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Can money heal all wounds? Social exchange norm modulates the preference for monetary versus social compensation

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Compensation is a kind of pro-social behavior that can restore a social relationship jeopardized by interpersonal transgression. The effectiveness of a certain compensation strategy (e.g., repaying money, sharing loss, etc.) may vary as a function of the social norm/relationship. Previous studies have shown that two types of norms (or relationships), monetary/exchange and social/communal, differentially characterize people's appraisal of and response to social exchanges. In this study, we investigated how individual differences in preference for these norms affect individuals' perception of others' as well as the selection of their own reciprocal behaviors. In a two-phase experiment with interpersonal transgression, we asked the participant to perform a dot-estimation task with two partners who occasionally and unintentionally inflicted noise stimulation upon the participant (first phase). As compensation one partner gave money to the participant 80% of the time (the monetary partner) and the other bore the noise for the participant 80% of the time (the social partner). Results showed that the individuals' preference for compensation (repaying money versus bearing noise) affected their relationship (exchange versus communal) with the partners adopting different compensation strategies: participants tended to form communal relationships and felt closer to the partner whose compensation strategy matched their own preference. The participants could be differentiated into a social group, who tended to form communal relationship with the social partner, and a monetary group, who tended to form communal relationship with the monetary partner. In the second phase of the experiment, when the participants became transgressors and were asked to compensate for their transgression with money, the social group offered more compensation to the social partners than to the monetary partners, while the monetary group compensated less than the social group in general and showed no difference in their offers to the monetary and social partners. These findings demonstrate that the effectiveness of compensation varies as a function of individuals' preference for communal versus monetary norm and that monetary compensation alone does not heal all wounds.

Keywords: social exchange norm, interpersonal transgression, compensation, individual differences

Experimental Design and Procedure

Participants were randomly assigned to one of two conditions: a control condition (N = 20) and an experimental condition (N = 20). In the control condition, participants were asked to perform a series of tasks (A, B, C, D, E, F, G, H, I) and were given a fixed amount of money (500) to complete these tasks. In the experimental condition, participants were given a choice between two options (1 and 2) for each task, with option 1 being the socially expected choice and option 2 being the socially unexpected choice. The amount of money given to participants in the experimental condition was determined by their choice and the choice of other participants in the same condition. The amount of money given to participants in the experimental condition was determined by their choice and the choice of other participants in the same condition. The amount of money given to participants in the experimental condition was determined by their choice and the choice of other participants in the same condition.

The First Phase

In the first phase, participants were asked to perform a series of tasks (A, B, C, D, E, F, G, H, I) and were given a fixed amount of money (500) to complete these tasks. In the experimental condition, participants were given a choice between two options (1 and 2) for each task, with option 1 being the socially expected choice and option 2 being the socially unexpected choice. The amount of money given to participants in the experimental condition was determined by their choice and the choice of other participants in the same condition. The amount of money given to participants in the experimental condition was determined by their choice and the choice of other participants in the same condition. The amount of money given to participants in the experimental condition was determined by their choice and the choice of other participants in the same condition.



FIGURE 1 | The task in the first phase. Each trial began with a fixation and then a cue indicating which partner was paired with the participant for the current trial. The participant was told that his/her partner had to quickly estimate the number of dots on the screen by pressing a corresponding button to indicate whether his/her estimation was more or less than a number (randomly chosen from 19, 20, and 21) which appeared on the next screen. The outcome of the estimation (correct versus incorrect) was communicated to the participant on the next screen. After a correct performance, the partner received 100 monetary tokens as a reward and the next round began. After an incorrect performance, the participant was threatened with the possibility of receiving noise stimulation, and the partner had the chance to choose from two compensation options: paying 100 tokens to the participant or bearing the noise for the participant. The partner’s decision was communicated to the participant on the screen. Finally, the noise stimulation was delivered to the participant if his/her partner decided to pay money, or to his/her partner if the partner decided to bear the noise stimulation for the participant.

