

**PUSHING THE BOUNDARIES: A REVIEW AND EXTENSION OF THE  
PSYCHOLOGICAL DYNAMICS OF INTERGENERATIONAL CONFLICT IN  
ORGANIZATIONAL CONTEXTS**

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## **ABSTRACT**

We review previous research on intergenerational conflict, focusing on the practical implications of this research for organizational leaders. We explain how the interaction between the interpersonal and intertemporal dimensions of intergenerational decisions creates the unique psychology of intergenerational decision making behavior. In addition, we review the boundary conditions that have characterized much of the previous research in this area, and we examine the potential effects of loosening these constraints. Our proposals for future research include examination of the effect of intra-generational decision making on intergenerational beneficence, consideration of the role of third parties and linkage issues, investigation of the effects of intergenerational communications and negotiation when generations can interact, examination of the role of social power in influencing intergenerational interactions, investigation of the interaction between temporal construal and immortality striving, and exploration of the ways in which present decision makers detect and define the intergenerational dilemmas in their social environments.

Intergenerational decisions are those in which the interests of the self in the present are in conflict with the interests of others in the future; they represent a type of dilemma that is ubiquitous in contemporary organizations. Consider a few examples: An executive is faced with the decision of utilizing a more expensive but sustainable energy source that will conserve resources for future social actors but will cut into company profits, or instead using a nonrenewable resource that will save the company money but pollute the environment. A director of a large non-profit organization must decide whether to embark upon a new strategic plan in the present that could considerably enhance the effectiveness of the organization's current activities but will necessarily constrain the options available to her successors regarding future allocations of financial and human resources among the organization's diverse service goals. A young analyst is finishing a two-year position at her company to pursue an MBA degree, and the new analyst taking her place would like to meet to discuss responsibilities and ease the role transition; she must decide whether to take time out of her own schedule to meet with and guide this new organizational member. A department head in a university is charged with redesigning organizational policies and procedures and must balance the interests and needs of both senior and junior faculty members.

While these examples demonstrate that intergenerational decisions are quite common in organizational settings, intergenerational decisions can also be critically important to organizational success. The intergenerational behavior of organizations affects the organizational image that guides communities', customers', and employees' views of the organization. As customers become increasingly concerned with sustainability issues and community stakeholders gain influence over regulatory policies, promoting a corporate image of

concern for the future well-being of the environment and of local communities can have a positive effect on the bottom line (Maignan, Ferrell, & Hult, 1999). At the same time, promoting policies of responsible organizational citizenship can have a positive effect on employee morale, motivation, and organizational attachment and identification (Maignan et al., 1999; Rupp, Ganapathi, Aguilera, & Williams, 2006). Furthermore, beyond concerns about organizational image, it is undoubtedly beneficial for the long-term survival of the organization for decision makers to incorporate a concern for future organizational interests into decisions about current organizational activities. Such a focus on the future can ensure that the long-term interests of the organization are not sacrificed to achieve short-term goals.

Our agenda in this paper is three-fold. First, we review previous research in the areas of intergenerational conflict and decision making with an emphasis on the implications of research findings for organizational leaders and decision makers. In doing so, we hope to highlight the ways in which previous research on intergenerational issues can illuminate organizational processes and can point to potential solutions to intergenerational dilemmas in organizations. Our review includes previous research on the effects of interpersonal distance, egocentric biases, time discounting, uncertainty, optimism biases, affinity with future others, stewardship, empathy, resource valence, mortality salience, and immortality striving on intergenerational decision making behavior.

Second, we seek to consider the effects of loosening the boundary conditions that have generally characterized previous intergenerational research. Much of the previous research in this area has involved four critical boundary conditions: first, that the present decision maker has absolute power over present decisions; second, that future others are completely powerless both because they have no voice in the present decision and because the decision maker is removed

from the context of social exchange after the decision is made; third, in the majority of previous studies, time delay between present and future others has been held constant within a given study (see Wade-Benzoni, 2007a for an exception); and fourth, that the intergenerational dilemma in question is clearly defined and the interests of the self and future others are clearly specified. These boundary conditions have proved invaluable in enabling researchers to explore the psychological dynamics of intergenerational decisions and identify a number of critical variables such as time (Wade-Benzoni, 2002, 2006, 2008a; Wade-Benzoni et al., 2008a), interpersonal distance (Hernandez, Chen, & Wade-Benzoni, 2006; Wade-Benzoni, 2002, 2007a; Wade-Benzoni, Hernandez, Medvec, & Messick, 2008b; Wade-Benzoni, Tenbrunsel, & Bazerman, 1996), resource valence (Wade-Benzoni et al., 2008a), uncertainty (Wade-Benzoni, 2002, 2008a; Wade-Benzoni et al., 2008b), mortality salience (Wade-Benzoni, 2006; Wade-Benzoni et al., 2008a), and power (Wade-Benzoni et al., 2008b), just to name a few, but in this paper we seek to consider the effects of loosening some of these constraints. How might intergenerational dynamics change if the power asymmetry between present decision makers and future others were not so absolute? What kind of impact would generational dynamics have in a negotiation context, in which future generations of organizational powerholders have the opportunity to influence the decisions of the present generation? Further, how do intergenerational conflicts interact with intra-generational conflicts? Can intergenerational decisions usefully be viewed as two-level games in which a present decision maker must not only balance his or her own present interests with the interests of future others but must also negotiate with his or her contemporaries to determine organizational actions? What else can we learn about how variations in the time delay between present and future generations affect intergenerational decision making behavior?

How might decision makers identify and construct meaning for intergenerational dilemmas and interests that are not clearly identified and specified in their social environments?

Finally, the third goal of this paper is, in considering answers to these types of questions, to propose future areas and directions of research that can enhance scholars' understanding of intergenerational conflict and decision making. At the same time, we hope to further enhance the utility of this area of research for organizational actors themselves by highlighting practical applications of previous research findings and by pointing out aspects of future research areas that can have important practical applications.

We begin with an overview of conceptual issues in intergenerational research, and we highlight the critical interaction between the interpersonal and intertemporal dimensions that characterizes intergenerational decisions. We then review previous research, emphasizing variables that can reduce feelings of psychological distance across generations and enhance stewardship behavior. Finally, we identify and discuss the boundary conditions of previous research and consider ways in which relaxing these boundary conditions can open up new areas of scholarly inquiry regarding intergenerational behavior.

### **A CONCEPTUAL OVERVIEW OF INTERGENERATIONAL CONTEXTS**

A key aspect of intergenerational relations is that the interests of present actors and future generations are not always aligned. Intergenerational decisions become problematic when the interests or preferences of the present generation of decision makers are in conflict with the interests of future generations. For example, maintaining sustainable levels of beneficial resources for future generations may require that present actors forego the enjoyment of some of those benefits in the present, and avoiding the imposition of costly burdens on future generations often requires that present actors incur some of the costs of managing those burdens themselves.

An intergenerational dilemma is faced, for example, when consumers wish to enjoy the present benefits of economic prosperity by consuming increasing amounts of non-renewable material goods despite the costs that such behavior will impose on future generations in the form of the depletion of resources and environmental degradation. Similarly, an intergenerational dilemma is faced when a corporation's leadership decides to hide corporate losses through complex accounting procedures in order to inflate the current value of the company (and thus the benefits they gain through their leadership positions in the forms of salary and other financial incentives) despite the likelihood that such misdeeds will eventually be discovered and future generations of organizational actors and shareholders will have to deal with the burdens of declining stock prices, negative publicity, and potential corporate demise.

Intergenerational decisions have much in common with classic social dilemmas. Classic social dilemmas involve situations in which the individual's material self-interest is in conflict with the interests of the collective such that the individual receives a higher payoff for making selfish choices that harm the collective interests (Brewer & Kramer, 1986; Dawes & Messick, 2000; Kollock, 1998; Messick, 1999; Weber, Kopelman, & Messick, 2004). Thus, intergenerational dilemmas are similar to classic social dilemmas in that they involve situations in which individual-level rational self-interest leads to outcomes that are undesirable at some collective level. Research on social dilemmas has also examined situations in which long- and short-term interests are in conflict. Social delayed traps, for example, are situations in which the satisfaction of immediate self-interest conflicts with the long-term interests of the collective, while social delayed fences refer to situations in which immediate and costly effort is required to achieve a long-term collective goal (such that violating present self-interests produces positive

long-term consequences for the collective) (Joireman, Kamdar, Daniels, & Duell, 2006b; Messick & Brewer, 1983; Platt, 1973).

However, there is an important distinction between the structure of classic social dilemmas and intergenerational dilemmas. One structural feature that is consistent across research on social dilemmas is that the present decision maker is a member of the collective whose interests are at stake. In the context of intergenerational decisions that have been studied in the past, this is not the case. Instead, the decision maker acts in the present and it is future others alone who experience the future consequences of the decision. Thus, intergenerational dilemmas are structured by two orthogonal dimensions: an intertemporal dimension and an interpersonal dimension. It is the interaction of the psychological dynamics of these two dimensions that creates the unique psychology of intergenerational decisions (Wade-Benzoni, 2008b).

### *The Interpersonal Dimension*

The interpersonal dimension of intergenerational decisions produces a form of psychological distance between the decision maker and those who experience the repercussions of the decision. Psychologically distant concepts and events are those that are not aspects of an individual's immediate experience of reality (Lieberman, Trope, & Stephan, 2007). When making tradeoffs between the well-being of oneself and that of others, there is a tension between self-interest and the desire to benefit others. People may want to work towards ensuring the well-being of other people, but the consequences to the self feel more immediate and powerful than the consequences on others. Thus, interpersonal psychological distance, which can be great or small, refers to the extent to which an individual experiences a connection with or affinity for another individual or a collective entity (Hernandez et al., 2006). When interpersonal

psychological distance is great, as is often the case in intergenerational contexts, decision makers tend to place less weight on the consequences of their decisions for others relative to the weight they put on the consequences to themselves (Loewenstein, 1996).

The feeling of psychological distance between the self and the others who experience the future consequences creates a key psychological feature in intergenerational dilemmas that is shared by other interpersonal contexts in which the interests of one individual or group is in conflict with the interests of another individual or group: the potential for egocentric biases. Extensive research has demonstrated that when the interests of two individuals or groups are opposed, individuals who are personally involved in the situation exhibit biased perceptions of fairness (Babcock, Loewenstein, Issacharoff, & Camerer, 1995; Bazerman & Neale, 1982; Neale & Bazerman, 1983; Wade-Benzoni et al., 1996; Walster, Walster, & Berscheid, 1978). Specifically, individuals' fairness assessments of the various potential outcomes of a given dilemma tend to indicate that they view their preferred outcome as also the most fair and just outcome. This type of bias emerges as a result of dual motivations on the part of the individual. On the one hand, the individual is motivated to present a positive image of herself as a fair-minded, generous, and ethical person. On the other hand, she is also motivated to pursue her own self-interest by obtaining benefits and avoiding burdens. Biased judgments of fairness allow both motives to be pursued simultaneously, at least from the perspective of the present actor. Because egocentric biases produce a perception that the self-interested action or interpretation of events is also the most ethically legitimate one, the decision maker is freed, at least to an extent, from the dilemmatic aspect of the decision and can move forward to pursue her own self-interest less impeded by concerns of fairness or justice. Typically, in making such judgments, individuals do not realize that their judgments are skewed by a self-serving bias, and

this effect has been demonstrated to generalize across cultures (Wade-Benzoni, Okumura, Brett, Moore, Tenbrunsel, & Bazerman, 2002).

