

# Advice taking and decision-making: An integrative literature review, and implications for the organizational sciences <sup>☆</sup>

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Received 28 March 2005

Available online 21 August 2006

Communicated by Scott Highhouse

## Abstract

This paper reviews the advice-giving and advice-taking literature. First, the central findings from this literature are catalogued. Topics include: advice utilization, confidence, decision accuracy, and differences between advisors and decision-makers. Next, the implications of several variations of the experimental design are discussed. These variations include: the presence/absence of a pre-advice decision, the number of advisors, the amount of interaction between the decision-maker and the advisor(s) and also among advisors themselves, whether the decision-maker can choose if and when to access advice, and the type of decision-task. Several ways of measuring advice utilization are subsequently contrasted, and the conventional operationalization of “advice” itself is questioned. Finally, ways in which the advice literature can inform selected topics in the organizational sciences are discussed.

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*Keywords:* Judge–advisor system; JAS; Advisor; Advice; Advice giving; Advice taking; Utilization; Discounting; Token shift; Decision-making

## Introduction

Many (if not most) important decisions are not made by one person acting alone. A new college graduate, for example, is likely to consult his or her parents and peers about which job offer to accept; similarly, a personnel manager may well ask for colleagues’ advice prior to revamping the organization’s compensation system. Yet, the field of judgment and decision-making has

not systematically investigated the social context of decisions (e.g., Payne, Bettman, & Johnson, 1993).

One area that takes into account the fact that individuals do not make decisions in isolation is the “small groups” literature (Kerr & Tindale, 2004). However, this area typically assumes that group members’ roles are “undifferentiated” (Sniezek & Buckley, 1995, p. 159)—i.e., that all members have the same responsibilities vis-à-vis the decision task. Yet, leaders often emerge (and, in general, status hierarchies materialize) from originally undifferentiated groups. In fact, one of the dimensions of individual performance often evaluated in the “leaderless group discussion” (Bass, 1954) is leadership behavior (Campbell, Simpson, Stewart, & Manning, 2003; Petty & Pryor, 1974; Waldman, Atwater, & Davidson, 2004). In most real-world social organizations, moreover, role structures are formalized and contributions to decisions are commonly unequal (Katz & Kahn, 1966). Numerous important decisions therefore

<sup>☆</sup> This paper is dedicated to Janet A. Sniezek. Her advice and mentorship are missed. We are grateful to David Budescu, Carolyn Jagacinski, Janice Kelly, and Charlie Reeve for their helpful comments on an earlier version of this paper.

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appear to take place within a structure that is not well captured either by an individual acting alone or by all group members acting equally (Brehmer & Hagafors, 1986; Sniezek & Buckley, 1995). Specifically, decisions are often made by individuals after consulting with, and being influenced by, others. It is to model such decision-making structures that research began to be conducted on advice-giving and advice-taking during decisions.

#### *Impetus for the review and organization of the current paper*

The impetus for this review is manifold. Although research on advice giving and taking is about two decades old (see Brehmer & Hagafors, 1986, for the first published paper), there has not yet been a comprehensive attempt to integrate the findings from, and identify the strengths and weaknesses of, the extant research. This paper attempts these tasks. The current review begins descriptively and then moves progressively toward greater evaluation. To this end, we first describe the terminology used in the paper and outline a prototypical study. Next, we review the central findings of the advice-giving and advice-taking literature. Following this section, we discuss several variations of the experimental design that have important implications for the questions posed and that may influence the conclusions reached in a particular study. Next, various methods for calculating advice utilization are described and critiqued. After this, the dominant definition of “advice” itself (and hence, indirectly, of advice utilization) is questioned. We moreover believe that the advice literature is now mature enough to inform, and be informed by, other areas of research—particularly in the organizational sciences. To this end, we conclude this paper by discussing a number of research topics with connections to advice taking and advice giving. However, one such topic—Hierarchical Decision-Making Teams (HDT; e.g., Hollenbeck et al., 1995; Humphrey, Hollenbeck, Meyer, & Ilgen, 2002)—is a subset of the larger “Judge–Advisor System”<sup>1</sup>; relevant HDT findings will therefore be reviewed throughout the paper.

An alternative approach would have been to structure this review around a comprehensive theory of advice giving and taking. Unfortunately, no such theory

exists—perhaps because of the breadth of research questions addressed thus far (see Hollenbeck et al., 1995, for a more narrowly focused theory applicable to HDTs), and, as mentioned previously, the relative youth of this research area. In fact, one of the motivations for this review was to aid in theory generation by summarizing relevant research findings and by raising questions that a comprehensive theory of advice will need to address.

#### *Terminology and description of prototypical study*

Before reviewing research findings, it is necessary to describe the terminology used in this paper. Following most of the advice-taking research (e.g., Harvey & Fischer, 1997; Yaniv, 2004b), the term “judge” refers to the decision-maker—the person who receives the advice and must decide what to do with it. The judge is the person responsible for making the final decision. The “advisor” is, as the name implies, the source of advice or suggestions.<sup>2</sup> In addition, most studies have conceived of “advice” in terms of a recommendation, from the advisor, favoring a particular option. For instance, if the judge has to choose between three options, he or she would typically receive advice like: “Choose Option X.” A few studies of advice have, in addition, allowed expressions of confidence or (un)certainty related to the recommendation—e.g., “Choose Option X; I am 85% sure that it’s the best option.” (As we discuss later in the paper, there is reason to question the appropriateness of definitions of advice that focus solely on recommendations.)

In a “prototypical” Judge–Advisor System (hereafter, “JAS”) study, participants enter the laboratory and are randomly assigned to the role of “judge” or “advisor.” They are informed that the judge, not the advisor, must make the final decision(s); as such, it is up to the judge to determine whether he or she should take the advice into consideration at all, and, if so, how much weight the advice should carry. Manipulations of independent variables (expertise differences between judges and advisors, type of financial incentives for JASs across conditions, etc.) are then effected—typically in a between-subjects fashion. Next, both JAS members read information about the decision task. The judge makes an initial decision. He or she may also be asked to express a level of confidence regarding the accuracy or effectiveness of the initial decision. Simulta-

<sup>1</sup> In fact, the HDT paradigm was specifically formulated to explain instances in which the decision-maker and multiple advisors always: share common outcomes, communicate with one another and with the decision-maker in real time, and work together over a number of trials on a quantitative judgment task on which they receive accurate performance-related feedback. Though the HDT literature regularly references the Judge–Advisor System, the converse is not true. Through this review, we hope to make Judge–Advisor System researchers more aware of the HDT literature (including its roots stretching back to Brehmer & Hagafors, 1986).

<sup>2</sup> To avoid confusion, the terminology of authors (e.g., Budescu & Rantilla, 2000) who use the term “judge,” “advisor,” or “expert” interchangeably to refer to the person providing advice will not be employed in this paper. Furthermore, though some studies (e.g., Heath & Gonzalez, 1995) were not explicitly conducted with the JAS in mind, they are nonetheless highly informative and will therefore be included in this review. When this is the case, the JAS language is used to describe their manipulations and findings.

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