Negative Consequences of Empowering Consumers and Employees

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We show that empowerment can generate many negative downstream costs. Once empowered, stakeholders demand to continue voting and become dissatisfied when no longer allowed to vote. Empowerment also backfires when stakeholders repeatedly vote on trivial issues.

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Sharing Information: A Focus on the Sharer’s Motives and Feelings

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Paper #1: The Selfish Side of Sharing: Effects of Need for Control on Advice Giving
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Paper #2: The Altruistic Side of Sharing: Giving Misery Company by Sharing Personal Negative Experiences
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Paper #3: La vie en Rose at the Top? Why Positive (Negative) Information goes Up (Down) in a Hierarchy
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Paper #4: The Negative Consequences of Empowering Consumers and Employees
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SESSION OVERVIEW

Sharing information goes by many names: word of mouth, recommendations, information transmission, voting, gossiping, or in modern times “tweeting.” Acts of sharing are one of (if not the) strongest influences on many consumer behaviors, influencing both the sharer and recipient of the information. Accordingly, many businesses have sought to drive and guide sharing behavior.

However, both businesses and academics remain blind to many of the underlying factors that surrounding sharing, particularly issues surrounding the sharer. Although academics have extensively examined how recipients respond to sharers’ recommendations and general social influences, much less is known about the sharer. Particularly what motivates the sharer? And how does the sharer feel about transmitting different types information, to different types of people, in different types of situations?

The first paper by Peluso, Bonezzi, and De Angelis begins by examining a selfish side of advice giving, specifically examining how a motive to gain a sense of personal control leads people to share advice (even advice that may hurt recipients) to fulfill this motive. Campbell and Ariely complement the first paper by presenting an altruistic side of sharing, finding people share personal negative experiences they wish not to share in order to provide others with beneficial social comparison. The second paper also examines the influence of differences in valence of shared content and personal relationship with the recipient. Du Plessis and Dubois pick up on the topics of valence and relation to the recipient in the case of hierarchies, finding that people tend to share positive information up the hierarchy ladder and negative information down the ladder. The authors propose that arousal underlies these patterns. Kim and colleagues finish the session by examining a specific case of communication in a hierarchy: that between stakeholders (e.g., consumers, employees) and the larger firm. The authors critically examine the popular trend of firms (e.g., Facebook) inviting stakeholders to share opinions and vote on issues. Though seeming a positive step toward giving stakeholders a feeling of influence and autonomy, the authors find many negative consequences for both firms and stakeholders.

In addition to the theme of feelings and motives, many of the papers tackle other overlapping themes, specifically: the trading off of sharer and recipient welfare (paper 1 and 2), the valence of transmitted information (paper 2 and 3), recipient characteristics (paper 2 and 3), hierarchies (paper 3 and 4), and feelings of control (paper 1 and 4).

In sum, this session seeks to reaffirm how basic consumer research can make a big difference in a modern world of increasingly sharing behavior. All the benefits of sharing, tweeting, and word of mouth hinge on a potential sharer actually choosing to share. Accordingly, understanding what motivates the sharer and how the sharer feels about sharing is fundamentally important if one wishes to promote any type of sharing from peer-to-peer tweeting to good ol’ fashioned face-to-face word of mouth.

The Selfish Side of Sharing: Effects of Need for Control on Advice Giving

EXTENDED ABSTRACT

Consumers’ purchasing decisions are often influenced by information provided by others in the form of advice (Cheema and Kaikati 2010; De Bruyn and Lilien 2008; Fitzsimons and Lehmann 2004). Previous literature has often conceptualized advice giving as an altruistic behavior driven by empathic concern for others (Goldsmith and Fitch 1997; Liu and Gal 2011). From this perspective, consumers provide advice to improve or protect others’ well-being (Hennig-Thurau et al. 2004; Sundaram, Mitra, and Webster 1998).

Despite the intuitive validity of this argument, we suggest that a self-serving motive, and not empathic concern, sometimes drives advice giving. We argue that consumers sometimes provide advice to fulfill a self-serving motive to restore a lost sense of personal control. Building on the notion that consumers experiencing a threat to their sense of control seek means to restore control (Kay et al. 2008; Whitson and Galinsky 2008), we suggest that giving advice can provide one means of accomplishing such an objective. Thus, we propose that individuals with a need to restore control are more likely to give advice than individuals who do not have such a need.

