Culture and individual differences

Arthur B. Markman,[a] Serge Blok,[a] John Dennis,[a] Micah Goldwater,[a] Kyungil Kim,[a] Jeff Laux,[a] Lisa Narvaez,[a] and Eric Taylor[b]

[a]*Department of Psychology, University of Texas at Austin, Austin, TX 78712;* [b]*Department of Psychology, University of Illinois, Champaign, IL 61820.*
markman@psy.utexas.edu **blok@psy.utexas.edu**
johnlmdennis@mail.utexas.edu **micahbg@mail.utexas.edu**
kyungil@psy.utexas.edu **laux@mail.utexas.edu**
grimmlr@mail.utexas.edu **eric@gregalo.com**
http://www.psy.utexas.edu/psy/FACULTY/Markman/index.html

Abstract: Tests of economic theory often focus on choice outcomes and find significant individual differences in these outcomes. This variability may mask universal psychological processes that lead to different choices because of differences across cultures in the information people have available when making decisions. On this view, decision making research within and across cultures must focus on the processes underlying choice.

Economic theory is cast in universal terms. People make choices that have the greatest long-term expected utility. Expected utility is itself a psychological concept, because items are only useful to the extent that they permit people to satisfy their goals. Thus, assessing whether people make choices that accord with expected utilities requires understanding people's goals and motivations. Because goals are idiosyncratic, most tests of "Homo Economicus" involve some form of currency, because the utility function for money is monotonically increasing for almost all individuals.

The target article follows in a tradition of recent studies that have begun to explore the limitations of these tests of economic models. Some of these explorations come from within cultures and demonstrate that individuals have many different kinds of relationships, and that their transactions within those relationships are governed by different rules (Fiske & Tetlock 1997). For example, while we gladly pay cash for a shirt in a store, we would be unlikely to pay a parent for a shirt. Other explorations make clear that people may conceptualize a situation in very different ways depending on whether money is involved. For example, imposing weak monetary penalties for environmental transgressions can lead business decision makers to switch from thinking about polluting as a moral problem to a financial one (Tenbrunsel & Messick 1999). Finally, analyses of the development of currencies suggest that people often create different kinds of money that are suitable for different kinds of transactions. For example, people who give cash on birthdays often try to find new bills and expect that money to be used for frivolous purchases (Zelizer 1994). All of these demonstrations suggest that money itself is bound up with people's economic and social goals.

The target article extends this line in an interesting way. By exploring similar tasks across different cultures, the target article provides a way of assessing the degree of variability in people's approach to money and transactions across cultures. While there is impressive variability across cultures, the examinations of individual cultures is perhaps most interesting. For example, participants from cultures with a high rate of sharing (like the Aché) made high offers, and offers of all types were typically accepted. In contrast, participants from cultures with a low rate of sharing (like the Hadza) often made small offers, and many of those small offers were rejected.

Where does this variability leave decision theorists? The appeal of economic models used to be that they provided a benchmark for assessing behavior that could be applied to different individuals and to different cultures. Certainly, the notion of utility has a psychological fudge factor, because people's goals are not assessed directly, but at least there was a unifying framework for thinking about choice. As the present studies make clear, however, these choices are interpreted in a broad social context. Hadza participants may have rejected offers as a way of punishing the people who made them. If so, their choices were sub-optimal within the game setting. However, social structures are designed for the long-term, and punishing other members of a culture who are acting selfishly may provide the best long-term reward for members of that culture.

The problem with this explanatory story is that it is idiosyncratic to a particular culture. If every culture requires its own explanatory story (and the variability observed in the present studies is consistent with this possibility), then how are we to find generalizations about human decision-making behavior?

Markman and Medin (2002) suggest that there may be generalizations about decision-making performance by people from different cultures that are masked, because most studies of decision making focus on the outcome of decisions rather than on the processes by which decisions are made (see also Medin et al. 1995). On this view, choice outcomes are determined by culture-specific factors such as the kinds of transactions in which members of that culture typically engage. Nonetheless, many aspects of decision-making behavior may involve important mechanisms that are common across members of different cultures. Furthermore, there may be individual difference variables that may also lead to stable cultural differences in choice behavior.

For example, there has been an upsurge in research on the influence of motivational factors on decision making. Although the particular goals that someone may have are culturally determined, the influence of the activation of a particular goal on decision-making behavior may be common across individuals. In one study, Fishbach et al. (2003) find that people are able to maintain goal-directed behavior in the presence of tempting alternatives, because the temptations actually reactivate the threatened goal. Similarly, Brendl et al. (2003) find that activation of a goal (e.g., smoking) not only increases people's preference for goal-related items (e.g., cigarettes), but also decreases their preference for goal-unrelated items that might compete with the active goal (e.g., compact discs).

Other research has focused on individual difference variables that might differ across cultures and influence decision making. For example, there are stable cross-cultural differences in people's self-construal, such that members of East Asian cultures tend to perceive themselves as more interdependent with others than do members of Western cultures (Lee et al. 2000). People who have a relatively more interdependent self-construal are more likely to focus on potential losses that options might cause, whereas those with a more independent self-construal are more likely to focus on potential gains (Aaker & Lee 2001).

Thus, cultural differences in decision making may still be caused by cognitive mechanisms that are culturally universal. Although the content of people's goals is clearly different across cultures, the mechanisms of operation of the motivational system may be universal. Likewise, although cultures may emphasize different personality characteristics (on average), the influence of these characteristics on choice may be the same in members of different cultures. We suggest that research should shift away from an assessment of broad choice outcomes and toward the psychological characteristics underlying choice processes.

Building a better micro-foundation for institutional analysis

Elinor Ostrom

Workshop in Political Theory and Policy Analysis, Indiana University, Bloomington, IN 47408. **Ostrom@indiana.edu**
http://www.indiana.edu/~workshop

Abstract: The target article summarizes important research demonstrating that the canonical model of selfish, economic man is not empirically supported outside competitive settings, and that experimental research conducted in university settings should not be discounted because undergraduates were the subjects. Assuming that individuals are capable of reciprocity and trust provides a firmer foundation for the study of institutions, incentives, and outcomes.

As a scholar who has conducted multiple experiments, I have been a consistent fan of the small-scale societies study undertaken by

https://doi.org/10.1017/S0140525X05380149 Published online by Cambridge University Press