Recent research in intergenerational decision making has demonstrated the existence and persistence of egocentric biases in intergenerational contexts. Findings indicate that individuals judge lower allocations to future generations as more fair when they are part of the current generation of decision makers than when they are part of the future generation who experiences the consequences of those decisions (Wade-Benzoni et al., 2008b). Thus, members of present generations have been shown to demonstrate egocentric biases (in comparison to neutral third-party judges), and these biases in turn produce a tendency to act in favor of the self and against the interests of future others (Wade-Benzoni et al., 2008b). However, the extent to which individuals are inclined to act in the interests of future others depends not only on the interpersonal distance between them, but also on factors produced by the intertemporal dimension of intergenerational contexts.

### *The Intertemporal Dimension*

As described above, in intergenerational decisions the decision maker is not a part of the collectivity that deals with the future consequences of the decision; instead, it is a separate future generation of individuals who does so. Thus, not only is there an interpersonal dimension of psychological distance between the decision maker and the future others whose outcomes they affect, but there is also an intertemporal dimension which exacerbates that distance. Future others are doubly removed from the decision maker's immediate experience. In fact, in some intergenerational decisions, the particular future others who experience the future repercussions may be impossible to identify (e.g., a future class of MBA students who has not yet even decided to apply for business school) or may be yet to be born (e.g., future generations of citizens who

will deal with the repercussions of global climate change over the next several centuries). This intertemporal component of intergenerational contexts produces two key features that can exacerbate egocentric biases on the part of present decision makers: time discounting and uncertainty.

Time discounting is a key manifestation of the intertemporal dimension of intergenerational decision making that can exacerbate egocentrism. Time delay between decisions and consequences can cause individuals to discount the value of future outcomes (even when the decision maker herself experiences the outcome) (Wade-Benzoni, 2007a). Findings in the area of individual-level intertemporal choice indicate that people discount the value of commodities that they themselves will consume in the future due to a strong preference for immediate rather than postponed satisfaction (Loewenstein, 1992). If individuals discount the value of future commodities to themselves, then there is an even greater likelihood that individuals will discount the value of outcomes to future generations, and research has shown that decision makers do just that (Wade-Benzoni, 2007a). Thus, in the context of intergenerational decision making, time discounting is an additional psychological mechanism that tends to promote self-interested behavior on the part of present decision makers.

Furthermore, decisions about the future are inevitably characterized by greater degrees of uncertainty than are decisions based entirely in the present. With the passage of time, the intended outcome of decisions can be disrupted by unexpected events, and present decision makers have limited knowledge of how such events might transpire. For example, scholars have argued that the consequences of continued emissions of greenhouse gases could range from severe global warming to barely any environmental changes to even a cooling of certain areas of the globe (Hillerbrand, forthcoming). Because of the uncertainty of future events, decisions that

involve a temporal component are often characterized by an optimistic bias such that individuals are inclined to assume that future outcomes will be better than expected. On that basis, individuals tend to use this uncertainty and corresponding optimism as an excuse to choose outcomes that favor themselves (Budescu, Rapoport, & Suleiman, 1990; Gustafsson, Biel, & Garling, 1999, 2000; Weinstein, 1980). In this way, when a present decision maker is faced with the decision of foregoing present benefits to preserve benefits for future generations, she may evaluate the prospective availability of the benefits in question for future others as much higher than objective evidence indicates. On that basis, she may conclude that it is fair and ethical for her to follow her self-interest and consume more in the present. Similarly, when a present decision maker faces a decision of accepting present burdens in the interest of minimizing burdens for future others, she may convince herself that the possible events that could transpire over time make it likely that these burdens would be more manageable in the future anyway, thus legitimizing her present avoidance of those burdens. Indeed, research has demonstrated that the effects of uncertainty can exacerbate egocentric biases in intergenerational decisions (Wade-Benzoni et al., 2008b). However, in a later section of this paper, we look at the nuances of this effect and discuss the ways in which priming participants with social power can mitigate this effect of uncertainty.

#### *Combined Effects of the Interpersonal and Intertemporal Dimensions*

Thus, the combined effects the interpersonal and intertemporal components of intergenerational decision contexts produce egocentric biases, time discounting, and uncertainty, all of which can generally be viewed as conspiring to produce a tendency in present decision makers to prefer smaller but highly-probable benefits for themselves now, as opposed to larger but less certain benefits for others in the future (Wade-Benzoni, 1999, 2002, 2008a, 2008b;

Wade-Benzoni et al., 2008b; Wade-Benzoni et al., 1996). This is a particularly dismal confluence, given that it is also often the case that the future consequences of present decisions increase over time. For example, long-term investments create benefits that increase as time passes, and the costs of present consumption can produce burdens for future generations that increase in magnitude over time. Consider the experience of the W.R. Grace Company, which disposed of toxic waste by simply dumping the waste on the ground near the community of Woburn, Massachusetts. While the action was inexpensive to the company in the short-run, the toxic waste contaminated groundwater in the community, and the contamination was linked to numerous cases of leukemia in children (Plater, Abrams, & Goldfarb, 1992). As a consequence of the attempt of a previous generation of company officials to avoid the burden of properly disposing of the waste, a future generation of organizational leaders had to deal with the much greater costs of lawsuits and damage to the company's reputation, and a future generation of community members bore the even greater burden of life-threatening illness. The tendency of benefits and burdens to increase in magnitude over time points to the fact that it is imperative for the long-term well-being of organizations and communities that present decision makers learn to balance the interests of present and future actors without allowing egocentrism, optimism, and time discounting to bias their perspectives and encourage self-interested actions.

Research on intergenerational dilemmas, however, suggests that the prospects for intergenerational cooperation and beneficence are not as dismal as the main effects of egocentrism, time discounting, and uncertainty may suggest. Indeed, it is the critical interaction between the interpersonal and intertemporal dimensions of intergenerational decisions that produces the unique psychological dynamics that create a variety of interesting and non-intuitive effects on intergenerational behavior. Specifically, research has indicated that at its most

extreme, uncertainty about the implications of one's decisions for the outcomes of future others can actually decrease present self-interest and increase feelings of responsibility and stewardship toward those future others (Wade-Benzoni et al., 2008b). Also, research has indicated that allocation decisions to future others can, under certain circumstances, elicit greater concerns with ethics and with the nature of one's long-term legacy, such that present individuals will exhibit generosity toward future generations in an attempt to extend the self into the future and buffer death anxiety (Wade-Benzoni, 2006; Wade-Benzoni et al., 2008a).

In the following section, we review this research on intergenerational decision making in more detail, moving beyond the structural features of intergenerational contexts to highlight mechanisms that can reduce psychological distance between present decision makers and future others and enhance the feelings of stewardship and responsibility that present decision makers feel toward future others. Following that review, we then take a step back to examine in more detail the boundary conditions that have guided this previous research, and we begin to analyze how some of the relationships among our focal variables may change as these boundary conditions are relaxed.

### **INCREASING INTERGENERATIONAL BENEFICENCE THROUGH AFFINITY, POWER, STEWARDSHIP, AND LEGACIES**

Extant research has shown that intergenerational decisions are deeply influenced by a variety of cognitive and motivational factors that extend beyond the effects of the structural features of the decision making context. Intergenerational beneficence, or the extent to which members of present generations are willing to sacrifice their own-self interest for the benefit of future others, is more than just the result of a calculation of probabilities and values for optimizing current and future outcomes. Intergenerational allocations have been shown to

involve such factors as the fear of leaving a negative legacy, the need for symbolic immortality, feelings of responsibility and connectedness to the future generation, and ethical concerns for the impact of current decisions on future others. In the sections that follow, we discuss these factors, and we focus, in particular, on the role of feeling connected to and feeling responsible for future generations. Throughout our discussion, we offer organizational examples relevant to these two themes.

#### *Feeling Connected: Affinity as a Mechanism for Reducing Psychological Distance*

Psychological distance is a central issue in intergenerational decision making because when psychological distance is great, the intergenerational consequences of one's actions lack a sense of immediacy, which can consequently limit intergenerational beneficence (Hernandez et al., 2006; Wade-Benzoni, 1996, 1999, 2008a; Wade-Benzoni et al., 2008a). One way to combat this psychological distance is to increase feelings of affinity with future others. Affinity refers to a combination of empathy, perspective-taking, and perceived oneness and is a function of the extent to which the present decision maker feels empathetic toward and connected with future others (Wade-Benzoni, 2008a). In this section, we review previous research with implications for the effect of affinity on intergenerational beneficence. Specifically, we examine the roles of intergenerational identification, empathy, perspective-taking, and self-construal in increasing affinity and thus, in turn, increasing intergenerational beneficence.

#### *Intergenerational Identification*

Intergenerational identification refers to the perception or feeling of oneness with other (past and/or future) generations of organizational actors (Wade-Benzoni, 2003). As such, the concept of identification is highly related to the concept of affinity in that the higher the degree of feelings of oneness a decision maker feels with other generations, the more likely that

individual is to feel connected with future others, to engage in perspective-taking regarding the interests of future others, and to have empathy for future others. A wide range of factors affecting the extent of intergenerational identification have been identified, including the decision maker's motivation for self-enhancement, the decision maker's holistic needs, group social identity, the specificity with which future others are identified, decision framing, and relations with previous generations (see Wade-Benzoni, 2003 for a detailed review). In this section, we focus specifically on the idea of increasing identification, and hence affinity, with future generations by linking to the past.

Theorists have argued that understandings of the past can have a powerful impact on feelings about the future (Sherif, 1966). In intergenerational contexts, feeling identified with past generations may be more readily facilitated than identification with future others because past generations are more readily identified and specified, and the role that members of past generations played in creating the present group context makes the connection between past and present more easily clarified than the connection between the present and the future. However, to the extent that a decision maker identifies with past generations, that individual has already come to view different generations as members of one group. In this sense, then, enhancing identification with the past can help to overcome an obstacle to identification with future generations. As a result, the affinity that a decision maker feels with future generations can be increased by enhancing identification with past generations.

This insight has important practical implications for organizations. Specifically, one way to encourage intergenerational beneficence through enhancing intergenerational affinity within the organization would be to highlight the beneficent actions of members of past generations. Highlighting the role of past actors in affecting the present context can have the effect of

encouraging present decision makers to view the organizational in-group as one that has continuity over time through sequences of generations, a perception that is likely to increase identification with, and affinity for, future generations. At the same time, highlighting the impact of past organizational actors can also serve as a reminder to present decision makers that, while future generations may not be presently identifiable to them, the decision makers themselves will be remembered by future others (just as past actors are presently remembered) and they will likely be evaluated by their impact on the future.

