# SOUTHERN ONTARIO BEHAVIOURAL DECISION RESEARCH CONFERENCE

May 12, 2017





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May 12, 2017 Smith School of Business, Queen's University

TETT CENTRE FOR CREATIVITY & LEARNING MORTON WAY KINGSTON, ONTARIO K7L 2X4

Time	Event
Time	Event  Parietystian 8 Continental Breakfast
9:30 - 10:00 am	Registration & Continental Breakfast
10:00 - 11:00 am	SESSION #1
	Wise Deliberation Sustains Cooperation
	Igor Grossmann, University of Waterloo
	Justin Brienza, University of Waterloo
	D. Ramona Bobocel, University of Waterloo
	Fighting Collusion Through Disparity: An Experimental
	Investigation of the Effects of Pay Dispersion on Collusion in
	Tournaments
	Lan Guo, Wilfrid Laurier University
	Kun Huo, Western University
	Theresa Libby, University of Waterloo
11:00 - 11:15 am	Break
11:15 am - 12:30	KEYNOTE ADDRESS
pm	Michael Norton
	Harold M. Brierley Professor of Business Administration at the Harvard
	Business School, Member of Harvard's Behavioral Insights Group
12:30 - 1:30 pm	Lunch
1:30 - 3:00 pm	SESSION#2
	Influence of Revenge & Financial Incentives on Tax Fraud
	Reporting
	Jonathan Farrar, Ryerson University
	Cass Hausserman, Portland State University
	Morina Rennie, University of Regina
	Implementation Intentions: How to Nudge Organizations to Pay
	their Overdue Taxes
	Julian House, University of Toronto
A DITTO STATE OF	Nicole Robitaille, Queen's University
	Nina Mazar, University of Toronto

	Referent Points & Taxpayer's Compliance: Insights into
	Taxpayer's Risk Preferences for Honest Reporting
	Ian Burt, Niagara University
	Jay Walker, Niagara University
3:00 - 3:15 pm	Break
3:15 - 4:45 pm	SESSION #3
	Intuitive Choice Begets Resilient Consumer Attitudes
	Sam Maglio, University of Toronto – Scarborough
	Taly Reich, Yale University
	Using Behavioural Research to Increase Uptake of Government Services: The Case of Job Match
	Mathieu Audet, Employment and Social Development Canada
	Alexandre Parent, Employment and Social Development Canada
	When Thoughts of "Having Less" Promote the Desire to Become One's Best: Reminders of Resource Scarcity Increase the Desire for Self-Improvement
	Kelly Goldsmith, Northwestern University
	Ali Tezer, Concordia University
	Caroline Roux, Concordia University
4:45 - 6:00 pm	Cocktail Hour & Working Paper Session
6:30 pm	Dinner – Sir John's Public House
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# WELCOME FROM THE CONFERENCE CHAIRS

We are very excited to be hosting the 13<sup>th</sup> annual Southern Ontario Behavioural Decision Research Conference (SOBDR 2017 @Smith). Every year SOBDR brings together researchers, academics, and policy makers who share a common interest in the study of human decision making.

This year's conference is being hosted by the Smith School of Business, Queens' University. We have a wonderful and diverse group of scholars and policy makers presenting their work across our three main sessions and a closing working paper session.

We are also very pleased to welcome Professor Michael Norton, the Harold M. Brierley Professor of Business Administration at the Harvard Business School and member of Harvard's Behavioral Insights Group as this year's keynote speaker. Professor Norton holds a B.A. in Psychology and English from Williams College and a Ph.D. in Psychology from Princeton University. Prior to joining HBS, Professor Norton was a Fellow at the MIT Media Lab and MIT's Sloan School of Management. He is the coauthor – with Elizabeth Dunn – of the book, *Happy Money: The Science of Smarter Spending* (Simon & Schuster), and co-editor – with Derek Rucker and Cait Lamberton – of *The Cambridge Handbook of Consumer Psychology* (2015).

Be sure to stay for the cocktail hour where we will have a cash bar, snacks, and a number of new ideas and projects in progress at the poster session.

We are so glad you could join us. We hope you enjoy the day.

Welcome to SOBDR 2017! Nicole, Laurence and Monica

Nicole Robitaille, Assistant Professor, Marketing Laurence Ashworth, Associate Professor, Marketing Monica LaBarge, Assistant Professor, Marketing

This document should include all the information you need, but for more info please see our webpage: <a href="https://www.sobdr.thisstudy.com">www.sobdr.thisstudy.com</a>

If you need anything else, or would like to register or change your registration details, please email the conference organizers at <a href="mailto:sobdr2017@queensu.ca">sobdr2017@queensu.ca</a> (to enable us to plan the food order).



