View metadata, citation and similar papers at core.ac.uk

brought to you by CORE

provided by Institutional Knowledge at Singapore Management University

Singapore Management University
Institutional Knowledge at Singapore Management University

Research Collection Lee Kong Chian School Of Business

Lee Kong Chian School of Business

4-2019

Economic cycles as a source of social influence on individuals

Nina SIROLA
Singapore Management University, nsirola@smu.edu.sg
DOI: https://doi.org/10.1111/spc3.12452

Follow this and additional works at: https://ink.library.smu.edu.sg/lkcsb_research

Part of the Applied Behavior Analysis Commons, Behavioral Economics Commons, and the Organizational Behavior and Theory Commons

Citation

SIROLA, Nina. Economic cycles as a source of social influence on individuals. (2019). *Social and Personality Psychology Compass*. 13, (5), 1-10. Research Collection Lee Kong Chian School Of Business.
Available at: https://ink.library.smu.edu.sg/lkcsb_research/6241

This Journal Article is brought to you for free and open access by the Lee Kong Chian School of Business at Institutional Knowledge at Singapore Management University. It has been accepted for inclusion in Research Collection Lee Kong Chian School Of Business by an authorized administrator of Institutional Knowledge at Singapore Management University. For more information, please email libIR@smu.edu.sg.

Economic cycles as a source of social influence on individuals

Nina Sirola, Singapore Management University

Published in Social and Personality Psychology Compass, Volume13, Issue5, May 2019, e12452

https://doi.org/10.1111/spc3.12452

Pre-print version

Creative Commons Attribution-Noncommercial-No Derivative Works 4.0 License.

Abstract

The current review summarizes emerging research in psychology and associated disciplines showing that the economic cycles exert social influence on individuals across a range of psychological domains. Most research on social influence focused on how factors in the proximal environment impact individuals, while influences emanating from the state of the economy as a whole received far less attention. I review the development of different intellectual traditions examining social influence to explain the relative lack of attention to economic cycles and position emerging work on the topic relative to past research. I then review research on how economic cycles influence individuals by focusing on influences relevant to intraindividual, interpersonal, and intergroup processes. A review of this work shows that the understanding of core phenomena of interest to social psychology (e.g., attributions, altruism, and racial tensions) can be meaningfully extended by studying the complex interplay between the economic system and the psychology of individuals embedded within it. This stream of research also uncovers mechanisms through which economic cycles generate or amplify problems for the broader society, which I propose is both the key reason why more work on the topic is needed as well as the key direction for future work.

INTRODUCTION

Economic systems are perhaps the most complicated, powerful, and fascinating outcomes of human social psychological forces. They are made possible through a large-scale willingness to believe in an imaginary entity (money), coupled with the expectation that other people would do the same. This imaginary entity allows for complex production synergies based on specialization and division of labor. Economic growth is made possible through an additional layer of complexity of social psychological dynamics based on optimism regarding others behavior. Growth requires individuals to temporarily transfer (invest) their portion of the socially constructed imaginary entity (money) to other people (e.g., organized in a corporation) based on the optimistic expectation that doing so will result in some outcome (e.g., a product or service) that will be valued by a sufficiently large group of usually unknown others and ultimately repayment with interest. In sum, the economy is predicated on an extraordinarily complex set of optimistic expectations about how other people will behave on a large scale.

The central message of the current article is that while most social psychological research focused on how proximal micro-mechanisms specific to economic systems (such as money) influence individuals, people are also influenced by their perception of whether economically relevant actions and interactions of other people occurring on a large scale (of the entire economic system) are successful and thus resulting in an expansion or unsuccessful and thus resulting in a recession.[1] Over the last century and a half, the U.S. economy on average fluctuated between economic downturns and upturns roughly every 5 years (National Bureau of Economic Research, 2011). Individuals are in turn exposed to and influenced by information concerning the state of the economic cycle. Even general newspapers dedicate a great deal of their content to discussing the state of the economy. News channels on televisions in public spaces as well as preinstalled smartphone applications provide constant updates as to the state of the economy. People are attuned to the state of the economy because it can introduce uncertainty in terms of valued outcomes and prospects (Keim, Landis, Pierce, & Earnest, 2014).