### *Empathy*

Empathy is a social concern that encompasses a personal feeling of understanding for another's situation or feelings. As empathy increases, so do feelings of affinity, and previous research has demonstrated that empathic feelings can have a powerful impact on intergenerational decisions in organizational contexts. For example, Joireman and colleagues (Joireman, Daniels, George-Falvy, & Kamdar, 2006a; Joireman et al., 2006b) empirically studied how an employee's anticipated time horizon within an organization would interact with an employee's dispositional empathy and an employee's dispositional concern with future consequences. Their findings showed that employees who would soon leave an organization, as compared to those employees who exhibited a long-term commitment to the organization, were less likely to engage in "organizational citizenship behaviors" (OCBs; Organ, 1988), actions benefiting others that go above and beyond an individual's job function. Most importantly, this decline in OCBs was steeper for those low in empathy and those concerned with the future consequences of their actions. Thus, consistent with prior findings, employees who had a concern with future consequences but who were also low in empathy were less likely to exhibit OCBs when presented with a short-term time horizon within the company because they believed

they would not personally experience the long-term negative outcomes produced by their actions (e.g., Joireman, Anderson, & Strathman, 2003).

These findings suggest that promoting a focus on future outcomes is not sufficient to induce intergenerational beneficence because when individuals focus on the future, the danger of opportunism is high when their commitment to the organization is low (i.e., short-term). However, the effects of empathy appear to minimize this challenge. Therefore, for managers hoping to encourage intergenerational affinity and beneficence, it may be beneficial to search for evidence of empathy in recruitment applications (i.e. through letters of recommendation, references, interviews) since empathetic concerns may serve to buffer the potential effects of low commitment.

### *Perspective-taking*

Perspective-taking is a process of active consideration of the viewpoints of others. Perspective-taking has been shown to produce a number of beneficial consequences in organizations, such as increased self-other merging (Davis, Conklin, Smith, & Luce, 1996), increased social cooperation and tightness of social bonds (Galinsky, Ku, & Wang, 2005), increased empathic concern and altruistic behavior (Batson, Early, & Salvarani, 2006; Oswald, 1996), and improved inter-group relations (Galinsky & Ku, 2004). Thus, perspective-taking can increase affinity for others both by increasing identification with others and by encouraging feelings of empathy toward others. In the context of intergenerational relations, perspective-taking is therefore likely to enhance feelings of intergenerational affinity and consequently to increase the likelihood of intergenerational beneficence.

For these reasons, it is important for organizational actors to be encouraged to engage in perspective-taking with regards to the interests of future generations. Perspective-taking

practices can be institutionally-enforced by mandating procedural changes to decision making processes that ensure consideration of future generations' perspectives. Alternatively, intergenerational perspective-taking can be encouraged informally by infusing the organizational culture with messages encouraging the consideration of the interests of future others. When a norm of intergenerational perspective-taking exists within an organization, intergenerational affinity at the organizational level will be enhanced, as will intergenerational beneficence.

### *Culture and Self-Construal*

One aspect of the level of affinity between the self in the present and others in the future is based on the extent to which individuals define themselves in terms of their relationship to these others. When individuals view a connection with future others as a critical component of their self understanding, the affinity between the self and future generations is high. This affinity is in turn likely to enhance intergenerational beneficence. A critical determinant of the extent of intergenerational affinity and its effect on intergenerational beneficence lies in the way the self is construed (e.g., Brewer, 1991; Markus & Kitayama, 1991; Triandis, 1989).

Self-construal refers to subjective cognitions that define the self relative to a specific level of social inclusiveness (e.g., Cross, Bacon, & Morris, 2000; Markus & Kitayama, 1991; Triandis, Bontempo, Villareal, Asai, & Lucca, 1988; Turner, Oakes, Haslam, & McGarty, 1994). For example, while the *relational self* reflects a self-concept that is defined by relational roles, the *collective self* reflects a self-concept that is defined by one's social identity and is related to the collective's group prototype (Brewer & Gardner, 1996). These different self-construals serve as frames of reference for evaluations of self-worth and affect the nature of individuals' social motivations (Brewer & Gardner, 1996). They may co-exist within one individual, available to be activated in different times and different contexts.

Research has demonstrated that national culture can have an important impact on which level of self-construal is activated in the decision maker and that the level of self-construal can, in turn, have a critical impact on behavior. In their study of asymmetric social dilemmas, Wade-Benzoni, Okumura, Brett, Moore, Tenbrunsel and Bazerman (2002) showed that Japanese decision makers construed intergenerational decisions in resource dilemmas as interdependent situations (a tendency characteristic of individuals utilizing a relational level of self-construal); they showed that Japanese decision makers were attuned with the interests of others in the group and were willing to take on burdens that were greater than their share in order to manage the sustainability of the resource. Conversely, U.S. decision makers appeared to adopt a personal level of self-construal and acted independently and defensively when given the same resource dilemma. Interestingly, the authors acknowledge that the relationally-oriented behaviors of the Japanese decision makers could disappear when the future generation is perceived as an out-group.

Consistent with these findings, Hernandez, Chen, and Wade-Benzoni (2007) argued that for East Asian cultures (such as Chinese, Japanese, and Indian cultures), the emphasis on relational ties with future generations can motivate individuals to sacrifice for future generations in order to maintain intra-group cohesiveness; in contrast, North American cultures (e.g., the United States and Canada) can become motivated and willing to sacrifice for future generations when their collective identity is primed and the collective is placed in competition with out-groups. This implies that one strategy to increase beneficence in Eastern cultures may be to emphasize the interpersonal relationships within the unit or company. In doing so, decision makers are more likely to construe intergenerational decisions as interdependent situations and thus will be willing to take on burdens that are greater than their share in order to promote the

well-being of future generations. For managers working in Western cultures, in contrast, competition between units or with other companies may actually induce greater levels of intergenerational beneficence toward the in-group. In these types of situations, out-group disfavor could cause present generations to allocate more burdens to general future others (the competitors) in order to secure the well-being of specific future others (those belonging to their same unit or company in the future). In this way, a common enemy can serve as a unifying force. One implication of this suggestion is that the distinction between a future generation of “general” others (those belonging to an out-group) versus a future generation of “specific” others (those belonging to the in-group) may be crucial to determining the effect of self-construal on intergenerational beneficence.

Thus, the feeling of connectedness to future generations varies by the extent to which the decision maker’s level of self-construal corresponds to, or matches, the level of inclusion of general and specific others within the relevant group of future others. When the decision maker’s level of self-construal is consistent with the level of inclusion that characterizes future generations, affinity is increased and, consequently, the likelihood of intergenerational beneficence is increased as well.

Taken together, self-construal, intergenerational identification, empathy, and perspective-taking can all impact intergenerational affinity and can therefore function as pathways to reducing psychological distance and increasing intergenerational beneficence. Furthermore, because each of these mechanisms can be instituted within organizational contexts, they can be practically applied by managers to enhance intergenerational beneficence within organizations.

*Feeling Responsible: The Counterintuitive Role of Power*

Although there may be a general tendency for people to have egocentric notions of fairness, it is not always the default reaction in intergenerational dilemmas. In fact, recent findings demonstrate quite the opposite effect. Mel Lerner's work on justified self-interest proposes that people's concerns about justice are not fundamentally and inevitably driven by self-interested motives (e.g., Holmes, Miller, & Lerner, 2002; Lerner, 1977; Lerner & Miller, 1978). He compares the traditionally normative perspective of justice with a more intuitive-based process (Lerner, 2001; 2003). He proposes that while normative notions of justice are based on societal norms that determine how people define and employ moral judgments, intuitive notions of justice are based upon people's immediate sense of right and wrong. While the conventional process may lead to an application of normative rules that favor an individual's self-interest (through the use of egoistic and self-justifying biases), self-interest in the intuitive process is not necessarily people's automatic personal preference. In fact, in situations where people are confronted with matters of serious consequence, where people face actual or even merely threatened injustice, individuals may act upon an intuitive sense of justice with neither the need for reasoned justification nor a consideration of resultant detrimental personal consequences; "they will focus their attention and act in ways to maintain or restore justice, even when that is costly in terms of generally-desired resources" (Lerner, 2003, p. 397).

Lerner's theorizing on these two conceptualizations of fairness judgment processes suggests that individuals in a position of power do not necessarily act out of self-interest; instead, they may act out of an intuitive sense of right and wrong. For example, when confronted with a completely powerless other (i.e., under conditions of threatened injustice), a powerful individual's sense of responsibility runs counter to their feelings of self-interest. In such cases,

people's automatic preference may be to ensure the welfare of the other person rather than to ensure their own personal gain.

This line of reasoning implies that the current generation, who by means of their intertemporal position holds unilateral power over the future generation, may be willing to sacrifice their own outcomes in order to help future generations. Indeed, power imbalance has been shown to induce feelings of social responsibility, which lead people to behave in a socially responsible way towards those who are in need (Greenberg, 1978; Handgraaf, Van Dijk, Vermunt, Wilke, & De Dreu, 2007). For example, studies on dictator games have shown increased offers in conditions of complete power asymmetry, which suggests that a social responsibility norm emerges when confronted with a completely powerless other (Suleiman, 1996).

Similarly, studies on intergenerational allocations have shown that a feeling of power over the outcomes experienced by future others may actually serve to temper self-interest and elicit stewardship behavior in decision makers (Wade-Benzoni et al., 2008b). Specifically, research has shown that the level of uncertainty inherent in an intergenerational dilemma can influence the power felt by the present decision maker and consequently have a critical impact on the decision. When uncertainty is high, such that the possible benefits future generations could receive from a present decision vary dramatically and include the possibility that they may receive nothing, individuals tend to feel an enhanced experience of power, and this power can motivate feelings of social responsibility. When, however, uncertainty is less extreme, present decision makers experience less of the psychological impact of their power and therefore tend to engage in a greater degree of self-interested behavior. Wade-Benzoni and her colleagues (2008b) demonstrated this effect by showing that when present decision makers are primed with

power, the level of uncertainty has relatively little impact on intergenerational decisions, such that beneficence is relatively high for subjects in both high uncertainty and low uncertainty conditions. When, however, present decision makers are not primed with power (i.e., subjects in control conditions), high levels of uncertainty produce amounts of intergenerational beneficence roughly equivalent to the beneficence of high power individuals, while individuals in the low uncertainty conditions demonstrate significantly more self-interest.

Thus, previous research in this area has demonstrated that the experience of power can encourage stewardship behavior. Indeed, Wade-Benzoni and her colleagues (2008b) found that those who were primed with power judged more generous allocations to future others as fairer, and this relationship between power and beneficence was fully mediated by stewardship attitudes. Stewardship is a fundamentally other-oriented activity where power exists through accountability to others. As Berkowitz (1972) describes: “For many people in our society, the perception that others are greatly dependent on them for their rewards theoretically arouses feelings of responsibility to these others. This felt obligation generally produces a heightened motivation to help the dependent persons” (p. 68). Different from principal–agent relations, where control is likely to be maintained through the use of institutional power to establish the desired levels of coercion, hierarchical control, and influence over rewards, “principal–steward” relationships are likely to use personal power, derived from perceived expertise or affective relationships where individuals identify with each other (Davis, Schoorman, & Donaldson, 1997; Fox & Hamilton, 1994). Stewardship is brought forth from a basis of power grounded in a socially-oriented concern for others rather than the self. Moreover, stewardship behavior aims to place the long-term best interests of a group ahead of the decision maker’s self-interest (Davis et al., 1997; Hernandez, 2007), a counterintuitive notion to traditional uses of power.

We turn now to exploring the mechanisms through which stewardship may be elicited in intergenerational decision making. In the following section, we build on previous work on terror management theory, mortality salience, immortality striving, and resource valence to consider how these factors can interact to affect present decision makers' inclination to engage in organizational stewardship through intergenerational beneficence. We also explain how managers can leverage these factors in order to create social responsibility within their workforce.