Experiment 1 tested whether individuals who experience a temporary need to restore control are more likely to give advice than individuals without this need. Moreover, we also tested whether this tendency is stronger for individuals with a higher chronic desire for control (Burger and Cooper 1979; Gebhardt and Brosschot 2002). Eighty-two participants were assigned to either a need to restore control condition or a no need to restore control condition of a between-participants design, with chronic desire for control serving as a continuous measured variable. We manipulated personal control via threat, using an episodic recall task (Whitson and Galinsky 2008). We then asked respondents to recall a positive consumption experience, and write about it as if they were writing an email to a friend. Messages were then coded based on whether or not they contained an explicit advice or recommendation for the recipient. A logistic regression revealed a significant effect of need to restore control \((p = .05)\), indicating that respondents who had a need to restore control gave advice more than respondents who did not have such a need. Moreover, this main effect was qualified by a significant interaction between need to restore control and chronic desire for control \((p = .05)\), indicating that the tendency to give...
advise when feeling out of control was stronger for individuals with a higher chronic desire for control ($p < .01$) compared to those with a low chronic desire for control ($p > .10$).

Experiment 2 directly tested for a differential effect of empathy and need to restore control on advice giving. We reasoned that, in situations in which providing advice may be potentially detrimental to the receiver, empathy vis-à-vis need to restore control should produce opposite effects. Specifically, individuals motivated by empathy should be more likely to refrain from giving advice, to avoid potentially hurting the recipient. In contrast, individuals motivated by a self-serving need to restore control should be more likely to give advice, as worry less about potential negative consequences for the recipient. One hundred and sixty five participants were assigned to three conditions of a between-participants design. We used an episodic recall task to activate across conditions either empathy, a need to restore control, or a neutral state (baseline). Next, respondents were asked to read a scenario describing a consumer in need of advice about applying for a fixed versus adjustable-rate mortgage. In particular, the scenario was characterized by ambiguity about the best course of action and potential for harm to the receiver if the wrong advice is provided. Respondents were asked to indicate whether or not they would provide advice to the person involved in that situation. A logistic regression revealed a positive effect of need to restore control on advice giving, indicating that respondents in this condition were more likely to give advice than respondents in the baseline condition (72.2% versus 53.4%, $p = .04$). In contrast, the results showed a negative effect of empathy, indicating that respondents in this condition were less likely to give advice than respondents in the baseline condition (34% versus 53.4%, $p = .04$).

Experiment 3 tested whether the desire to engage in advice giving is attenuated when an alternative way to restore one’s threatened sense of control is provided beforehand. One hundred and sixty nine participants were assigned to a 2 (need to restore control: present versus absent) × 2 (opportunity for self-recovery: present versus absent) between-participants design. We manipulated personal control using an anticipatory thinking task (Rutjens et al. 2010). Half of the participants then engaged in a choice task that provided an opportunity to restore their threatened sense of control (Inesi et al. 2011). Finally, respondents were asked to recall and write about a positive experience they had with a product and indicate their propensity to advise others to buy that product (“I am definitely going to suggest to others to buy this product”; 1 = strongly disagree, 9 = strongly agree). There was a significant need to restore control by opportunity for self recovery interaction, $p = .03$. Contrasts revealed that when no intervening opportunity for self-recovery was present, participants with a need to restore control expressed a higher intent to give advice ($M = 8.66$) than participants with no need to restore control ($M = 7.60$, $p < .001$). In contrast, when an intervening opportunity for self-recovery was present, participants’ intent to give advice did not differ as a function of need to restore control, $p > .10$.

Overall, this research furthers our understanding of the motives that drive advice giving. Contrary to prior research, we show that advice giving can be motivated by a self-serving desire to restore a lost sense of control. Attesting to the compensatory role of advice giving as a means to regain a temporary threatened sense of control, our results suggest that advice giving might in fact be attenuated when an alternative way to restore control is provided.