I summarize an emerging body of research in social psychology and related disciplines dedicated to studying direct influences of business cycles on individuals. I focus on research that examined phenomena traditionally studied by social psychologists (e.g., attributions, altruism, and racial tensions) and showcase that economic cycles exert direct social influence in a range of domains beyond economic decision making. I start by discussing how this body of work relates to past research on social influence and how the development of different intellectual traditions in social psychology and related disciplines led to a relative lack of attention to economic cycles. I then systematize the review of representative research on how economic cycles influence individuals by focusing on (a) *intraindividual*, (b) *interpersonal*, and (c) *intergroup* processes. Against this backdrop, the final section discusses avenues for future research and policy implications.

RELATIONSHIP OF EMERGING RESEARCH ON ECONOMIC CYCLES WITH PAST RESEARCH ON SOCIAL INFLUENCE

Research on social influence is one of the key topics in social psychology and forms the foundation of its intellectual history. Allport (1924) defined social psychology as the study of how individuals are influenced by the real or imagined presence of others. Most definitions of social influence reference change in an individual's behavior as a function of behavior of other people (Cialdini & Goldstein, 2004; Latane, 1981; Zimbardo & Leippe, 1991). For example, French and Raven (1959) define social influence as a change in the belief, attitude, or behavior of a person—the target of influence, which results from the action, or presence, of another person or group of persons—the influencing agent.

Virtually the entire history of social science studying processes of social influence arising through economic interactions focused on how proximal micro-mechanisms specific to economic systems (such as money) influence individuals. For example, a wide array of literatures ranging from economics (Gneezy, Meier, & Rey-Biel, 2011) to organizational behavior (Jenkins, Mitra, Gupta, & Shaw, 1998) examined how people change their behavior when influential others make monetary outcomes conditional on specific actions. Yet the economy can exert social influence on individuals not just through factors in individuals' proximal environment, but also directly. For example, an individual might change his or her behavior in response to a perception that the combined effort of people in a given economic system is likely to lead to economic growth or decline. Social influences emanating from economic performance at different levels are distinguishable conceptually, as well as in terms of their mediating psychological processes and their ultimate impact on individuals' behavior. For example, when one learns that one's organization is performing poorly, employee commitment to the organization *decreases*, as better employment alternatives become salient (see Cheng & Chan, 2008, for a meta-analysis), but when one learns that the entire economy is performing poorly, employees' commitment to their organization *increases*, as employment options in the whole economy tend to worsen (Proudfoot, Kay, & Mann, 2015).

The relative lack of attention to the macroeconomic environment as a source of direct social influence on individuals is reflected in the current state of multilevel theorizing and research (Bamberger, 2008; Kozlowski & Klein, 2000). Virtually, all research on direct cross-level effects studying how economic success of a construct or an entity at a higher level exerts influence on individuals tends to be limited to influences emanating from the level of groups (e.g., team performance) or organizations (e.g., organizational performance). One reason for that is the legacy of methodological divisions in social science, as constructs at the level of individuals and teams tend to be studied separately (and by separate groups of scientists) than constructs at the level of economic systems (Bamberger, 2008; Oishi, 2014).

Social psychological research on economically related social influence mostly focused on influences exerted by proximal actors (Cialdini & Goldstein, 2004), for example, conformity to an authority figure (e.g., one's boss who has the reward power in the form of the ability to provide or withhold monetary incentives). When social psychological research did examine individual responses to larger groups of people (e.g., research on “social proof”), the group representing the source of influence was generally not the entire body of actors within an economic system, and the theorized mediating mechanisms (e.g., informational or normative conformity) generally differed from psychological mechanisms relevant to how people respond to changes in the state of the economy (e.g., concerns about future finances available for own compensation). Similarly, macro-contextual theories in social psychology and sociology, such as social ecology (Oishi, 2014), cultural psychology (Cole, 1998), or community psychology (McMillan &

Chavis, 1986) do not focus on economic cycles but mostly on stable features of the macroenvironment (e.g., residential mobility, features of the local habitat, or tightness of local cultural norms).

In sum, due to methodological divisions and idiosyncratic developments of different intellectual traditions, knowledge on direct social influences that economic cycles exert on individuals is limited. However, as detailed in the following three sections, a growing body of work recognized this fact and has been trying to address the associated knowledge gap, generating important advances in social psychology.

