition edited by Croson, Gneezy, & Rey-Biel, 2012, *Journal of Economic Behavior and Organization*). Based on this research we wondered whether inducing the deliberative and the implemental mindset interacts with gender in the context of judgment and decision making as mindset effects can be moderated by individual differences (Bayer & Gollwitzer, 2005; Puca & Schmalt, 2001).

1.2. Research on mindset theory

Studies on mindset theory (Gollwitzer, 1990; Gollwitzer & Bayer, 1999) revealed that thinking about an object (e.g., one's academic career) in the context of a plan (e.g., "How should I apply to university?") compared to a deliberative choice (e.g., "Should I study psychology or not?") influences subsequent information processing (e.g., Armor & Taylor, 2003; Puca, 2001; Taylor & Gollwitzer, 1995; review by Achtziger & Gollwitzer, 2010). These carry-over effects are described by the term mindset (e.g., Chen, Shechter, & Chaiken, 1996). The term mindset refers to the states of mind that are associated with the execution of specific tasks (Heckhausen, 1989; Marbe, 1915) as for instance carefully deliberating about one's wishes or goals or planning how to strive for a certain goal.

The deliberative mindset is activated when people start thinking about an unresolved problem (e.g., "Should I apply for a certain position or not?") that is still a wish and deliberate about the pros and cons of whether to realize it. When choosing between one's wishes (or potential goals), it is not clear which information might be relevant to assessing the desirability and feasibility of a goal; therefore, people stay unbiased in their information processing (Gollwitzer, 1990). Due to strongly focusing on the desirability and feasibility of a goal, cognitions in a deliberative mindset are characterized by realistic expect-

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