

# **An Experimental Study of Guilt Aversion in Group Decision Making**

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## **Abstract**

Individuals often need to make decisions on behalf of a group or an organization. The existing literature that compares individual and group-representative decisions suggests that people behave more selfishly when they are given the responsibility to act on behalf of a group than when they make a decision solely on their own behalf (Song et al., 2004; Charness et al., 2007; Song, 2008, 2009). We try to explain this behavior from the point of view of guilt aversion. When individuals act on behalf of their groups, they will consider not only what the opponent's group members expect, but also their group members' expectation. This paper introduces a new experimental design to control players' beliefs about others' expectation and investigates the effect of guilt aversion on group-representative decisions in the dictator game. We use two types of ultimatum game to control independently players' beliefs about their group member's expectation and those about the opponents' expectation. The experimental result suggests that the reason why people behave more selfishly when they are given the responsibility to make decisions on behalf of their groups is because they consider their group members' expectation more than the opponents' one.

**Keywords:** Guilt aversion, Group-representative decision, Belief elicitation, Ultimatum game

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