# PRESENTERS & SPEAKERS

SESSION #1: 10:00 AM - 11:00 AM

### **Wise Deliberation Sustains Cooperation**

Igor Grossmann, Department of Psychology, University of Waterloo Justin Brienza, Department of Psychology, University of Waterloo D. Ramona Bobocel, Department of Psychology, University of Waterloo

Does wisdom qualify the relationship between deliberation and cooperation? We propose that wisdom helps to integrate self-protective and cooperative goals, thereby sustaining cooperation when deliberating. In Study 1 (N=634), we demonstrated that individual differences in wise reasoning about personal conflicts moderated the impact of naturalistic and experimentally manipulated deliberation on cooperation. In Studies 2-3 (Ns=547/464), we manipulated an observer perspective, the key aspect of wise reasoning, which eliminated the negative effect of deliberation time on cooperation. Under these circumstances, participants reported being guided by interdependent goals when making their decisions; thus in these conditions, deliberation sustained cooperation.

# Fighting Collusion Through Disparity: An Experimental Investigation of the Effects of Pay Dispersion on Collusion in Tournaments

Lan Guo, Lazaridis School of Business and Economics, Wilfrid Laurier University Kun Huo, Ivey Business School, Western University Theresa Libby, School of Accounting and Finance, University of Waterloo

Pay dispersion in organizations has received increasing attention in recent years. We conduct an experiment in which employees enter a Prisoner's Dilemma, winner-take-all, tournament. We manipulate horizontal pay dispersion (fixed wage gap between the employees) and vertical pay dispersion (wage gap between employees and managers). Economic theory predicts that ex-ante fixed wage differences should not affect the effort exerted by rational economic agents in the tournament. However, using behavioral theories, we predict and find that both horizontal and vertical pay dispersion reduce collusion and increase employee effort. Results suggest that the firms should consider benefits of pay dispersion among employees.

### KEYNOTE ADDRESS: 11:15 AM - 12:30 PM

### Wanting, Voting, and Paying for Greater Equality

Michael Norton, Harold M. Brierley Professor of Business Administration at the Harvard Business School, Member of Harvard's Behavioral Insights Group

Our research reveals that people all over the world prefer less inequality – in wealth, health, and income. For example, Americans report an ideal CEO-to-worker pay ratio of 7:1 while the actual ratio is more than 300:1, and consumers prefer to buy from firms with lower pay ratios. Increasing awareness of current inequality shifts preferences toward policies that reduce it.

### SESSION#2: 1:30 PM - 3:00 PM

# Influence of Revenge & Financial Incentives on Tax Fraud Reporting

Jonathan Farrar, School of Accounting and Finance, Ryerson University Cass Hausserman, School of Business Administration, Portland State University Morina Rennie, Paul J. Hill School of Business, University of Regina

We experimentally examine the influence of financial incentives and revenge on taxpayers' intentions to report another individual's tax fraud. We find that both financial incentives and revenge lead to a greater likelihood of tax fraud reporting. We also find a crowding-in effect, such that offering a financial incentive reinforces taxpayers' desire to report fraud when they also have a revenge motive. Finally, we provide evidence that moral obligation mediates the relation between revenge and tax fraud reporting, which suggests that taxpayers can rationalize their revenge as moral obligation.

# Implementation Intentions: How to Nudge Organizations to Pay their Overdue Taxes

Julian House, Rotman School of Management, University of Toronto Nicole Robitaille, Smith School of Business, Queen's University Nina Mazar, Rotman School of Management, University of Toronto

Little is known about the effectiveness of choice architecture when it comes to organizational actors, and indeed there are theoretical reasons to suspect that "nudging" organizations might be unproductive. In a large-scale, multi-wave field experiment involving the collection of overdue taxes from organizations, however, we find that cost-free changes to collections letters significantly increased the speed of tax filings. Compared to a standard letter, a treatment letter, designed to instill implementation intentions, produced between 61-54 percent relative increases in tax remittance prior to the commencement of traditional collection efforts, thereby saving tens of thousands of dollars in tax administration.

# Referent Points & Taxpayer's Compliance: Insights into Taxpayer's Risk Preferences for Honest Reporting

Ian Burt, College of Business Administration, Niagara University Jay Walker, Faculty of Economics, Niagara University

Prior research uses prospect theory to show taxpayers are more likely to cheat on their taxes when they perceive that they are in a tax "loss" position compared to a tax "gain". What remains to be understood is what constitutes the referent point that separates a tax loss from a tax gain. We observe taxpayers filing their actual tax return and investigate the extent to which different proxies for the referent point used in prior literature best differentiates between taxpayers' preference to cheat or file honestly. Our findings indicate that expected asset position is critical to influencing taxpayers' ethical behavior.