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Sharing Information: A Focus on the Sharer’s Motives and Feelings


The Altruistic Side of Sharing: Giving Misery Company by Sharing Personal Negative Experiences

EXTENDED ABSTRACT

“The world needs people like you and me who’ve been knocked around by fate. ‘Cause when people see us, they don’t want to be us, and that makes them feel great. We provide a vital service to society!” — Avenue Q the Musical

Why do people so often share negative personal information (e.g. a fight with a spouse, a miserable product experience) when research shows focusing on one’s own or another’s negative personal experiences produces undesirable outcomes? (Neuman & Strack, 2000; Schwarz & Strack, 1999; Tiedens & Linton, 2001) In this paper we attempt to shed light on this puzzle. Building upon the altruism (Batson & Shaw, 1991; Monroe, 1994; Small, Loewenstein, & Slovic, 2007) and social comparison theory literatures (Corcoran et al., 2011; Wills 1981), we propose that the sharing of personal negative experiences is often motivated by social altruism such that people willingly trade off personal costs to provide benefit to target-persons through the process of downward social comparison. Thus, people (who we call “supporters”) share negative personal information not because they are unaware of the costs associated with focusing on negative information. Instead, supporters tell target-persons about their own negative experiences because of a conscious intention to aid target-persons based on a lay understanding of social comparison (Exline & Lobel, 1999).

In sum, the findings paint a picture of people as daily social altruists who engage in a sophisticated cost-benefit analysis of two competing forces. The first force, the salient negative force entails a cost for both supporter and target-person. This force focuses both parties on negative experiences, leading both parties to feel negative emotions and dissatisfaction. In contrast, the second force, a downward social comparison force, may benefit the target-person. When considering the combination of the two forces involved in sharing personal negative information, supporters consistently predict a personal cost for sharing such information. However, supporters predict the effect on the target-person will vary depending on whether the cost of the salient negative force or the benefit of the downward social comparison force looms larger for target-persons. Importantly, by speaking about their own negative experiences, people believe they can literally give “misery” beneficial company and are willing to become such company.

In the current project we conducted five scenario experiments to test this social altruism sharing hypothesis, assess the intuitions people have about the effects of sharing negative personal information, and understand the factors that intensify and dampen the likelihood of sharing personal negative information for socially altruistic purposes.

In the first two experiments we found supporters shared more negative (and separately less positive) personal information with a target-person who had recently experienced negative experiences and that this pattern was stronger when the target-person’s negative experiences was unchangeable. In the third experiment we found the above pattern significantly occurred for targets that were and were not friends with the supporter, however the pattern was notably stronger for friends.

Experiments 4 and 5 revealed more direct evidence that this sharing behavior is intended to benefit target-persons through downward social comparison. In Experiment 4, when sharing experiences with target-persons, we found supporters not only selectively choose...
to share more personal negative experiences to benefit bad feeling
target-persons, but that supporters also lie about their personal ex-
periences, portraying their experiences as more negative when target-
persons would benefit from a downward social comparison. Thus
supporters may incur the moral cost of lying (Grover, 1993) for the
benefit of target-persons. The tendency to more negatively portray
one’s experiences with target-persons who had recently experienced
negative rather than positive events was completely mediated by in-
tentions to benefit the target-person. Further, we found that when
target-persons had recent negative experiences, supporters reported a
much higher intention to benefit the target through personal sharing.
This finding suggests that it is when others are suffering that socially
altruistic processes in personal sharing are most often triggered.

Finally, Experiment 5 documented how in interpersonal conver-
sation situations like those explored in the first four studies, people
predict sharing negative experiences would be A) costly for support-
ers’ general feelings and worsen supporters’ own satisfaction with
their personal experiences and B) beneficial for targets’ general feel-
ings and improve targets’ satisfaction with their own experiences.
Together the experiments also rule out alternative behavioral pat-
terns and hypotheses, such as taking advantage of situations to vent,
matching the conversation tone of a conversation partner, or a mean
reduction in personal sharing with negative feelings others.