ECONOMIC CYCLES INFLUENCE *INTRAINDIVIDUAL*PROCESSES

A stream of papers found that the state of the economy has a profound impact on individuals, influencing fundamental psychological processes at the individual level. Sirola and Pitesa (2017b) found that exposing participants to cues that the economy was in a downturn impacted one of the most fundamental psychological processes studied in social psychology, how people attribute causes to events. Classical work in social psychology examined whether people explain events by attributing them to actions of an individual versus situational factors outside of the individual (Gilbert & Malone, 1995; Jones & Nisbett, 1972; Ross, 1977). Sirola and Pitesa (2017b) found that because the state of the economy is an important factor in whether individuals are able to bring about outcomes in the world, it impacts people's naïve theory regarding the relative power of individuals versus contextual influences *in general*. Specifically, economic booms make people believe that individuals generally have more control over events in the world relative to contextual factors such as luck. As a result, "even when the situation is objectively the same (e.g., an outcome of a medical treatment was largely due to chance), people attribute greater responsibility to the individual who performed the work (a doctor in this example) during economic booms. Thus, people will understand, interpret, and respond to objectively the same situation in which an employee performed a work task differently depending on their perception of the state of their macroeconomic environment" (p. 12).

Another demonstration that economic cycles shape fundamental psychological processes comes from work by Hill, Delpriore, Rodeheffer, and Butterfield (2014). The authors had participants "read a newspaper article ostensibly printed in the New York Times about the current economic downturn (titled 'Worst Economic Crisis Since '30s with No End in Sight')" (p. 150) versus an article on a topic unrelated to the economy. The authors found that participants responded to cues of a bad economy "by shifting away from the thin body weight typically favored by Western women toward a heavier female body ideal" (p. 148). The authors explained the effect through the lens of life history theory, which suggests that people are innately prepared to attend to and cope with perceived availability of resources in the environment, with preference for heavier body ideal potentially having constituted a functional response

during difficult times over human evolutionary past. The finding helps explain large-scale patterns in human mating and aesthetic preferences, whereby a somewhat heavier female body size tends to be preferred in worse performing economic environments (Swami et al., 2010).

In a separate set of studies, Hill, Rodeheffer, Griskevicius, Durante, and White (2012) extended the study of how economic cycles impact mating-related psychology to explain a curious phenomenon: While spending on most consumer products declines during recessions, the consumption of beauty products seems to *increase*. Drawing on evolutionary theory, the authors hypothesized that during bad economic times women would invest more in enhancing their appearance. The rationale was that over the course of human evolutionary past, attracting a partner willing to provide resources was beneficial for offspring survival and success, and particularly during times of resource scarcity, and particularly for women, whose minimal obligatory parental investment is higher than men's. Consistent with this argument, the authors found “that recessionary cues—whether naturally occurring or experimentally primed—decreased desire for most products (e.g., electronics, household items). However, these cues consistently increased women's desire for products that increase attractiveness to mates” (p. 1). Subsequent research by Netchaeva and Rees (2016) extended these findings by showing that “during times of economic recession, the heightened economic concern experienced by women translates into increased desire to use appearance-enhancing items to both attract romantic partners and create a favorable impression of themselves in the workplace, as both strategies can help women become secure financially” (p. 1). Both papers are consistent with the overall notion that individuals are strongly attuned to the state of the economy, with profound influences for basic psychological functioning, spanning from how people understand causality to how they think about beauty, mating, and survival.

ECONOMIC CYCLES INFLUENCE *INTERPERSONAL* PROCESSES

An emerging body of work on how economic cycles shape interpersonal interactions provides another powerful illustration of the point concerning the relative lack of focus on distal sources of social influences in social psychology. Classical work in social psychology tried to explain why people engage in altruistic behavior, focusing primarily on such proximal influences as perceived impact on other people or own mood states (e.g., Batson, 1987; Cialdini & Kenrick, 1976). Recent work finds that the broader state of the economy might fundamentally shape how caring people are in interpersonal interactions and even alter how people understand and interpret such situations. As such, research on how economic cycles shape interpersonal behaviors can supplement extant social psychological models of interpersonal behavior and in so doing add powerful explanations for differences in social dynamics across countries, economic situations, and time.