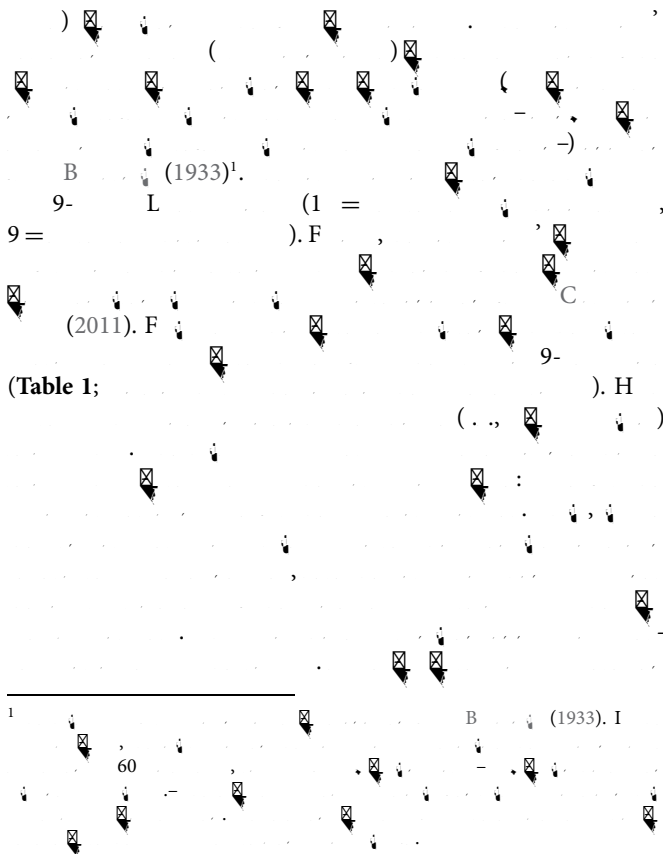
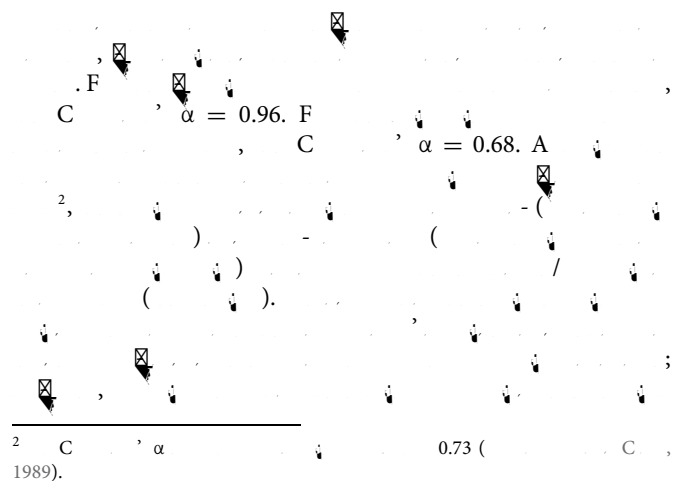


TABLE 1 | Exchange Relationship Scale.

Items
(1) When I give something to another person, I generally expect something in return.
(2) I don't bother to keep track of benefits that I have given to others.
(3) It is best to make sure things are always kept 'even' between two people in a relationship
(4) When I receive benefits from partner, I ought to repay right away.

Participants rated each item on a 9-point scale (1: extremely uncharacteristic; 9: extremely characteristic) to describe their relationship with each partner.