We began with the puzzling observation that although research
has demonstrated negative consequences of focusing on one’s own
or others’ personal negative experiences and people have a general
preference against sharing and being exposed to negative personal
experiences (De Angelis et al., 2012; Kowalski, 2002), people often
choose to complain and share negative personal experiences. Though
previous research has observed such behavior to occasionally be mo-
tivated by selfish desire (Taylor, Wayment, & Carrillo, 1996; Kow-
alski, 1996, Smith, 1983), here we propose a different (though not
exclusive) motivation for this behavior: social altruism. We found
that at times, supporters will incur a personal cost and share nega-
tive personal experiences when they believe doing so will benefit
a target-person. We explain our findings by theorizing people hold
a lay intuition of social comparison theory (Corcoran et al., 2011;
Mussweiler & Strack, 2000; Wills, 1981), such that supporters seek
to deliberately construct downward social comparisons for target-
persons by sharing their own negative experiences. Future research
should explore under what circumstances sharers’ strategies are ef-
effective and if sharers can anticipate when sharing personal negative
information is most likely to provide target-persons with beneficial
social comparison, though past research suggests this would be in
general a beneficial strategy (Jordan et al., 2011). We discuss implica-
tions for consumer behavior, social welfare, and word of mouth.

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La vie en Rose at the top? Why Positive (Negative)
Information goes Up (Down) in a Hierarchy

EXTENDED ABSTRACT

A key concern for marketers, both in academia and practice, is
understanding when and why positive and negative product in-
formation spreads through word-of-mouth (WOM). Indeed, posi-
tive WOM often leads to an increase in sales (Chen, Wang and Xie
In Experiment 2 we specifically manipulated recipient’ relative standing based on their own actual perceived standing, once again through a graphical ladder representing social hierarchy (see Piff et al. 2012). To do so, senders (participants) first indicated their position on the ladder. Next, a research assistant told them they would be randomly assigned to another participant to whom they will send a WOM message, and were given an information sheet about this participant. Key to the experiment, the information sheet was staged. In the high hierarchy condition, the information sheet mentioned that the assigned recipient had indicated being two steps higher on the ladder. In contrast, in the low hierarchy condition, the information sheet mentioned that the assigned recipient had indicated being two steps lower on the ladder. Next, participants shared a WOM message about a car. We coded participants’ messages as in experiment 1. Consistent with our hypotheses, messages were more positive when respondents wrote an email description to a recipient higher in the social hierarchy than when they were asked to email someone lower in the social hierarchy, p < .05.

Overall, this research contributes to our understanding of when and why valenced information is shared by demonstrating how psychological arousal arising from the hierarchical relationship between the recipient and sender of the WOM message impacts the sharing of positive vs. negative information and are consistent with arousal-hierarchy hypothesis.

These findings also have important practical implications for understanding how information might be distorted across multiple successive transmissions in an organization: the same situation might be seen in rosy hues by those at the top but through gloomy lens for those at the bottom. In turn, this discrepancy in perception might explain why leaders can be unrealistically optimistic and ignore warning signs regarding the health of their organizations, and why individuals lower in the hierarchy might show more distress or anxiety about the future—because they’ve received different information.

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The Negative Consequences of Empowering Consumers and Employees

EXTENDED ABSTRACT

Gone are the days of managers acting as sole decision-makers in strategic choices. Increasingly, managers “outsourc” some decisions – from creating advertisements to deciding on mission statements – to both internal and external stakeholders: employees and customers. While delegation of agency is often a strategic move to dodge responsibility for potential missteps or avoid being perceived as lacking transparency (Bowen and Lawler, 1992), collecting information through shared decision-making also allows companies to induce positive effects by empowering those who participate. In workplace settings, for instance, empowering employees leads to increases in job satisfaction and performance (Kirkman, 1999; Spreitzer, 1995). Similarly, research on consumer empowerment – such as allowing consumers to personalize products and services – points to the benefits of involving consumers (Fuchs, Prandelli, and Schreier, 2010; Pralahadal and Ramaswamy, 2004; Wind and Ramaswamy, 2001). In contrast, we explore the possible negative consequences of such empowerment, examining how opening the Pandora’s box of empowerment can prove problematic when companies wish to close the lid and revert to making their own consequential decisions.