### SESSION #3: 3:15 PM - 4:45 PM

# **Intuitive Choice Begets Resilient Consumer Attitudes**

Sam Maglio, Rotman School of Management, University of Toronto – Scarborough Taly Reich, Yale School of Management, Yale University

Decisions need not be deliberative; consumers confronting choices often recruit their gut feelings instead. Might reliance on intuitive feelings in making purchase decisions impact how consumers evaluate those chosen products? An initial pair of studies provides evidence that a focus on feelings (versus deliberation) fosters stronger attitudes through a mechanism by which consumers view chosen options as more reflective of their true self. In a subsequent pair of studies, a focus on feelings makes attitudes more resilient in the face of negative feedback. Thus, by cultivating strong attitudes, relying on feelings changes how consumers appraise their purchases.

# Using Behavioural Research to Increase Uptake of Government Services: The Case of Job Match

Mathieu Audet, Employment and Social Development Canada Alexandre Parent, Employment and Social Development Canada

Job Match (JM) connects job seekers to jobs that fit their skills and experiences. Using insights from behavioural research, we sought to increase JM uptake. Two RCTs demonstrated the effectiveness of 'nudging' users with incomplete profiles via e-mail; e-mails that incorporated behaviourally-informed nudges (e.g., social norms, reinforcing goal commitment) increased profile completion by 106%, compared to a standard e-mail that was not informed by behavioural research. A third trial demonstrated the impact of nudges on the creation of new JM profiles; call-to-action messages incorporating behaviourally-informed nudges (e.g., social norms, framing) increased uptake by 250-280%, compared to a standard call-to-action.

# When Thoughts of "Having Less" Promote the Desire to Become One's Best: Reminders of Resource Scarcity Increase the Desire for Self-Improvement

Kelly Goldsmith, Kellogg School of Management, Northwestern University Ali Tezer, John Molson School of Business, Concordia University Caroline Roux, John Molson School of Business, Concordia University

Prior research has shown that resource scarcity promotes the desire to advance one's own welfare. We draw from this work to offer the novel proposition that, as a consequence, considerations of resource scarcity will increase consumers' interest in and willingness to pay for products that offer self-improvement related benefits. Thus, these findings demonstrate that reminders of resource scarcity can positively impact individual consumer welfare, through an increase in the desire for self-improvement. In addition, we provide one means to reconcile why considerations of "having less" may alternately increase versus decrease consumer spending.

### WORKING PAPER SESSION & COCKTAIL HOUR: 4:45 PM - 6:00 PM

- Little Kids, Big Decisions: Investigating Decision Making in K-5
   Deborah Kozdras, Gus A. Stavros Center for Free Enterprise and Economic Education, University of South Florida
- 2. Applying behavioral research in government: The case of the Canada Learning Bond Hasti Rahbar, Mathieu Audet, and Monica Soliman, Employment and Social Development Canada
- 3. Addressing the Say-Do Gap: Development of a new in-context methodology to conduct ecologically valid testing of early product prototypes and their value proposition(s)
  Supriya Syal, Wardah Malik, Jennifer Manzon, and Kelly Peters, BEworks
- 4. Farmers' Revenue Condition Predictions and Land Conversion Decisions: Evidence of the Gambler's Fallacy

Mary Doidge, Hongli Feng, and David Hennessy, Department of Agricultural, Food, and Resource Economics, Michigan State University

- Saving Starts Next Month
   Mariya Davydenko and Johanna Peetz, Department of Psychology, Carleton University
- Time is Money: Examining the Impact of Temporal Focus on Persuasive Advertisements
   Across the Adult Lifespan
   Faizan Imtiaz and Li-Jun Ji, Department of Psychology, Queen's University
- 7. The Quality Advantage: The Relative Effects of Voice Quantity and Quality on Peer Evaluations Kyle Brykman and Jana Raver, Smith School of Business, Queen's University
- Does Being "Real" Make a Person "Good"? Authenticity Predicts Prosociality, Even for Narcissists
   Siyin Chen, Rebecca Friesdorf, and Christian H. Jordan, Department of Psychology, Wilfrid Laurier University
- 9. Behavioural Responses to a Derogatory Comment: Black versus White Target Contexts Francine Karmali and Kerry Kawakami, Department of Psychology, York University



# **PARKING**

The best place to park for the day is at St. Mary's of the Lake Hospital (Providence Continuing Care) (see map on next page). The main entrance to this lot is at 340 Union Street (north of the lot). It can also be accessed from King Street to the south. It is about a 5 minute walk to the Tett, South along Ellerbeck St. Price is \$2 per hour (\$6/day maximum).