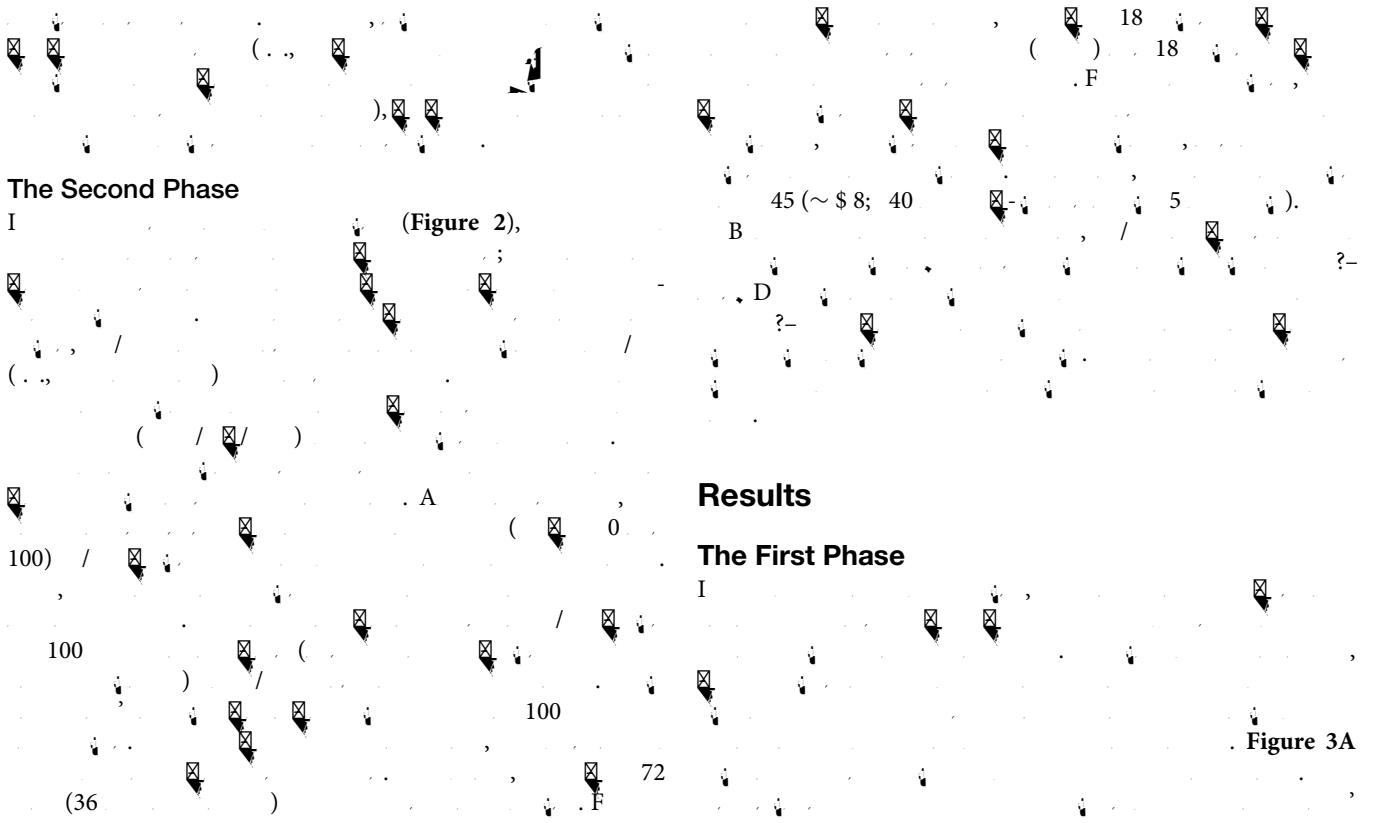
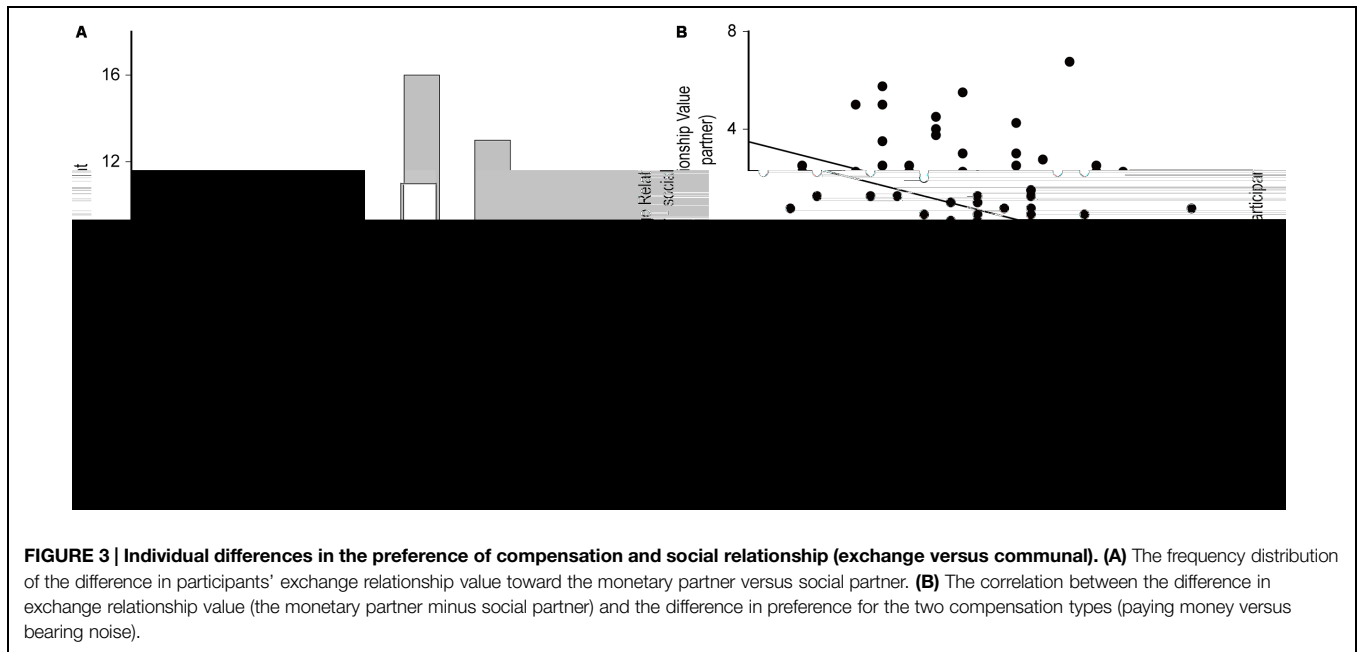