#### *Leaving a Legacy: Immortality Striving, Resource Valence, and Generativity*

Traditional theory and research on intergenerational behavior focused on the concept of “generativity,” which the eminent psychoanalyst Erik Erikson defined as “the concern in establishing and guiding the next generation” (1950). Contemporary scholars have come to view generativity as concern for and commitment to the well-being of future generations (McAdams & de St. Aubin, 1992). One manifestation of generativity is the desire to leave a positive legacy. Leaving a legacy entails engaging in behavior that will ensure an impact on other people in the future. The enduring impact of one's behavior over time is central to creating a legacy: one cannot create a legacy by having a fleeting impact, or by affecting merely one's own future self (Wade-Benzoni, 2006). Concern for legacies leads people to engage in intergenerational beneficence because people want their legacies to be viewed as positive and ethical. Thus, factors that enhance individuals' concerns for generativity and for their positive legacies can be expected to enhance the likelihood of intergenerational beneficence. In this section, we identify two factors that are likely to enact such concern: mortality salience and the allocation of burdens.

#### *Mortality Salience*

Research on terror management theory (TMT) is particularly useful for understanding people's desires for a positive and ethical legacy. TMT, which is based largely on the work of Ernest Becker (1973) posits that a broad range of attitudes and behaviors are rooted in the basic human need to resist the notion that physical death is the end of individual existence (Greenberg, Pyszczynski, & Solomon, 1986; Solomon, Greenberg, & Pyszczynski, 1991). TMT theorists argue that, when death is outside of focal awareness but still highly accessible, individuals strive for immortality by attempting to become symbolically immortal through their work and actions (e.g. writing a book, creating works of art, and having enduring accomplishments) (Arndt, Greenberg, Pyszczynski, Solomon, & Simon, 1997; Arndt, Greenberg, Solomon, Pyszczynski, & Simon, 1997; Simon, Greenberg, Harmon-Jones, Solomon, Pyszczynski, & Arndt, 1997). Immortality striving through the creation of a personal legacy enables people to live on after physical death (Greenberg, Solomon, & Pyszczynski, 1997). It is an expression of generativity that originates from a personal need but is carried out publicly, through the future generations that outlive the creator of the legacy (Imada, 2004). People strive to defy death by creating legacies that live on through their children, family business, books, paintings, reputation, family name, or other products that will survive their physical existence. Through legacy creation, people can connect themselves to future others that will continue to exist in a social environment after they are no longer a part of it themselves. Believing that one has made a difference by leaving a group, an organization, or the world a better place is one way that people gain a sense of purpose and meaning in their lives (Wade-Benzoni, 2003; 2006). Intergenerational beneficence thus is guided in part by the intention to create a lasting, positive legacy. In this way, people are motivated to act as stewards, making meaningful social contributions to others.

Individuals' concerns for their legacies become especially motivating when mortality is salient. Specifically, when individuals are faced with thoughts of human mortality, they are motivated to consider the ethical implications of their personal legacies and consequently they feel an enhanced concern that the legacy they leave is viewed positively (Wade-Benzoni et al., 2008a). Acting to benefit future generations can help individuals to achieve the goal of creating or maintaining an ethical legacy, and therefore this concern for their ethical legacy increases the likelihood that they will engage in prosocial behavior to benefit future generations. Critically, while beneficence of any kind may contribute to the likelihood that one's legacy will be viewed as ethical, intergenerational beneficence is particularly effective for this purpose because the temporal delay between decision and consequences creates a direct link between the actor and the future beneficiaries, thus providing the actor with a link to a social entity that will outlast their individual existence. This intertemporal link increases the actor's feelings that the legacy will actually be experienced in a positive way by future generations.

### *Resource Valence*

Although some researchers have characterized benefits and burdens as simply the inverse or absence of each other (Elster, 1992; Mikula, 1980), research in social psychology and organizational behavior suggests that the treatment of benefits and burdens are not psychologically equivalent and that distributing benefits and burdens results in very different decision processes (Griffith & Sell, 1988; Lamm & Kayser, 1978; Mannix, Neale, & Northcraft, 1995; Northcraft, Neale, Tenbrunsel, & Thomas, 1996; Okhuysen, Galinsky, & Uptigrove, 2003; Sondak, Neale, & Pinkley, 1995; Törnblom, 1988). Specifically, extensive research in psychology provides evidence that negative events elicit more physiological, affective, cognitive, and behavioral reactions and induce more cognitive analysis than do neutral or positive events

(Taylor, 1991). Not only are negative events better able to capture observers' attention, but they are also considered and contemplated for longer periods of time than are neutral or positive events (Abele, 1985; Bohner, Bless, Schwartz, & Strack, 1988; Pratto & John, 1991). In addition, individuals tend to perceive negative events as more complex, and as a consequence negative events inspire more causal attributional activity than do positive events (Peeters & Czapinski, 1990, Weiner, 1985).

Research in negotiation contexts supports the idea that negative events have greater psychological impact than neutral or positive events. Negotiation research has directly compared the allocations of benefits and burdens, and results indicate that negotiators are willing to pay more to avoid a burden than to gain an equal benefit and would require much greater compensation to accept a burden than to give up a benefit (Northcraft et al., 1996). Furthermore, individuals reject burdens more strongly than they pursue benefits (Sondak et al., 1995). Also, negotiating the allocation of burdens generates more self-interested and competitive behavior than negotiating the allocation of benefits (Okhuysen et al., 2003).

Thus, in negotiation contexts, burdens have a greater psychological impact and inspire more self-interested behavior. Upon first glance, these findings might lead one to conclude that the allocation of burdens to future generations also generates more self-interested behavior and thus less intergenerational beneficence. However, one critical difference between negotiation contexts and intergenerational contexts is the complete power imbalance that characterizes intergenerational decision making. The absolute power asymmetry can inspire motivations toward social responsibility and stewardship (Wade-Benzoni et al., 2008b), and this effect of power asymmetry can transform the effect of resource valence on inclinations toward self-interested behavior.

Indeed, research on the effect of resource valence on intergenerational decision making has found that present decision makers actually demonstrate greater beneficence toward future generations when allocating burdens compared to benefits (Wade-Benzoni et al., 2008a). A key reason for this finding is that people tend to consider imposing burdens on powerless others to be more morally problematic than neglecting to leave them benefits. For example, previous research has demonstrated that decision makers are hesitant to impose clearly aversive outcomes on powerless others (Sondak & Tyler, 2007). In addition, while people are inclined to favor their in-group when allocating benefits, they tend to refrain from engaging in discriminating behavior when allocating burdens (e.g., Blanz, Mummendey, & Otten, 1997; Mummendey, Simon, Dietze, Grunert, Haeger, Kessler, Lettgen, & Schaferhoff, 1992; Otten & Mummendey, 1999).

Given that leaving burdens to future generations is viewed as more morally problematic than neglecting to leave them benefits, and that the absolute power asymmetry that tends to characterize intergenerational dilemmas can inspire feelings of stewardship and social responsibility, it is also reasonable to expect that the allocation of burdens inspires greater concern for one's ethical legacy. In this sense, then, the allocation of burdens enacts the same causal mechanism that is enacted by mortality salience. Both the allocation of burdens intergenerationally and the experience of mortality salience inspire a greater concern with generativity and with the positive nature of one's ethical legacy. Consequently, both promote intergenerational beneficence. In a series of five studies, Wade-Benzoni et al. (2008a) demonstrated that thoughts of death (i.e. mortality salience) and the allocation of burdens to the future generation (i.e. leaving a negative legacy) lead individuals to experience an increased concern for ethics, which consequently leads them to engage in intergenerational beneficence.

The authors argue that this enhanced generosity and diminished self-interest in self-other tradeoffs result from a desire to extend the self into the future by creating an ethical legacy.

Taken together, the evidence from research on mortality salience and resource valence suggests that managers can instill social responsibility in the workforce by highlighting the lasting, positive recognition the decision maker(s) will receive from future generations, the detrimental effects that could result from choosing not to act in intergenerationally beneficent ways, and the moral responsibility involved in organizational decisions that affect others. These characteristics of intergenerational decision making are particularly important for organizational leaders to consider; they are in a position to choose between wielding the tremendous social power of the organization toward stewardship, which works towards securing the welfare of all stakeholders, or self-interest, which as recent scandals have illustrated, can easily lead to the demise of the corporation and create devastating social consequences for the broader community.

More broadly, the findings concerning the ways in which intergenerational affinity, power, immortality striving, and resource valence can encourage intergenerational beneficence highlight that intergenerational behavior is permeated with complex psychological phenomena that differ in a variety of ways from interpersonal processes that do not involve an intertemporal component. In the remainder of this paper, we explore a variety of avenues for further research on these issues.

### **BOUNDARY CONDITIONS OF PREVIOUS RESEARCH**

As mentioned above, the critical feature of intergenerational dilemmas is that a present decision maker (or group of decision makers) faces a dilemma in which the interests of the self in the present are opposed to the interests of others in the future. However, the previous research that produced the findings described above has generally added additional boundary conditions

onto the decision making context. The first of these boundary conditions is that the present decision maker has absolute power over the present decision. That is, a single decision maker makes the decision and is accountable to no one else, either present or future. This also means that there are no linkage effects, or issues external to the decision, that might influence the present decision maker. Thus, the present decision maker is responsible for no one but herself and the outcomes to the powerless future others. Second, the future others who experience the future consequences are completely powerless. Not only do they have no voice in the present decision, but the present decision maker is removed from the social exchange context upon making the decision. As a result, the future others are also powerless to reciprocate any positive or negative outcomes in future decisions that they themselves may be empowered to make. Third, the majority of the research reviewed above operationalized time as dichotomous – present versus future. While the timelines have differed considerably across studies, relatively few studies have distinguished between the near future and more distant future and examined how this distinction might impact intergenerational decisions and behavior (for an exception, see Wade-Benzoni, 2008a). Finally, in previous research in this area, the future others in question have usually been identified and the opposition between present self-interest and the interests of the future others has been made clear. Consequently, research has yet to examine how effective decision makers are at detecting the presence of intergenerational dilemmas and what types of future others present decision makers are most likely to consider.

As we hope has been demonstrated by our review of previous findings in the intergenerational decision making literature, the use of these boundary conditions has been instrumental to the discovery of a wide variety of fascinating aspects of intergenerational behavior. However, it is also possible to loosen some of these boundary conditions while still

maintaining the critical feature of intergenerational contexts: a present decision maker experiencing a conflict between the interests of the self in the present and the interests of others in the future. Thus, in this second portion of our chapter, our task will be to explore some of the potential effects of relaxing these boundary conditions (see Table 1 for an overview of these effects). In doing so, we present a number of new theoretical propositions, and we suggest a variety of directions for further research in this area, research that we think will be particularly useful for organizational scholars and practitioners. In order to facilitate this application to organizational contexts, we first briefly consider the various ways of defining a generation in an organizational context.