For example, one activity that is particularly characteristic of economic downturns is downsizing, as most organizations need to adapt to the worsening macroeconomic climate (International Labour Organisation, 2010, p. 9). Research on social interactions in organizations shows that communicating in a respectful, kind, and caring manner is essential for minimizing harm caused by negative outcomes such as layoffs (Brockner et al., 1994; Skarlicki & Folger, 1997). In light of the benefits of good communication with employees for buffering the harm caused by having to impose negative outcomes on employees during downturns, Folger and Skarlicki (1998) conducted a study to "investigate why managers often lay off employees in a curt, abrupt fashion" (p. 79). The authors found that even when layoffs were entirely due to external forces (a bad economy) and not managers' fault, managers exhibited significant sense of discomfort when interacting with employees who needed to be laid off. Sense of discomfort was in turn related to managerial distancing, proxied by the amount of time managers took to explain to employees the reasons for the dismissal and address questions employees might have.[2] The authors conclude that "tough times make tough bosses," uncovering a simple psychological mechanism through which tough times *influence* managers in ways that unnecessarily amplifies the amount of harm inflicted on employees.

Ironically (and disturbingly), during economic downturns, people might be more accepting of such uncaring leadership behaviors as well as less critical in how they evaluate and act in their organizations more generally. Kakkar and Sivanathan (2017) examined how economic uncertainty impacts preferences between leaders characterized by prestige, generally meaning that the leader is "generous and helpful" (p. 2) and leaders characterized by dominance, operationalized, for example, as a "kind of leader who often tries to get his/her own way regardless of what others may want" (p. 2). The authors found that "under a situational threat of economic uncertainty (as exemplified by the poverty rate, the housing vacancy rate, and the unemployment rate) people escalate their support for dominant leaders," and they further found that "this phenomenon is mediated by participants' psychological sense of a lack of personal control." Thus, difficult economic times not only seem to make leaders less caring in interactions with subordinates, but might also be particularly conductive to the emergence of such leaders.

Another reason why organizational actors might be more accepting of problematic social behaviors in economic settings during difficult economic times is that recessions constrain their career choices, making them less critical of their existing opportunities (Bianchi, 2013; Proudfoot et al., 2015). For example, Proudfoot et al. (2015) experimentally manipulated participants' perceptions of the labor market as being relatively favorable versus unfavorable and found that "an ostensibly weak external labor market led employees to perceive their organization as less inefficient (Study 1), identify fewer organizational efficiency problems (Study 2), downplay the impact of organizational inefficiencies (Study 3), and generate a greater ratio of pros to cons regarding how their organization is run (Study 4)." Similarly,

Bianchi (2013) found that people starting their job in a recession were “less likely to entertain upward counterfactuals” and “more likely to feel grateful for their jobs” (p. 1). Taken together, it seems that difficult times may promote less caring behavior among leaders as well as more acceptance of problematic behaviors among subordinates.

Economic downturns might not only undermine how caring leaders are toward employees but also the level of care among employees themselves. Sirola and Pitesa (2017a) found that exposure to cues that signal the economy is performing poorly prompts a more zero-sum construal of success, defined as an implicit theory as to whether, in general, the success for some implies a loss for others. A more zero-sum construal of success, in turn, was found to influence how employees interpret everyday situations in which coworkers need help (i.e., suspecting that helping them might come at their own expense), ultimately reducing the amount of helping among workers. They found that “even when the situation offering an opportunity to help is the same, a salient zero-sum construal of success,” which was found to be more pronounced during economic downturns, will “reduce an employee's tendency to help others” (p. 1340). Thus, recessions change how people interpret and understand the same objective circumstances in the organization, in turn eroding helpfulness.

ECONOMIC CYCLES INFLUENCE *INTERGROUP* PROCESSES

Another key area of social psychology is dedicated to understanding and improving intergroup relationships. Some of the most impactful studies in social psychology focused on the fact that people seem to form groups fluently and that relationships between groups are oftentimes characterized by conflict (Campbell, 1965; Sherif, Harvey, White, Hood, & Sherif, 1961; Sherif & Sherif, 1953; Tajfel, 1982; Tajfel & Turner, 1979). Early social psychology recognized the role of material resources in intergroup conflict (“realistic group conflict”), given that different social groups are oftentimes objectively competing for valued economic outcomes. This explanation has recently been leveraged to explain how economic cycles shape intergroup relations.