Accessible parking is available in the upper and lower parking lot at the Tett. The upper lot is exclusively accessible parking and is immediately on the right as you turn onto Morton Way. The lower lot is at the end of Morton Way. Please ensure your accessible parking permit is visible and follow the signage requirements as indicated.

There are also a limited number of non-accessible spaces available in the lower parking lot at the Tett, but this lot has a 3 hour maximum stay (\$1.50/hour).

# TRAVEL DIRECTIONS

**Driving**: If you are driving, the best way into Kingston is on Sir John A. MacDonald Boulevard, exit 615 off the 401. Go south on Sir John A. MacDonald Blvd for 5.5km. Turn left onto Union Street. The entrance to St. Mary's of the Lake Hospital Parking is 500m along Union, on the right hand side.

If you are traveling directly to the Tett, do not turn onto Union Street. Go to the very end of Sir John A. Blvd. Turn left onto King Street. Then turn right onto Morton Way after 500m.

To get to the <u>Delta Waterfront Hotel</u> (1 Johnson Street, Kingston K7L 5H7), come into Kingston on Sir John A. Blvd, turn left onto Johnson Street (after 4.75km on Sir John A. Blvd). Follow Johnson Street all the way to the very end, where you will see the parking garage for the Delta on the left hand side.

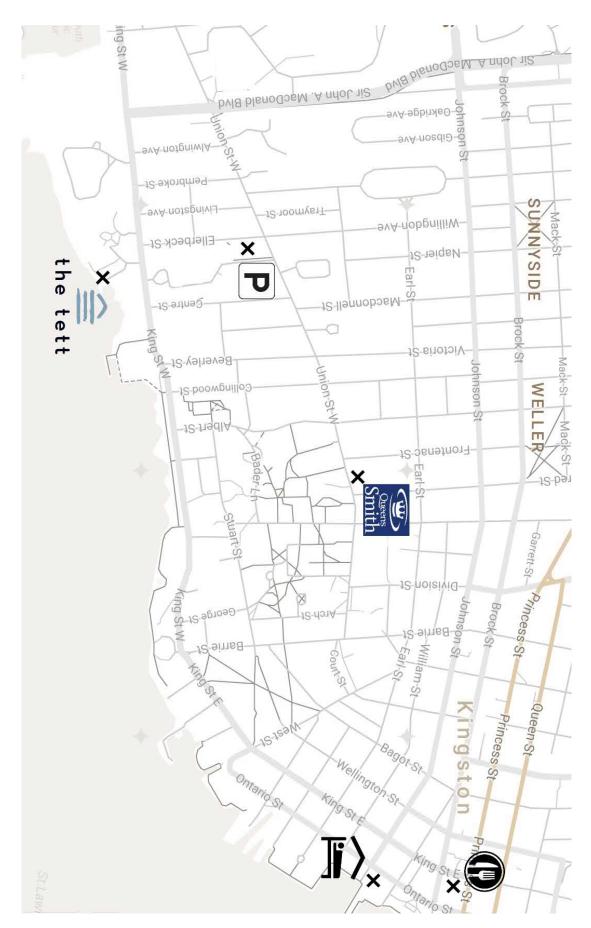
**Train, bus, air:** Train and bus (Greyhound and Megabus) services to Kingston are available from Toronto, Ottawa and Montreal. Flights are available from Toronto Pearson Airport. There is an airport rail link, <u>Union Pearson Express</u>, connecting Toronto Pearson Airport to <u>Toronto Union Station</u> if you would like to fly into Toronto and take the train to Kingston.

There is taxi service from the <u>Kingston Airport</u>, the <u>Kingston VIA Rail Station</u>, and the Kingston Bus Station. From all locations, the Tett and Delta Hotel are about a \$15-20 taxi ride and will take 15-20 minutes travel time.

# FRIDAY DINNER LOCATION

The Friday night dinner is a \$35 (tax and gratuities included) prix fixe menu at Sir John's Public House, 343 King Street East, Kingston, K7L 3B5, shown on the map on next page. This is a 5-minute walk from the Delta Hotel or a 5-minute car ride from the Tett (2.5km). Dinner is at 6:30pm. Dinner will be at each person's expense. Sir John's Public House is a cozy pub in the heart of historic downtown Kingston in a building which once served as the law office to Sir John A. Macdonald. For more information please see: http://foodandheritage.com/sir-johns-public-house/

# **MAP OF KEY LOCATIONS**



# NOTES