#### TABLE 1 ABOUT HERE

##### *Defining “Generation” in Organizational Contexts*

Previous research on intergenerational decision making has adopted a broader, and conceptually more rigorous, definition of “generation” than the conventional conception of a generation as a 20-30 year timeframe within a family or societal context. For example, Wade-Benzoni (2002) defines a generation as an individual or group that “occupies a role that may be an office, status, or set of responsibilities” such that the time period of role occupation is limited (p. 1012). Thus, a generation is an individual or group of individuals that occupies a role for a limited period of time. This time period may be either fixed (e.g. a class of MBA students) or flexible (e.g. directors of functional areas or chairs of academic departments), but the time period in the role must be understood to be finite. Thus, inherent in the concept of organizational generations is the idea of generational transition (Wade-Benzoni, 2002). That is, at some point, the present generation cedes its role, status, or responsibilities to a succeeding generation. For example, past, present, and future sets of organizational leaders can be thought of as generations

of organizational leaders, and generational transition occurs when leadership is passed from a preceding generation to a succeeding one.

The concept of organizational generations may be further specified by examining the concept at different levels of analysis. Considering the present generation first, present generations may be composed of either an individual or a group of individuals. For example, a generation may be composed of a single individual while he or she occupies a specified role (e.g. CEO or department chair). At the group level, on the other hand, a generation may be either cohort-based or event-based and can refer to small teams or to all current members of an organization (Wade-Benzoni, 2002). A cohort-based generation is one in which a group of individuals shares a common temporal starting point in a common role. An example of this type of generation would be a new group of analysts hired just out of college or a new class of MBA students matriculating together. An event-based generation, on the other hand, is one whose membership is specified by the timing of the occurrence of a particular event. For example, when an organization undergoes a corporate restructuring, the group of individuals hired before the restructuring may be thought of as one generation, while the group of individuals hired after the restructuring may be thought of as a different generation.

Specifying these various types of organizational generations is important because the extent to which the various boundary conditions specified in previous research are applicable to generations in organizational contexts may depend upon the type of present generation that is involved in an intergenerational dilemma. For example, when the present generation is composed of a single individual, the boundary condition of complete power for the present decision maker is much more likely to hold than it is when the present generation is composed of a group of individuals. In particular, if the present generation is composed of more than one

individual, then any single individual within the present generation that is faced with an intergenerational decision may have to consult other members of her generation before a decision can be made. In such situations, intergenerational decisions may actually represent two-level games (Dawes & Messick, 2000; Putnam, 1988) in which not only must the present decision maker determine the course of action that she thinks is appropriate but then must also have the decision “ratified” by others in her generation.

It is also useful to examine in more detail the levels of analysis that can be used to define future generations relevant to intergenerational decisions in organizations. Again, future generations may be composed of one individual (as is the case when a role, such as CEO, can only be occupied by one individual at a time), or a group of individuals. An even more critical distinction in considering future generations, however, is the extent to which future generations are broadly defined. A future generation may be conceived of as a future generation of social actors in general, as is generally the case in intergenerational dilemmas involving the potential future effects of current natural resource use (e.g. resource depletion, global climate change, etc.). Alternatively, the boundaries of a future generation whose interests are at stake in intergenerational dilemmas faced by organizations may be narrowed down to future generations of organizational stakeholders. For example, decisions about long-term organizational strategies can affect a range of future stakeholders (including shareholders, customers, and employees, among others). The concept of future generations may be narrowed further to the consideration of future generations of organizational members only. For example, an intergenerational dilemma in an organization may involve the interests of a future generation of employees, as when decisions about human resource policy can affect the structure and functioning of the leadership pipeline and thus have a powerful effect on the prospects of success for prospective

future generations of organizational leaders. Or an organizational intergenerational dilemma may concern the interests of a single future organizational actor, as is the case when the decisions made by a present CEO about the current use of material and financial resources can expand or limit the options available to a future CEO concerning how to leverage organizational assets and achieve organizational goals.

Finally, it is not only the scope of inclusion of future actors along the interpersonal dimension that is critical in the specification of future generations; the scope applied to the intertemporal dimension is also relevant. Specifically, the extent to which a present decision maker considers the interests of a single future generation in the decision making process versus considering the interests of all future generations may have an important impact on the decision. For example, when a decision impacts multiple generations of future others, rather than only a single generation, the decision maker is more likely to feel a greater degree of power and the future others are more likely to experience a greater degree of powerlessness due to the diffuse nature of their group.

Thus, both the interpersonal scope and the intertemporal scope of inclusion of future actors as having a stake in an intergenerational dilemma can have important effects on the decision making process and outcome. Specifically, the broader and more diffuse the group that composes the future generation(s), the more likely it is to have organizational challenges, and hence the more likely it is that it will remain in a relatively powerless position. Similarly, if the future generation of relevance is one that will only exist in the very distant future, then the boundary condition of complete powerlessness for the future generation will more likely hold. However, if the future generation or generations in question have at least some members who are identifiable and able to act in the present, then those individuals may be able to provide the

future with a voice. Those members may also be in control of resources that would provide a potential channel for reciprocity towards the present generation of decision makers.

Therefore, the level at which both the present and future generations are specified can affect the extent to which the boundary conditions that have characterized previous research on intergenerational dilemmas are likely to hold. In the following sections, we begin to examine the potential effects of loosening some of those boundary conditions, and we highlight avenues of future research that can further illuminate the nature of intergenerational dilemmas in organizational contexts. We begin by discussing how intergenerational dynamics might change if the present decision maker does not have absolute power relative to others in the present. We then consider how the psychology of intergenerational decision making might change if future generations are not completely powerless, such that reciprocity and intergenerational negotiation becomes possible. In that section, we consider the nature of intergenerational interaction in organizations in more detail, particularly as such interaction is affected by power differences across generations. We then consider how future research might examine the relative effects of considering nearer versus more distant future others, and we examine the mental construction of intergenerational dilemmas on the part of present decision makers by building on work in the areas of bounded rationality and issue construction.

### **EFFECTS OF DIMINISHING THE POWER OF THE DECISION MAKER**

Research paradigms used in most previous work on intergenerational dilemmas have endowed the present decision maker with absolute power over the outcome for the self and for future others. In this section, we explore how intergenerational dynamics might be altered if this constraint is relaxed. Specifically, we first consider the utility of viewing intergenerational dilemmas as two-level games in which decision makers must not only determine their own

opinion as to the appropriate course of action but must further negotiate with their contemporaries to achieve consensus or cooperation to pursue a course of action. Second, we consider the potential effects of third parties and linkage issues on intergenerational decisions and attempt to determine the possible ramifications of other interests competing for the decision maker's attention.

### *Intergenerational Decisions as Two-Level Games*

Two-level games are mixed-motive forms of social interaction in which outcomes are determined through two separate rounds of negotiation or decision making. In political science, two-level games are a frequent metaphor for the interplay between domestic politics and international diplomacy (Putnam, 1988). As used in that context, two-level games involve a negotiator reaching an agreement at the international level that must then be ratified at the domestic level. Consequently, the preferences of domestic actors constrain the range of options available to the negotiator at the international level. A similar dynamic exists in negotiations between unions and management, in which the union representatives must have any potential agreement ratified by the broader union membership.

It is easy to imagine situations in which this metaphor would also be useful for intergenerational decision making. Specifically, if a present actor is faced with an intergenerational dilemma that requires collective action on the part of the present generation, then that intergenerational dilemma can be viewed as a two-level game in which the actor first forms a personal preference for the course of action to be taken and then is faced with the necessity of persuading her contemporaries to cooperate in enacting the necessary behavior. For example, individuals are often faced with the dilemma of whether to go to the trouble of recycling the materials that they use in order to conserve resources for future generations. This

is an intergenerational dilemma because a present decision maker determines outcomes for future others. However, if only one or very few members of the present generation recycle, then their effort will likely have little effect. It is only when a considerable portion of the present generation agrees to recycle that a significant impact can be made. Thus, recycling presents a two-level intergenerational dilemma in which an individual is dependent upon intra-generational cooperation to achieve an intergenerational goal.

The metaphor is useful for intergenerational dilemmas in organizational contexts as well. For example, a CEO may determine that it is in the long-term best interests of the corporation to make an expensive long-term investment that will be costly in the short-run but is likely to produce large pay-offs in the long-run. However, in order to enact such a plan, she will likely be required to obtain the approval of the board of directors.

One clear implication of expanding the view of intergenerational dilemmas to include situations in which the present decision maker is not a unitary actor with absolute power over the decision is that the need to inspire collective action among contemporaries is likely to make intergenerational beneficence more difficult and, consequently, less likely. Specifically, intergenerational beneficence may be rendered more difficult if others in the present generation are more inclined toward self-interest or if members of the present generation are inclined toward intergenerational beneficence but do not trust others in their generation to cooperate as well.

Research on two-level social dilemmas can shed light on these issues and indicates that these concerns for the prospects of intergenerational beneficence are at least somewhat well-founded. For example, Insko and his colleagues (Insko, Schopler, Hoyle, Dardis, & Graetz, 1990) have demonstrated that when people act as individuals in social decision making contexts they tend to be far more generous and cooperative than when they act as groups. Similarly,

research on two-level social dilemmas has found that individuals act vigorously to protect the interests of their own groups, even when those groups are randomly constructed (Bornstein, 1992). This research suggests that group members encourage one another to take the greedy option. If this is so, then in two-level intergenerational dilemmas, members of the present generation may attempt to persuade one another to forego beneficence and serve their own self-interests.

More recently, scholars have demonstrated that egocentrism exists not only at the individual level, but at the group level as well and that individuals may justify self-interested behavior by arguing that they were simply acting on behalf of their group. For instance, Diekmann (1997) conducted an experiment in which individuals engaged in a production task either on their own or within a group. Individuals were then provided with feedback indicating their relative performance or the relative performance of their group as compared to another individual or group with whom they would have to share payment for the task. The performance feedback was ambiguous and open to interpretation. She found that individuals who worked alone claimed over half of the payment for themselves when their claims were to be private, but claimed less than half for themselves when told that their claims would be made public. Individuals who worked in groups, on the other hand, independently decided to keep more than half for the group in both public and private conditions. Furthermore, individuals allocating to their groups rated advantageous inequality as significantly fairer than did individuals allocating to themselves only. Diekmann interpreted these results to indicate that individuals use beneficence towards other in-group members as an excuse to act unfairly toward out-group members. The beneficence enacted toward in-group members acts as a mask, obscuring the self-interested motivations that the action also serves. Therefore, when intergenerational dilemmas

contain an intra-generational component, decision makers may construe the decision as an opportunity to demonstrate loyalty to their own generation rather than as an opportunity to demonstrate beneficence to future others.

However, other research in the area of social dilemmas provides reason for more optimism about prospects for intergenerational beneficence. Kramer and Brewer (1986) found that when individuals involved in a depleting resource dilemma were divided into two groups, individuals tended to restrain their harvesting activities if informed that members of their ingroup were harvesting too rapidly (this restraint was ostensibly enacted in an attempt to compensate for the behavior of other ingroup members by harvesting less). Therefore, future research should explore the circumstances under which the need for intra-generational cooperation in intergenerational dilemmas will inhibit intergenerational beneficence, as well as the extent to which members of the present generation are more likely to encourage one another toward self-interest versus set an example of restraint and cooperation.