Rodeheffer, Hill, and Lord (2012) tested the idea that cues of a bad economy would impact how people define group boundaries. The authors argued that the “cost of having unrestricted in-group boundaries may be relatively low during times of abundance. During times of scarcity, however, individuals may narrow their definition of belongingness to include only those whose group membership is unambiguous” (p. 1476). The authors exposed participants to cues that the economy was performing poorly using the same manipulation as the one employed in research by Hill et al. (2012), finding that exposure to cues of bad economic times led White people to categorize fewer biracial (mixed Black and White) individuals as belonging to their in-group (i.e., recession made biracial faces more likely to be classified as Black).

In addition to making group boundaries more pronounced, cues of difficult economic times have been found to aggravate relationships between social groups in several other studies. Based on the same logic that bad economic times make realistic group conflict over resources more salient, Bianchi, Hall, and Lee (2018) predicted and found across a series of studies that economic downturns are associated with subtle indicators of racial animosity. Specifically, the authors found that during downturns, Whites felt less warmly and held more negative explicit and implicit attitudes about Blacks, as well as that Black musicians and Black politicians were less likely to secure a musical hit or win a congressional election. Similarly, Krosch, Tyler, and Amodio (2017) found that when resources were framed as scarce (compared to abundant or compared to a neutral control condition), U.S. participants (who excluded Blacks) indicated stronger preferences for allocating resources to White than to Black targets.

With respect to gender, there seems to be a more nuanced and less obvious process through which gender-based disadvantage is amplified during recessions. Research on "glass cliff" effect found that women are more likely to be promoted during times of economic distress (see Bruckmüller, Ryan, Rink, & Haslam, 2014; Ryan et al., 2016, for reviews). The proposed reasons include prejudice against women (favoritism toward men), as being appointed to a leadership positions during economically precarious times undermine ones' long-term career prospects, but also the belief that women possess more crisis-appropriate personal characteristics and skills, as well as the desire to signal change in the strategic direction of the organization by replacing the incumbent male leader with a female leader. As such, it seems that several forces might operate in tandem to make female leadership positions, on average, more precarious (i.e., more likely to exist during times when success is less likely).

Taken together, this body of work suggests that bad economic times can be particularly difficult for members of groups which are already at a disadvantage (e.g., racial minorities and women). The influence of economic cycles on the psychology of intergroup relationships might thus constitute a notable mechanism inherent in the economy itself and through which the economy shapes large-scale social tensions, amplifies social-group based disparities, and undermines socioeconomic mobility.

IMPLICATIONS FOR FUTURE RESEARCH AND POLICY

The review of the emerging body of work on direct social influences of economic cycles on individuals shows that the combined activity of individuals working within an economic system (the state of the economy as a whole) exerts direct influence on individual agents embedded in the system. Due to methodological divisions and idiosyncratic disciplinary developments, most work on social influence focused on how factors in the proximal environment impact individuals, while cross-level influences of the state of the economy as a whole received far less attention. An emerging body of work shows that

studying influences of economic cycles on individuals can further the understanding of core social psychological processes, including how people make sense of causality, altruistic tendencies, and intergroup relations.

Across the studies reviewed, the psychological process through which economic cycles influence individuals can broadly be summarized as functional individual-level adaptations to the perception that resources in the environment are likely to be abundant (when perceiving that the economy is in an upturn) versus scarce (when perceiving that the economy is in a downturn). From mating preferences to competition with out-groups, individuals align their tendencies with the state of the economic cycle in a way that helps cope with resource scarcity or leverage resource abundance. For example, starker competition with out-groups might be functional during difficult economic times as a means of protecting own financial outcomes, but during times of abundance, aggression and conflict might mean unnecessary personal risk.

At the same time, while responses to economic cycles can be understood as functional for the individual, the same responses often seem to generate or amplify problems for the broader society. For example, while reduced interpersonal helpfulness or amplified intergroup tensions might stem from a desire to address threat to own resources, they represent clearly undesirable social outcomes. This is a notable insight emerging from research on social influences of economic cycles on individuals and arguably both the key reason why more work on the topic is needed as well as the key direction for future work. Coordinated economic activity represents an extraordinary entity with the power to not only improve living conditions of societies and transform the planet but also change how individuals within economic systems feel, understand social situations, and treat one another. More research on the interplay between economic cycles and individual psychology will help better understand processes inherent to economic cycles through which social externalities are generated, allowing policymakers to more effectively manage such externalities.