Figure 3A



FIGURE 2 | The task in the second phase. Each trial began with a cue indicating which of the two partners had been chosen for that particular round. The next screen presented the pain-level of the current trial (none/low/high). Then the participant performed the dot-estimation task. The outcome of the performance was communicated to both the participant and the partner on the next screen. After a correct performance, the participant received 100 monetary tokens as a reward, and the next round began. After an incorrect performance, the partner had to bear pain stimulation. Finally, the participant indicated the amount of monetary tokens (out of 100) he/she would be willing to pay out of his/her own pocket to compensate the partner.



$r = -0.45, p < 0.001$ (Figure 3B).

$n = 37$

$n = 37$

A

A

$F(1,72) = 36.89, p < 0.001, \eta^2 = 0.34.$

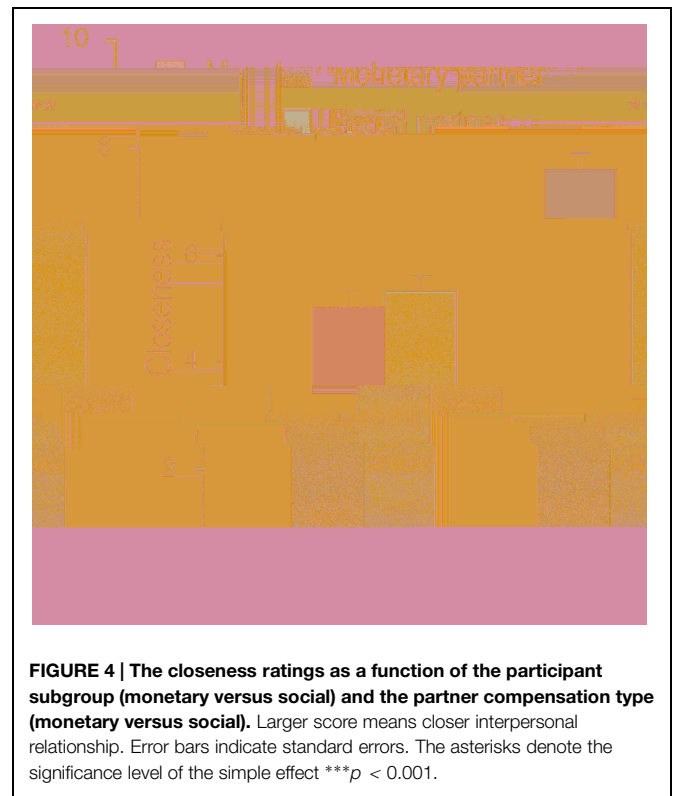
(6.5 ± 0.2)