Finally, when intergenerational dilemmas require cooperative action from other members of the present generation, power asymmetries among present actors may become more critical. This is because powerful actors are likely to be the only ones with the influence and resources to persuade other members of their generation to cooperate toward intergenerational beneficence. Similarly, if powerful actors prefer to act in the self-interest of present generations, less powerful actors may feel that it is futile to attempt beneficence when the more powerful actors who could make a larger impact are refusing to cooperate. For instance, consider a real-life intergenerational dilemma facing companies in the fisheries industry. Stocks of many fish are near collapse, and harvesting must be curtailed considerably to maintain sustainable levels of fish for future generations. However, individual companies within this industry must cooperate with

one another to curtail harvests if they are to be successful. Thus, according to the logic presented here, it is likely that the largest fisheries set the course that the entire industry is likely to follow. If the largest fisheries refuse to curtail their harvests, small fisheries are unlikely to do so, reasoning that fish populations will be depleted regardless of their behavior. However, if the largest fisheries take responsibility to set a positive example of restraint and use their influence to persuade others in their industry to exercise restraint as well, the prospects for achieving sustainability should be much better. Thus, future research could also explore the effect of power asymmetry within the present generation, as well as the effect of powerful actors' behaviors, on the likelihood of intergenerational beneficence.

#### *To Whom is the Decision Maker Responsible?*

Previous research on intergenerational decision making has utilized experimental paradigms that isolate the decision maker and the dilemma so that no third parties or linkage issues affect the decision. A third party is an individual or group that is not actively involved in the decision but whose interests the decision maker might view as relevant to the decision outcome. A linkage issue is an issue that is not at stake in the present decision, but the outcome of the present decision may have relevance to the range of options available when that issue comes up for decision or negotiation at a later point. As explained above, this constraint has permitted researchers to identify and analyze a broad range of effects in intergenerational behavioral contexts. However, in real-world decision making contexts, this constraint may not hold, and the introduction of third parties or linkage issues into decision making contexts could have significant and meaningful impact on intergenerational behavior, particularly with respect to the effect of power on intergenerational beneficence.

As explained above, research on power asymmetry in dictator games and intergenerational decision making has indicated that absolute power asymmetry can induce feelings of social responsibility in powerful decision makers and lead them to inhibit their self-interest and enhance beneficence (Berkowitz, 1972; Chen, Lee-Chai, & Bargh, 2001; Greenberg, 1978; Handgraaf et al., 2007). This is a particularly interesting finding, given that previous research on power asymmetry demonstrated a negative effect of power on social responsibility. For example, Samuelson and Allison (1994) found that powerful individuals who were labeled “supervisors” were more likely to take more than their fair share of a common resource, though this relationship did not emerge for powerful individuals who were labeled as “leaders” or “guides.” They interpreted these results as indicating that the label “supervisor” entails greater feelings of entitlement than do the other two labels. However, subsequent research confirmed the greater tendency toward self-interests for powerholders labeled “leaders” as well and demonstrated that this tendency is mediated by feelings of entitlement (De Cremer, 2003; De Cremer & Van Dijk, 2005; van Dijk & De Cremer, 2006). The critical insight that the studies by Handgraaf and his colleagues (2007) and Wade-Benzoni and her colleagues (2008b) contribute to this line of research is that the effect of power on social responsibility behaviors depends on the extent of power asymmetry. When power asymmetry is not absolute, increasing degrees of power tend to increase self-interested behavior (Handgraaf et al., 2007). However, when the power asymmetry becomes absolute, the social interaction is no longer viewed in a competitive frame but instead in a responsibility frame, and social responsibility and beneficence become the predominant behavioral reaction (Handgraaf et al., 2007; Wade-Benzoni et al., 2008b).

Thus, research has shown that the effect of social power on social responsibility is dependent upon the extent of power asymmetry such that there is a positive relationship between

power and self-interested behavior up to the point that power becomes absolute; when power is absolute, social responsibility concerns are activated. An interesting extension to this line of research would be to consider the effect of the existence of third parties and linkage issues on powerholders' interpretations of the appropriate targets of their responsibility. We suggest that third parties and linkage issues could have negative effects on intergenerational beneficence by diverting the decision maker's attention away from future others.

When a decision maker perceives that other constituencies or issues of interest to her may also be at stake in an intergenerational decision, her view of the appropriate target of her social responsibility motivations may be affected. For example, managers making intergenerational decisions in organizations are often acting as agents of the organization, rather than as independent and unitary actors. In such cases, the manager may have complete power over the present decision, and thus over the outcomes to future others, but the manager still feels ultimately responsible to the organization for organizational performance. In this type of situation, would the experience of complete power activate feelings of social responsibility to the future powerless others or instead to the organization to whom the decision maker feels ultimately accountable? This question not only directs researchers' attention to an important organizational issue, but it also highlights an aspect of the relationship between complete power asymmetry and social responsibility that thus far remains unclear: is it the complete power of the powerholder or the complete powerlessness of future others that inspires the motivations toward social responsibility? If it is the latter, then the presence of third parties and linkage issues should not detract the decision maker from acting in the interests of powerless future others. If, however, it is the former, then the decision maker might end up feeling a greater responsibility toward the source of her power than to the powerless others whose outcomes she determines.

Finally, previous research on power and social responsibility has generally followed experimental paradigms that ensure that the social dilemma in question is well-defined and that the powerless others are clearly identified. However, it is more likely that in real-world decision making contexts, the decision maker will need to engage in some degree of sense-making to identify the dilemma and the relevant actors (Weick, 1979, 1995; Weick, Sutcliffe, & Obstfeld, 2005). In such situations, the decision maker herself may be faced with the challenge of determining which group of future others' interests are at stake in terms of both the interpersonal and intertemporal scope (e.g. future social actors in general, future stakeholders, all future employees, or just a future set of individual role holders, etc.). While we will discuss the construction of intergenerational dilemmas in more detail in a later section of this chapter, we note here that individuals' constructions of their social environment are affected by their expectations and motivations and thus may be susceptible to egocentric biases. If decision makers construct intergenerational dilemmas in an egocentric fashion, then their tendency toward intergenerational beneficence may be diminished. For example, building on the work on egocentric biases at the group level (e.g. Diekmann, 1997), a present decision maker may encounter an intergenerational decision in which the interests of her ingroup in the present are in conflict with the interests of future others. In that instance, an egocentric bias may lead her to construe the decision more as an opportunity to demonstrate loyalty to her ingroup than as a decision that places her in control of outcomes to powerless others.

Furthermore, previous research has demonstrated that powerholders' attention is highly goal-dependent (Overbeck & Park, 2001, 2006). Because powerholders' goals are more likely to be closely associated with fairly narrowly defined groups of other individuals (e.g. shareholders rather than stakeholders in general), it is likely that powerholders are inclined to restrict the

boundaries of the range of other individuals (both present and future) to whom they are responsible. Therefore, future research could explore how present decision makers construct their own understandings of which future others will be affected by their decisions, the extent to which egocentric biases at either the individual or group levels affect this process, and the tendency for powerful individuals to define the targets of their responsibility in either narrow or broad fashions.

### **EFFECTS OF ENHANCING THE POWER OF FUTURE GENERATIONS**

In this section, we examine the effect of enhancing the power of future generations on intergenerational behavior by considering situations in which present and future generations co-exist. As mentioned above, previous research on intergenerational decision making has focused on contexts in which future others are completely powerless to reciprocate the actions of present decision makers and have no voice about present decisions. In this section, we relax these restrictions and consider the dynamics of intergenerational behavior when generations co-exist and are able to interact. First, we consider how the potential for direct reciprocity and intergenerational negotiation may affect intergenerational decision making. Second, we consider how power differences across generations would be likely to affect intergenerational interaction in organizational contexts.

#### *Intergenerational Reciprocity and Negotiation*

Reciprocity typically means the direct and mutual exchange of benefits or burdens characterized by a quid pro quo mentality. Philosophers and theorists have typically pointed to the absence of direct reciprocity in many intergenerational situations as a major inhibitor of intergenerational beneficence (Care, 1982). That is, because future generations often cannot reciprocate the behavior of the present generation, the present generation is freed to make a self-

interested decision without considering the consequences. Previous research in intergenerational decision making, however, has investigated a concept known as “intergenerational reciprocity” (Wade-Benzoni, 2002). When individuals cannot reciprocate the benefits or burdens left to them by previous generations, they may “reciprocate” by behaving similarly to future generations. In this sense, research has demonstrated that individuals pass on the benefits or burdens left to them by previous generations as a matter of either retrospective obligation (in the case of benefits) or retaliation (in the case of burdens). Thus, past generations can set a powerful norm of either beneficent or self-interested behavior that present and future generations are likely to follow.

Given these previous findings, it is interesting to consider what would be the effects on intergenerational beneficence if present and future generations co-exist and the possibility exists for direct reciprocity. The previous discussion on the relationship between power and social responsibility suggests one possibility: that the presence of direct reciprocity could increase the future generation’s power just enough to inhibit feelings of social responsibility in the present generation, thus leading to less intergenerational beneficence. However, this effect should depend on at least two other considerations. First, the possibility of intergenerational negotiation could present opportunities for integrative agreements across generations. Second, the future generation may have access to a sufficient amount of power that it becomes in the best interest of the present generation to cooperate with the now-powerful future others.

If present and future generations co-exist, the possibility is opened for communication and thus for negotiation over intergenerational dilemmas. Negotiation between generations could have a considerable impact on outcomes. When future generations are voiceless, the general presumption (both in previous research and in practice) has tended to be that the preferences of the current generation can serve as a proxy for the preferences of the future

generation. However, this assumption is not necessary if the generations can interact. It may be that a variety of opportunities for integrative agreements would open up if generations were able to negotiate directly. For example, open negotiation across generations may reveal that, rather than having competing interests as is often assumed, the generations may have complementary interests such that they can trade on their differences to build value for both groups.

Furthermore, previous research on social dilemmas has demonstrated that communication can induce commitments among actors to cooperate for the good of the whole (Kerr & Kaufman-Gilliland, 1994; Sally, 1995). Thus, the ability of generations to interact may enhance intergenerational cooperation and beneficence.

The effect of intergenerational reciprocity on intergenerational beneficence may also be dependent upon the amount of power with which future others are endowed. While we might expect from previous research (e.g., Handgraaf et al., 2007; Wade-Benzoni et al., 2007) that beneficence would decrease if future others have some but little power, we may see an entirely different outcome if the power of future others is considerable. Specifically, if future others have considerable power to affect outcomes of importance to present decision makers (outside the intergenerational dilemma in question), then present decision makers may come to the conclusion that it is actually in their own long-term self-interest to act in a beneficent way toward the powerful future others. While we imagine that instances in which the future generation can actually over-power present actors are quite rare, they certainly may occur. For example, the future generation may hold a great deal of power if they have substantially greater abilities and training in critical new technology and if such abilities are not easily acquired by the individuals presently holding powerful positions, or if such abilities can most easily be acquired by obtaining training from members of the future generation. Thus, in circumstances in which the future

generation holds some substantial and meaningful amount of power to affect outcomes to present decision makers, the ability of future generations to engage in direct reciprocity may change the intergenerational dilemma to a situation where the present generation engages in intergenerational beneficence not because of feelings of generativity, social responsibility, or stewardship, but because it's in their material self-interest to do so.