From this standpoint, focus on contexts as well as specific behaviors through which consequential personal outcomes are determined is particularly important. Attention to macro-level context in research on social influences of economic cycles on individuals is admirable, but this body of work has paid less attention to how the relevant processes interact or mutate as a function of the underlying lower-level contexts, including contexts that are most consequential for people's personal and financial wellbeing. Take, for example, research on economic cycles and intergroup tensions reviewed earlier. Participants in studies by Krosch et al. (2017) involved mostly undergraduate students making hypothetical resource allocation decisions with no accountability. It is possible that in the context of work and organizations, where most economic outcomes are allocated, people might be particularly weary of discriminating during bad economic times as discrimination is illegal in most countries and clearly linked with negative

career and financial outcomes. It is possible that people are willing to express subtle cues of animosity during recessions in contexts with no accountability but are unwilling to engage in acts of discrimination recessions in most real-world settings.

This is not to say that findings from past work are not informative or should not guide policy decisions. Many consequential outcomes are indeed decided in no-accountability contexts (e.g., voting). But the example of how the same processes might differ when the underlying lower-level context entails different levels of accountability suggests that a greater attention to features of intermediary contexts (those residing between macro-level economic cycles and individual psychology) can help refine insights concerning how economic cycles influence individuals. Such refinements may help detect social problems in places where they were not expected based on past findings. For example, in settings with salient job concerns, discrimination might be more pronounced during economic upturns rather than downturns (cf. Bianchi & Mohliver, 2016).

Focus on meaningful social problems and externalities generated by economic cycles can also help guide future work in terms of selection of behaviors to study. Likely not all social influences that the economic cycles exert on individuals are equally relevant to individual wellbeing and the health of the economic system itself. In that sense, future research could build off past findings from psychology (concerning wellbeing) and organizational and economic sciences (in terms of key outcomes relevant to economic performance) to identify most relevant behaviors to focus on. For example, social psychological research on fundamental needs (Baumeister & Leary, 1995; Kenrick, Griskevicius, Neuberg, & Schaller, 2010) suggests that threats to the social fabric arising as a function of economic downturns might be a particularly worrisome outcome and thus particularly important to study and learn how to manage. Similarly, organizational scholarship (e.g., Harter, Schmidt, & Hayes, 2002) identified key antecedents of economic performance (e.g., motivation and creativity) and as such can be used as a guiding framework to detect individual responses to economic cycles that are particularly problematic from an economic standpoint.

In terms of specific policy implications, research on how economic cycles influence individuals is useful primarily to enhance the power to detect social problems across countries (e.g., modeling behavior across richer vs. poorer countries), economic situations (e.g., when a given country enters a downturn), and time (given the global trend of economic growth in the past few centuries). By knowing how people behave as a function of the state of the economy, policymakers are able to deploy established methods of managing social problems (e.g., intergroup tensions) with greater precision and effectiveness. Moreover, the enhanced understanding of the psychological process underlying phenomena of public interest (e.g., interpersonal helpfulness) which is generated through research on influences of economic cycles (e.g., pointing to the role of concerns about own resources) can inform cost–benefit calculations in public

policy decisions concerning social safety nets and other similar policy mechanisms impacting the relevant psychological processes, hopefully generating positive social change.

In conclusion, a strikingly broad array of human psychological processes tends to be directly influenced by economic cycles. People readily attend to whether the macro-level environment is prosperous or not and adjust various aspects of their psychology as a result. Attending to such influences of economic cycles can extend current models of human psychology, advancing the understanding of core psychological phenomena at the individual, interpersonal, and intergroup levels. Attending to influences of economic cycles on individuals is also important for the ability to predict and manage social problems, which highlights the practical relevance of this research paradigm and provides an important direction for future research on the topic.

ENDNOTES

1 I adopt the definition of recessions versus expansions used by the National Bureau of Economic Research (2010): "A recession is a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP, real income, employment, industrial production, and wholesale-retail sales. A recession begins just after the economy reaches a peak of activity and ends as the economy reaches its trough. Between trough and peak, the economy is in an expansion." I jointly refer to expansions versus recessions as economic cycles.