$(4.0 \pm 0.2).$

$F(1,72) = 28.49, p < 0.001.$

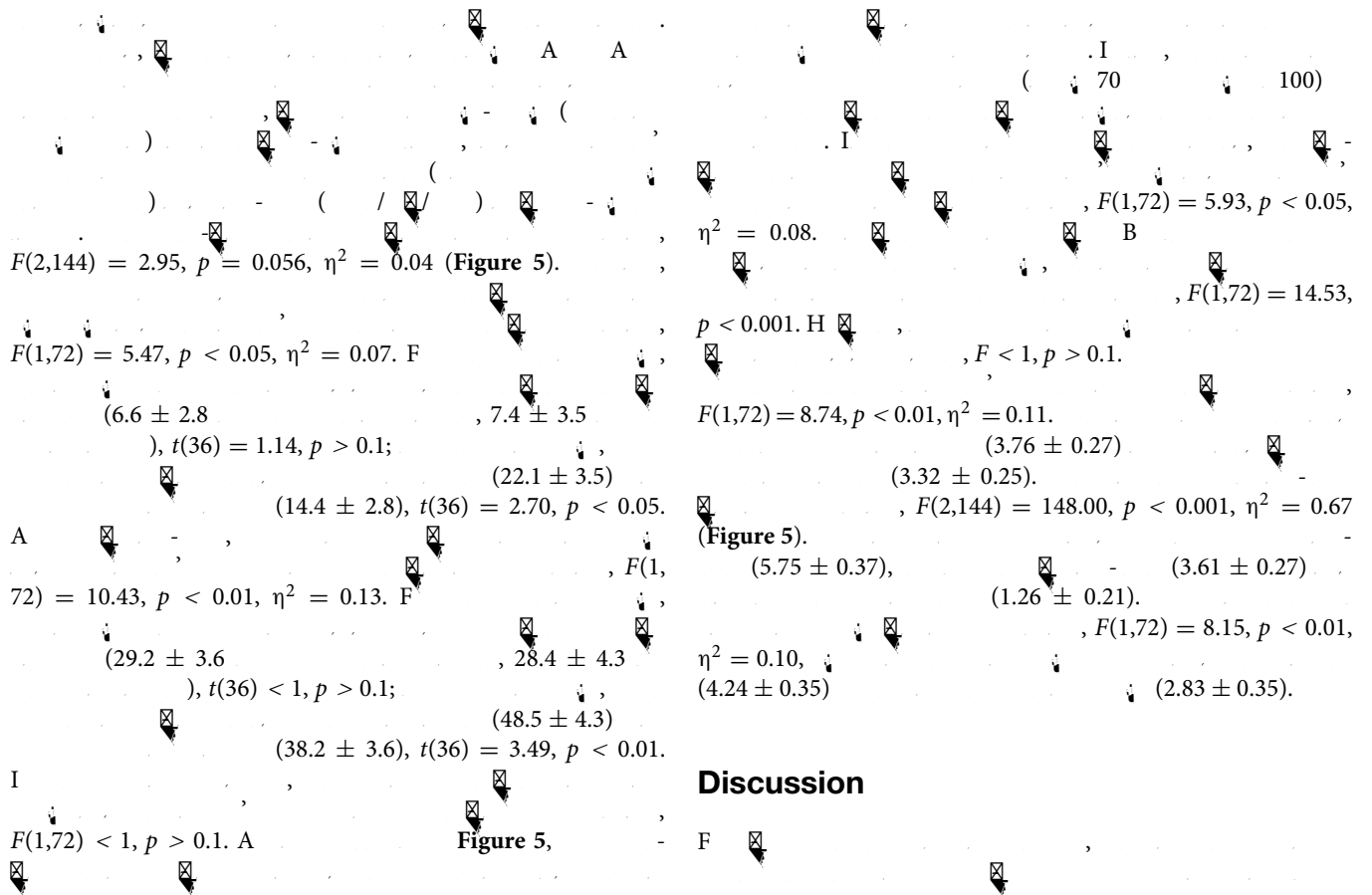
$p < 0.001, \eta^2 = 0.28$ (Figure 4).