Therefore, future research could explore how opportunities for direct reciprocity, intergenerational communication, and intergenerational negotiation affect intergenerational decision making. For example, studies could compare the behavior of present decision makers who encounter intergenerational decisions in which the future generation has the ability to reciprocate with present decision makers who encounter intergenerational decisions that are framed as opportunities for intergenerational reciprocity. It would be expected that those in the direct reciprocity conditions would adopt a more competitive mindset and would consequently exhibit less intergenerational beneficence. Those in the intergenerational condition, on the other hand, would be expected to “pay forward” the behavior that they received from previous generations, exhibiting beneficence when a beneficent norm has been established by previous generations and self-interest when a self-interested norm has been established by previous generations.

Furthermore, these opportunities for future research also open up additional research questions about the effect of direct reciprocity on intergenerational reciprocity. Specifically, if the opportunity for direct reciprocity exists, would individuals still demonstrate a tendency to engage in intergenerational reciprocity as well? Would the examples set by previous generations have the same norm-setting effect, or would this effect be eliminated by present and future generations engaging in direct forms of reciprocity?

### *Power Differences across Generations in Organizational Settings*

While we pointed out in the previous section that it is possible that future generations could actually come to hold more power than present decision makers, we expect this type of power asymmetry to be the exception rather than the rule. More often, it is likely that present generations will still hold greater amounts of power over the general conduct of social and organizational activities than will the future generations. This is particularly likely because members of the present generation tend to control access to the resources that future others need to achieve their goals. For example, if we consider a present generation of top-level organizational leaders and a future generation of leaders for that same organization, it is likely that the members of the future generation that co-exist with the present (i.e. that are currently employed by the organization) hold lower and middle level management positions in the present. The present generation of organizational leaders thus holds a considerable amount of control over the future generation's access to job opportunities, training, and promotions. At least some members of the present generation likely influence members of the future generation's job performance evaluations, and they also have substantial influence over the ways in which the organizational leadership pipeline channels aspiring leaders into powerful roles.

Thus, when generations co-exist within organizations, there is likely to be a substantial power asymmetry between them such that earlier generations have greater amounts of formal and informal power than do later generations. In previous sections we have discussed a very specific type of power: power to control outcomes to the self and others in specific decision making contexts. In this section, we consider a more diffuse type of power, the social power that infuses daily interactions with a sense that some social actors have greater influence than others

through both formal mechanisms, such as their control of resources and official positions, and informal mechanisms, such as their social status and social networks.

Recent research on the effects of power on the powerholder indicates that powerful individuals have an inclination toward action and approach-related behaviors (Galinsky, Gruenfeld, & Magee, 2003; Galinsky, Magee, Inesi, & Gruenfeld, 2006; Keltner, Gruenfeld, & Anderson, 2003; Magee, Galinsky, & Gruenfeld, 2007) and focus their attention on goal-related pursuits (Chen, Ybarra, & Kiefer, 2004; Copeland, 1994; Overbeck & Park, 2001, 2006). These tendencies can affect powerholders' approach to organizational activities in ways that can produce a divergence in perspectives across generations and could produce intergenerational conflict.

One area in which such power asymmetry might produce a divergence in perspectives across generations is in the area of justice or fairness perceptions. Specifically, powerholders' goal-oriented nature may inspire a greater concern for distributive, rather than procedural, justice. A focus on goals entails a focus on outcomes, and greater concern for outcomes should be associated with greater concern for distributive aspects of organizational justice than with procedural aspects. However, extensive amounts of previous research has documented that procedural justice is critically important to less powerful individuals (e.g., Lind, Kanfer, & Earley, 1990; Lind, Kulik, Ambrose, & Park, 1993; Lind & Tyler, 1988; Tyler, 1989). Therefore, if powerholders focus on administering distributive justice but neglect issues of procedural justice, then the attempts of powerful individuals to produce perceptions of fairness within the organization may be unsuccessful. Furthermore, because justice perceptions have been found to be associated with numerous positive outcomes in organizational settings, including job performance and commitment (Aryee, Chen, & Budhwar, 2004), cooperation with

organizational leaders (van Knippenberg & De Cremer, 2003), and organizational citizenship behaviors (Moorman, Blakely, & Niehoff, 1998) among others, this divergence in perspectives of organizational justice between powerholders and less powerful organizational members, especially potential future organizational leaders, could have negative consequences for organizational performance. Critically, this divergence in fairness perceptions could further have a negative impact on attempts at intergenerational negotiation and cooperation.

Therefore, future research should explore the ways in which the power asymmetry that is likely to characterize interactions between present and future generations in organizational contexts may produce divergences in the organizational justice perceptions of present versus future generations, as well as in other types of organizationally-relevant domains. Furthermore, research should consider, to the extent that these perceptions of present and future generations do differ, the ways in which differences along these dimensions contributes to negative organizational outcomes and what types of interventions could minimize these negative effects.

### **THE TIME HORIZON OF FUTURE GENERATIONS**

In previous sections we discussed the effect of time delay between decisions and outcomes on intergenerational behavior. In this section, we consider a different type of time delay: time delay between the present generation's possession of decision making power and the role transition that brings about the transfer of that power to future generations. Such a time delay could be short, as in role transitions between sequential generations that occur on a weekly or monthly basis, or it may be quite long, such as the time delay between a present generation and one that will come to power in several decades.

Previous research on intergenerational decision making has generally manipulated time delay by making between-subjects comparisons across individuals allocating to present others

(as in dictator games) or allocating to future others (as in intergenerational decisions). The extent of time delay has varied considerably, from a month, to five years, to decades or more. In this section, we consider how variations in the extent of time delay may affect intergenerational decision making, drawing on previous research on intergenerational decision making, as well as on research on temporal construal and immortality striving.

Previous research on intergenerational decision making provides at least two reasons for researchers to expect that greater temporal delays between the present and future generations lead to decreases in intergenerational beneficence. First, as previous research on the effects of intertemporal distance and intergenerational decision making has shown, greater intertemporal distance increases the effects of time discounting and uncertainty. By definition, the decrease in perceived value due to time discounting is greater over greater periods of time. In addition, greater time delays increase uncertainty because they increase the probability that unforeseen events could affect outcomes. For example, Gilovich and colleagues (Gilovich, Kerr, & Medvec, 1993) found that the greater the temporal distance between the timing of a decision and the realization of the outcomes of that decision, the easier it is for decision makers to be optimistic about those outcomes. Thus, greater extents of temporal delay between generations enhance the effects of time discounting and uncertainty, and these effects lead to a greater likelihood of egocentric and optimism biases and, consequently, a decreased likelihood of intergenerational beneficence.

Second, others from more distant future generations seem more interpersonally distant to present decision makers, and as discussed above, this interpersonal distance facilitates egocentric biases and diminishes tendencies toward intergenerational beneficence. When the temporal delay is fairly brief, it is much more likely that the present generation has personally interacted

with members of the future generation, knows personal information about some of those members, or at least can identify them as specific individuals with potentially identifiable interests and needs. When, however, the temporal delay is considerable, the members of future generations may not yet be identifiable or may not yet be in existence. Thus, the interpersonal and intertemporal distance between present decision makers and future others increases with greater time delays between generations, and this distance is likely to increase egocentrism and diminish intergenerational beneficence.

However, other streams of research, particularly work on temporal construal and immortality striving, suggest that the effect of time delay on intergenerational behavior may be more complicated. When decision makers construct mental representations of the outcomes at stake in a decision and place values on those potential outcomes, they are construing events at a temporal distance. Research on temporal construal that has been conducted in the area of cognitive psychology has demonstrated that events that are construed at a greater temporal distance are construed at a higher level. High level construal is characterized by a focus on general, goal-relevant aspects of the target that are construed as simple, coherent, and abstract (Liberman, Sagristano, & Trope, 2002; Liberman & Trope, 1998; Trope & Liberman, 2000, 2003). When conducting high level mental construal, individuals focus on aspects of future events that are related to superordinate concerns and are central to the meaning of the event for them. Low level construal, on the other hand, is characterized by a focus on specific, goal-irrelevant aspects of the target that are construed as contextualized, incidental features (Liberman et al., 2002; Liberman & Trope, 1998; Trope & Liberman, 2000, 2003). When conducting low level mental construal, individuals focus on aspects of future events that are related to

subordinate concerns, concerns that ultimately reflect insignificant details rather than the crux of the issue at hand.

Research has demonstrated that high level construal is associated with concerns about desirability, while low level construal is associated with concerns about feasibility (Liberman & Trope, 1998). For example, if a student discovers that an interesting lecture on a topic of great interest to her is to be delivered on her campus in six months, she is likely to place a high priority on attending the event and will likely look forward to it. However, when the event is only days away, she may feel inclined to skip the event because of the time it will take to walk across campus to find the building in which the talk will take place, or she may feel that she needs to save the time to focus on her classes. In this example, when the event is six months away, she construes the event at a high level, focusing on issues concerning desirability, such as the meaning of the event for her, the insights she might gain into her own research, and the colleagues she might meet and with whom she could share discussion. As the time of the event becomes immanent, however, she focuses on less significant details related to the feasibility of attending, such as the time and energy that attendance will require.

Thus, research on temporal construal suggests that decision makers may focus more on aspects related to the desirability of outcomes when making decisions involving more distant future others, while they may focus more on feasibility when making decisions involving the interests of temporally closer generations of future others. When considered in conjunction with the previous findings on immortality striving in intergenerational decisions, this effect of temporal construal has some interesting implications. Specifically, if concern with one's future legacy is salient at the point of decision making and immortality striving is thus an active (if nonconscious) goal in the decision making process, then greater time delays between present and

future generations may actually enhance intergenerational beneficence. For example, if a decision maker is seeking to secure a positive future legacy, then when a decision is considered at a low level (as is likely when the temporal delay is relatively low), the decision maker may focus on the feasibility of achieving that legacy and may consequently consider the uncertainty that characterizes future outcomes and the interpersonal distance between herself and the future others. In such cases, the negative effects of time discounting, uncertainty, and egocentric biases may overwhelm the desire for a positive legacy. However, when the decision is construed at a higher level (as is more likely the case when the temporal delay between generations is greater), then the decision maker is much more likely to focus on the desirability of creating a positive future legacy, to the neglect of concerns about uncertainty and interpersonal distance. In such cases, the likelihood of intergenerational beneficence may be much higher. Moreover, the greater the time delay between present and future generations, the greater the opportunity to symbolically extend the self into the future.

Therefore, future research could examine the ways in which the combined effects of temporal construal and immortality striving can either enhance or minimize concerns related to interpersonal and intertemporal distance and consequently minimize or enhance the likelihood of intergenerational beneficence.

### **BOUNDED ETHICALITY, ISSUE CONSTRUCTION, AND ETHICAL DECISION MAKING IN INTERGENERATIONAL CONTEXTS**

Because previous research on intergenerational decision making has typically provided subjects with clearly defined intergenerational dilemmas in which the future others and the nature of the distinction between the interests of the self in the present and the interests of others in the future are clearly specified, research has yet to examine the ways in which decision makers

react to intergenerational dilemmas that the decision makers must detect themselves. To this end, previous research in the areas of ethical decision making, issue construction, and bounded ethicality can speak to the ways that these processes are likely to play out. In this section, we build on these previous literatures to consider how present decision makers might detect intergenerational dilemmas (i.e., when they will consider the interests of future others to be relevant to the decision making process) and what types of future others present decision makers are most likely to consider.