2 My summary of the findings is based on an immediate form analysis of descriptive statistics reported in tables 1 and 2 and a meta-analytic integration of correlation statistics from tables 1 and 2.
See https://osf.io/gxsrk/?view_only=47da71dc056c450294b76c528c89d0d6 for the analysis code.

References

Allport, F. H. (1924). Social psychology. Cambridge, MA: Riverside Press.

Bamberger, P. (2008). From the editors beyond contextualization: Using context theories to narrow the micro-macro gap in management research. Academy of Management Journal, 51(5), 839–846. https://doi.org/10.5465/AMJ.2008.34789630

Batson, C. D. (1987). Prosocial motivation: Is it ever truly altruistic? Advances in Experimental Social Psychology, 20, 65–122.

Baumeister, R. F., & Leary, M. R. (1995). The need to belong: Desire for interpersonal attachments as a fundamental human motivation. Psychological Bulletin, 117(3), 497–529. https://doi.org/10.1037/0033-2909.117.3.497

Bianchi, E. C. (2013). The bright side of bad times: The affective advantages of entering the workforce in a recession. Administrative Science Quarterly, 58(4), 587–623. https://doi.org/10.1177/0001839213509590

Bianchi, E. C. (2016). American individualism rises and falls with the economy: Cross-temporal evidence that individualism declines when the economy falters. Journal of Personality and Social Psychology, 111(4), 567–584. https://doi.org/10.1037/pspp0000114

Bianchi, E. C., & Mohliver, A. (2016). Do good times breed cheats? Prosperous times have immediate and lasting implications for CEO misconduct. Organization Science, 27(6), 1488-1503.

Bianchi, E. C., Hall, E. V., & Lee, S. (2018). Reexamining the link between economic downturns and racial antipathy: Evidence that prejudice against blacks rises during recessions. Psychological Science, 29, 1584–1597. https://doi.org/10.1177/0956797618777214

Brockner, J., Konovsky, M., Cooper-Schneider, R., Folger, R., Martin, C., & Bies, R. J. (1994). Interactive effects of procedural justice and outcome negativity on victims and survivors of job loss. Academy of Management Journal, 37(2), 397–409.

Bruckmüller, S., Ryan, M. K., Rink, F., & Haslam, S. A. (2014). Beyond the glass ceiling: The glass cliff and its lessons for organizational policy. Social Issues and Policy Review, 8(1), 202–232. https://doi.org/10.1111/sipr.12006

Campbell, D. T. (1965). Ethnocentric and other altruistic motives. In D. Levine (Ed.), Nebraska symposium on motivation (Vol. 13) (pp. 283–311). Lincoln, NE: University of Nebraska.

Cheng, G. H., & Chan, D. K. (2008). Who suffers more from job insecurity? A meta-analytic review. Applied Psychology, 57(2), 272–303. https://doi.org/10.1111/j.1464-0597.2007.00312.x

Cialdini, R. B., & Goldstein, N. J. (2004). Social influence: Compliance and conformity. In S. T. Fiske, D. L. Schacter, & C. Zahn-Wexler (Eds.), Annual review of psychology (Vol. 55) (pp. 591–621). Palo Alto, CA: Annual Reviews. https://doi.org/10.1146/annurev.psych.55.090902.142015

Cialdini, R. B., & Kenrick, D. T. (1976). Altruism as hedonism: A social development perspective on the relationship of negative mood state and helping. Journal of Personality and Social Psychology, 34(5), 907–914. https://doi.org/10.1037/0022-3514.34.5.907

Cole, M. (1998). Cultural psychology: A once and future discipline. Cambridge, MA: Harvard University Press.

Folger, R., & Skarlicki, D. P. (1998). When tough times make tough bosses: Managerial distancing as a function of layoff blame. Academy of Management Journal, 41(1), 79–87. https://doi.org/10.2307/256899

French, J., & Raven, B. H. (Eds.) (1959). The bases of social power. Ann Arbor, MI: Institute for Social Research.