$t(36) < 1, p > 0.1;$



$t(36) = 12.60,$

The Second Phase



Discussion

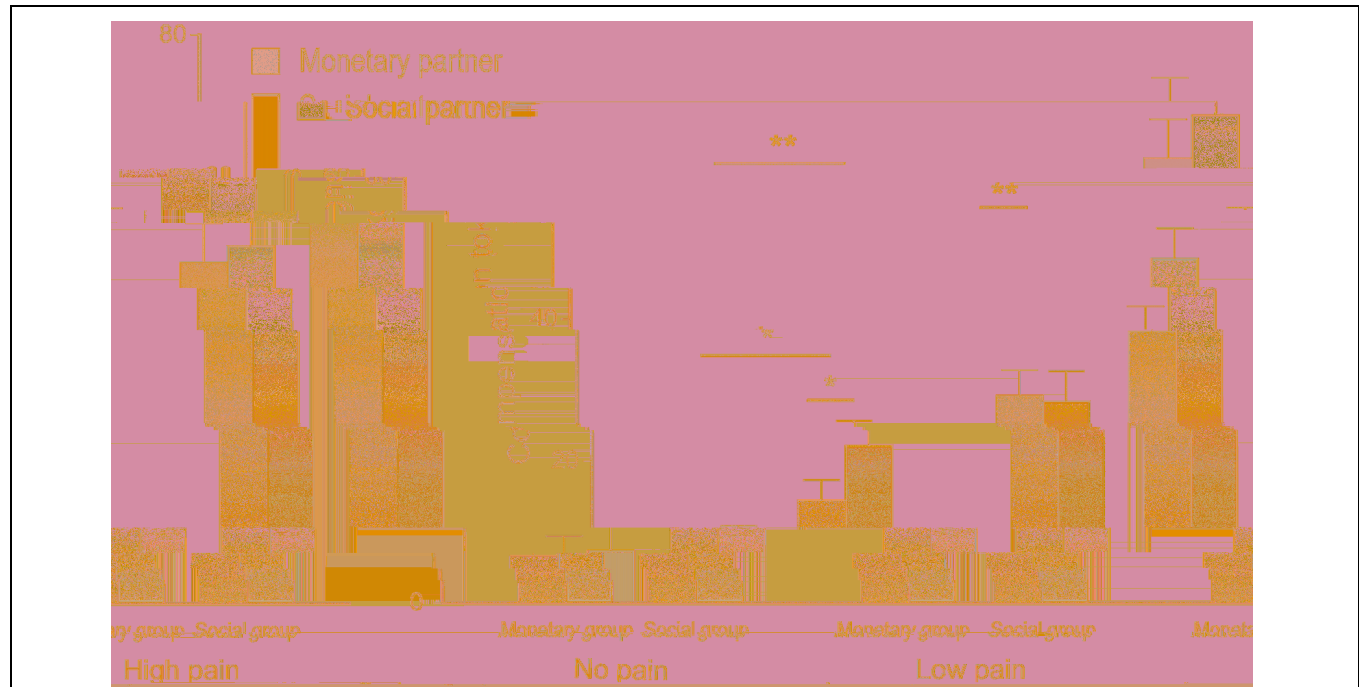


FIGURE 5 | The amount of monetary compensation to the two partners as a function of the participant subgroup (monetary versus social), the partners' compensation strategy (paying money versus bearing pain) and pain-level (no/low/high). Error bars indicate standard errors. The upper asterisks denote the significance level of the two-way interactions, while the lower asterisks denote the significance level of the simple effects. * $p < 0.05$, ** $p < 0.01$.

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Conflict of Interest Statement:

The authors declare that they have no conflict of interest.

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