In real-world settings, intergenerational dilemmas are likely to lurk in a considerable proportion of the decisions that powerful individuals make. Indeed, to an unprecedented extent, today's leaders have the power to shape the future in ways that will affect future generations' health, wealth, and access to resources. Yet, it remains unclear the extent to which, and the frequency with which, powerful individuals give weight to the interests of future others in making these decisions. A fascinating stream of research on conflicts of interests has recently emerged to propose that most of the ethical violations associated with conflicts of interests do not occur because of the self-interested or greedy motivations of decision makers, but instead are due to the ways in which basic psychological processes limit the ability of decision makers to detect the existence of these conflicts of interest in the first place (Chugh, Bazerman, & Banaji, 2005). This research builds on Simon's (1955) concept of bounded rationality, which refers to psychological limits on decision making quality in general, to articulate a theory of bounded ethicality, which refers to psychological limits on the quality of ethical decision making. Chugh and her colleagues (2005) argue that decision makers have unconscious motivations to view situations in ways that are favorable to their own self-interests and that unconscious processes facilitate egocentric biases in the recognition of ethical dilemmas, thus diminishing the

likelihood that these dilemmas will ever be detected. Based on this research on bounded ethicality, we might expect that when intergenerational dilemmas are less clearly defined and when the interests and identities of future others are less clearly specified, intergenerational beneficence will be considerably less likely.

Issue construction in ethical decision making is an area of research that attempts to determine how individuals detect and understand ethical dilemmas, and it therefore has implications for understanding the circumstances under which individuals will recognize intergenerational dilemmas and interests. Research on issue construction in ethical decision making examines how individuals construct their own meaning from a set of stimuli in the environment (Sonenshein, 2007). Sonenshein (2007) explains that as uncertainty increases, individuals have more opportunities to construct more idiosyncratic interpretations of social stimuli and that these interpretations tend to come from individuals' expectations, motivations, and social influences. In business settings, he argues, dominant institutional logics (Friedland & Alford, 1991) tend to promote the perceptions that decisions are about only the economic performance of the organizations. As a consequence, individuals in business organizations are likely to use an economic frame in constructing ethical decisions.

A considerable amount of previous research has documented the powerful effect that framing can have on ethical decision making. For example, Tenbrunsel and Messick (1999) have demonstrated that the structural features of interactions can shift the framing of a dilemma or decision from an ethical framing to a business framing, and such a switch can significantly diminish the likelihood of ethical behavior. Tenbrunsel and Messick (1999) reported a series of studies in which they examined the role of sanctioning systems on cooperative behavior. They found that the presence of sanctions shifted participants' views of the dilemma from an ethical

view to a business view and that this shift was accompanied by less cooperative behavior. Other types of perspective shifts in ethical decision making have been reported as well. For instance, Mulder and her colleagues (Mulder, van Dijk, & De Cremer, 2006) reported results indicating that sanctioning systems decrease trust in others. Apparently, the presence of the sanctioning system shifts the framing of the situation from a trust frame to a control frame and consequently creates presumptions about the motivations of others, replacing the trust observed in the absence of a sanctioning system with distrust. The distrust, in turn, diminishes cooperative behavior. Similarly, additional research has found that providing extrinsic rewards for donating blood actually decreased willingness to donate because the extrinsic rewards replaced the generosity frame with a self-interest frame and thus “crowded-out” the potential effects of generosity or ethical motivations (Frey & Oberholzer-Gee, 1997).

All of these studies found that structural factors can function to shift individuals’ perspectives from an ethical perspective to a more self-interested perspective, altering the decision makers’ views of what was at stake in the decision making context. These findings suggest, then, that the extent to which present decision makers have a dominant tendency to view decisions through a “business” or economic framework, the less likely they are to detect intergenerational dilemmas because they are less likely to consider the interests of future others (at least those future others whose interests are not perfectly aligned with the interests of the organization) as relevant to the decision making process. Of course, a critical avenue for future research to pursue is to attempt to determine what factors lead to these framings in the first place. As a first step in this direction, Tenbrunsel and her colleagues (Tenbrunsel, Smith-Crowe, & Umphress, 2003) have identified the concept of an organization’s ethical infrastructure, which is composed of the formal and informal elements, such as surveillance systems, ethical climates,

and communication. They argue that these elements work together to affect ethical decision making behavior within organizational settings.

The research on framing in decision making contexts also has implications for determining which groups of future others present decision makers may be most likely to consider in making their decisions. Specifically, it may be that present decision makers will limit the interpersonal scope of the future others whose interests they consider relevant in decision making to match the scope of the group of individuals that they consider to be their ingroup in the present. In other words, ingroup loyalty may persist across generations, leading individuals to exhibit a preference toward favoring the interests of future members of their ingroup over other future actors. For example, people who use a business frame in making decisions may be likely to view other organizational actors as members of their ingroup. Therefore, to the extent that they consider the interests of future others to be relevant in a decision, they may be more inclined to consider the interests of future organizational actors than to consider the interests of a broader range of future social actors. To the extent that they consider only a division of their organization to constitute their ingroup, it is likely that, when they do consider the interests of future others, they will consider the interests of future members of their division, and not a broader range of future organizational actors in general.

Thus, future research could build on the work in bounded ethicality, issue construction, and ethical decision making to assess how it is that individuals go about detecting and understanding the nature of intergenerational dilemmas in organizations, as well as how they go about specifying what group or groups of future others have interests at stake in present decisions.

## **CONCLUDING REMARKS**

Present-day decision makers have an unprecedented power to affect the outcomes of future generations across a broad range of dimensions. Present-day decisions in the realms of business and politics affect the amount of sustainable resources left to future generations, the prospects for global environmental change, the manageability of national-level budget deficits, the functioning of social security systems, and the quality of health and educational systems across the globe. Intergenerational decisions have considerable impact within organizations as well: present-day decisions can affect the long-term strategic options available to future leaders, shape the leadership pipeline to determine which future leaders are able to attain leadership positions, affect the organization's public image decades into the future, and influence the long-term survivability of the organization in numerous other ways. For these reasons, we believe that the study of intergenerational decision making provides critical insight into the ways that societies, organizations, and groups develop and change over time and that this type of insight can be used as a tool to guide this development and change in ways that are productive and beneficial for the long-term success of any entity.

In the first half of this chapter, we reviewed previous research on intergenerational decision making with an eye toward highlighting the practical steps that managers can take to enhance intergenerational beneficence. One step that managers can take to encourage intergenerational beneficence is to work to decrease the psychological distance between present decision makers and future others by increasing the affinity across generations. Self-construal, intergenerational identification, and perspective-taking all play roles in affecting intergenerational affinity. Matching the framing of decisions to the level of self-construal predominant in the national culture of the decision maker can have a guiding effect on intergenerational decisions. In addition, intergenerational identification with future others can be

encouraged by establishing a significant level of identification with past generations; when the achievements and records of past organizational actors are emphasized, present actors are led to think about the ways in which the group persists over time despite role transitions. Perspective-taking can also enhance identification with and empathy for future generations, so managers should encourage practices that incorporate the perspectives of future others into decision making processes. In addition to these approaches to minimizing psychological distance, another approach to increasing intergenerational beneficence is to emphasize the link between the possession of power and responsibility for the interests of relatively powerless others. Emphasizing this link can have the effect of building a culture of stewardship within the organization. Finally, emphasizing the ethical legacies that intergenerational decisions create can encourage intergenerational beneficence as well.

Previous research has produced a range of valuable insights into the nature of intergenerational decision making behavior and the types of practices that can encourage intergenerational beneficence. However, a vast range of questions related to this area of research remain to be answered, and in the second half of this chapter we have proposed a number of avenues for future research. Our suggestions have revolved around relaxing the boundary conditions from previous research in order to assess how removing certain restrictions will affect the relationships among key variables that have been discovered in previous research, as well as how the removal of these restrictions can further guide researchers to examine new variables and relationships. It is our hope that these ideas will inspire future research on the effect of intra-generational decision making on intergenerational beneficence, the effect of third parties and linkage issues in intergenerational decision making, the effects of intergenerational communications and negotiation when generations can interact, the role of social power in

influencing intergenerational interactions, the interaction between levels of temporal construal and immortality striving, and the ways in which present decision makers detect and define the intergenerational dilemmas in their social environments. As research on these and other issues continues to enhance understandings of intergenerational behavior, the prospects for intergenerational cooperation and beneficence can be enhanced as well.

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Table 1: Overview of the Potential Effects of Relaxing the Boundary Conditions of Previous Research

<b>Boundary Conditions</b>	<b>Mechanisms for Relaxing the Boundary Conditions</b>	<b>Potential Implications of Relaxing the Boundary Conditions</b>
<p><i>Absolute power of present decision maker</i> (i.e., in previous research, a single decision maker makes the decision and is accountable to no one else, either present or future).</p>	<p>The decision maker may be responsible to or dependent upon others in the present in order to achieve her desired outcomes, as may be the case when linkage effects emerge or when third parties have a stake in the decision.</p>	<p>Intra-generational negotiation becomes important in intergenerational decisions; intergenerational decisions may come to resemble two-level games in which decisions about the future must be ratified by others in the present. In addition, the presence of third parties may re-channel powerful decision makers' social responsibility inclinations away from future others and toward the present third parties.</p>
<p><i>Absolute powerlessness of future others</i> (i.e., in previous research, the future others have no voice in the present decision, and because the present decision makers have generally been removed from the social exchange context after making their decisions, there is no opportunity for direct reciprocity).</p>	<p>Multiple generations may co-exist, raising opportunities for direct reciprocity and intergenerational negotiation.</p>	<p>Direct reciprocity may provide future generations with only limited power, thus increasing the competitive mindset of present decision makers and decreasing intergenerational beneficence. Alternatively, if future generations experience greater degrees of power, present decision makers may consider intergenerational beneficence to be in their interest as well, thus increasing generosity to future others. In addition, intergenerational negotiation could produce opportunities for integrative agreements.</p>
<p><i>Time delay held constant</i> (i.e., in the majority of the previous research in this area, time has been viewed as dichotomous – present versus future) (though see Wade-Benzoni, 2008a for an exception).</p>	<p>Studies could distinguish between the near future and more distant future and examine how this distinction might impact intergenerational decisions (see Wade-Benzoni, 2008a for an example of this type of approach).</p>	<p>Greater temporal distance may lead present decision makers to view decisions at a higher level of construal. This higher level of construal could interact with the decision maker's concern for her future legacy, causing her to focus more on the desirability of a positive legacy and less on the difficulties involved in creating such a legacy. Thus, enhanced intergenerational beneficence could be a counter-intuitive consequence of greater time delay when consideration of the decision maker's future legacy is involved.</p>

<p><i>Relatively clear identification of the nature of the intergenerational dilemma in question (i.e., in most previous research in this area, the present decision-maker is informed that there are future others who will experience the impact of their decision and the distinction between the interests of the present decision maker and the future others is made relatively clear)</i></p>	<p>Real-world decision makers may face intergenerational decisions quite frequently without realizing that future others will be impacted and/or without an adequate understanding of what the interests of those future others may be.</p>	<p>Future research can build on work in the areas of ethical decision making, issue construction, and bounded ethicality to come to an understanding of how present decision makers detect the presence of intergenerational dilemmas and come to an understanding of the interests of future others.</p>
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