Our research focuses the consequences of empowering stakeholders to vote, with three goals, each of which contributes to a broader understanding of the negative consequences of empowerment over time. First, we explore whether allowing people to vote leads them to want to continue voting on subsequent decisions, even when the “vote giver” may no longer desire such input. Indeed, research in political science shows that political participation (including voting) engenders future participation (Finkel, 1978; Putnam, 2000). As in the previous literature, we expected stakeholders to be satisfied when empowered; in addition, however, we expected empowerment to lead to stakeholders’ demand to continue voting. Second, we examine whether stakeholders who are allowed to vote on one issue and then have the vote taken away for a second issue are more upset than those who are not allowed to vote on the first issue and then given the vote for the second: while in each case stakeholders will have voted once, we suggest that having the vote taken away is so aversive that stakeholders are as dissatisfied as they are with never being allowed to vote at all. Finally, we explore whether all voting is good voting. In particular, we explore issues of voting on trivial issues.

Study 1 tests the idea that once empowered to vote, people will express the desire to vote more and more in the future. Participants (N=106) acted as consumers of a breakfast products company called Cereal Central. The study employed one between-subjects manipulation, where participants either voted six times on company-related issues with one filler task in the middle, or were simply told about the choices the company was considering. They were then given a list of ten company issues and were asked whether each should be put up to a vote. As predicted, voting begets more voting: those in the vote condition indicated that they wanted to vote for more issues (M=2.98) than those in the no vote condition (M=2.43), t(104)=2.32, p<.05.

Study 2 explored whether voting and then having the vote taken away can be worse than not voting and then being given the vote – and even as bad as never being able to vote at all. In a 2 (vote vs. no vote on the first issue) x 2 (vote vs. no vote on the second issue) between-subjects design, participants (N=243) acted as employees of a local firm whose management team decides to let employees vote or not vote on each of two company-related issues (revising bonus scheme and promotion policies). A 2x2 ANOVA revealed no significant effect of voting on the first issue on satisfaction, F(1, 239)=1.80, p=.18, but a significant main effect of being able to vote on the second issue, F(1, 239)=78.37, p<.001, such that participants who could vote the second time were more satisfied (M=4.00) than those who could not (M=2.79). Most importantly, we observed the predicted interaction, F(1, 239)=7.65, p<.001. Follow-up tests indicated that participants who did not vote the first time and were given a chance to vote for the second issue reported significantly higher satisfaction (M=4.29) than those who voted both times (M=3.72); t(122)=3.32, p<.001: being given the vote feels better than having had the vote all along. In contrast, once empowered to vote, having that ability taken away for the second issue made people feel less satisfied (M=2.89) than those who did not vote and then voted (M=4.29), t(122)=7.96, p<.001, despite the fact that in both cases participants voted once. Indeed, having the vote taken away made participants feel as dissatisfied as if they had never gotten to vote at all (M=2.69), t(117)=9.90, p<.01.

Finally, Study 3 explored whether empowerment can backfire in a different way: when stakeholders are repeatedly asked to vote on issues that they deem trivial. Using the same workplace paradigm from Study 2, participants (N=480) were randomly assigned to one condition of 2 (the first issue is important vs. trivial) x 2 (the second issue is important vs. trivial) x 2 (vote vs. no vote on the second issue) between-subjects design. An ANOVA revealed that being able to vote the second time significantly increases people’s level of satisfaction overall, F(1,472)=33.44, p<.001. This main effect, however, was qualified by the predicted three-way interaction, F(1, 472)=5.31, p<.001. In contrast to all other conditions – in which being empowered on the second issue led to decreased satisfaction – employees who considered trivial issues at both times were actually more satisfied when the vote was taken away on the second issue (M=4.05) than those “empowered” to keep voting on trivial matters (M=2.84), t(121)=7.73, p<.01.

These results suggest that while empowering stakeholders by giving them the vote generally increases satisfaction, such empowerment can come with downstream costs: stakeholders demanding to vote in the future (Study 1), stakeholders becoming angry when the vote is taken away (Study 2), and stakeholders becoming irritated when repeatedly forced to vote on issues about which they do not care (Study 3).

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