

Social Preferences of Teams and Individuals, and the Mode of Eliciting Choices

Fangfang TAN

(Tilburg University)

Abstract: We compare the behavior of teams and individuals in a two-person Stackelberg game, using two methods of eliciting choices: truly sequential play and the strategy method. In order to detect potential differences in social preferences of teams and individuals, we estimate two models of other-regarding preferences, namely, the reciprocity models of Cox, Friedman, and Gjerstad (GEB, 2007) and Cox, Friedman, and Sadiraj (Econometrica, 2008). In contrast to previous experimental results, we find that teams are more reciprocal than individuals as team followers reward more and punish harder than individual followers. Data from the strategy method treatments corroborate this result. Moreover, we show that the shape of followers' response function is consistent with the predictions of the Fehr and Schmidt (1999) model.