Gilbert, D. T., & Malone, P. S. (1995). The correspondence bias. Psychological Bulletin, 117(1), 21–38. https://doi.org/10.1037/0033-2909.117.1.21

Gneezy, U., Meier, S., & Rey-Biel, P. (2011). When and why incentives (don't) work to modify behavior. Journal of Economic Perspectives, 25(4), 191–210. https://doi.org/10.1257/jep.25.4.191

Harter, J. K., Schmidt, F. L., & Hayes, T. L. (2002). Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes: A meta-analysis. Journal of Applied Psychology, 87(2), 268–279. https://doi.org/10.1037/0021-9010.87.2.268

Hill, S. E., Delpriore, D. J., Rodeheffer, C. D., & Butterfield, M. E. (2014). The effect of ecological harshness on perceptions of the ideal female body size: An experimental life history approach. Evolution and Human Behavior, 35(2), 148–154. https://doi.org/10.1016/j.evolhumbehav.2013.12.005

Hill, S. E., Rodeheffer, C. D., Griskevicius, V., Durante, K., & White, A. E. (2012). Boosting beauty in an economic decline: Mating, spending, and the lipstick effect. Journal of Personality and Social Psychology, 103(2), 275–291. https://doi.org/10.1037/a0028657

International Labour Organisation (2010). Global employment trends. Retrieved from https://www.ilo.org/empelm/pubs/WCMS_120471/lang--en/index.htm

Jenkins, G. D. Jr., Mitra, A., Gupta, N., & Shaw, J. D. (1998). Are financial incentives related to performance? A meta-analytic review of empirical research. Journal of Applied Psychology, 83(5), 777–787. https://doi.org/10.1037/0021-9010.83.5.777

Jones, E. E., & Nisbett, R. E. (1972). The actor and the observer: Divergent perceptions of the causes of behavior. In E. E. Jones, D. E. Kanouse, H. H. Kelley, R. E. Nisbett, S. Valins, & B. Weiner (Eds.), Attribution: Perceiving the causes of behavior (pp. 79–94). City, New Jersey: General Learning Press.

Kakkar, H., & Sivanathan, N. (2017). When the appeal of a dominant leader is greater than a prestige leader. Proceedings of the National Academy of Sciences, 114(26), 6734–6739. https://doi.org/10.1073/pnas.1617711114

Keim, A. C., Landis, R. S., Pierce, C. A., & Earnest, D. R. (2014). Why do employees worry about their jobs? A meta-analytic review of predictors of job insecurity. Journal of Occupational Health Psychology, 19(3), 269.

Kenrick, D. T., Griskevicius, V., Neuberg, S. L., & Schaller, M. (2010). Renovating the pyramid of needs contemporary extensions built upon ancient foundations. Perspectives on Psychological Science, 5(3), 292–314. https://doi.org/10.1177/1745691610369469

Kozlowski, S. W. J., & Klein, K. J. (2000). A multilevel approach to theory and research in organizations: Contextual, temporal, and emergent processes. In Multilevel theory, research and methods in organizations: Foundations, extensions, and new directions (pp. 3–90). San Francisco, CA: Jossey-Bass.

Krosch, A. R., Tyler, T. R., & Amodio, D. M. (2017). Race and recession: Effects of economic scarcity on racial discrimination. Journal of Personality and Social Psychology, 113(6), 892–909. https://doi.org/10.1037/pspi0000112

Latane, B. (1981). The psychology of social impact. American Psychologist, 36(4), 343–356. https://doi.org/10.1037/0003-066X.36.4.343

McMillan, D. W., & Chavis, D. M. (1986). Sense of community: A definition and theory. Journal of Community Psychology, 14(1), 6–23. https://doi.org/10.1002/1520-6629(198601)14:1<6::AID-JCOP2290140103>3.0.CO;2-I

National Bureau of Economic Research (2011). US business cycle expansions and contractions. Retrieved from http://www.nber.org/cycles.html

Netchaeva, E., & Rees, M. (2016). Strategically stunning: The professional motivations behind the lipstick effect. Psychological Science, 27(8), 1157–1168. https://doi.org/10.1177/0956797616654677

Oishi, S. (2014). Socioecological psychology. Annual Review of Psychology, 65, 581–609. https://doi.org/10.1146/annurevpsych-030413-152156

Proudfoot, D., Kay, A. C., & Mann, H. (2015). Motivated employee blindness: The impact of labor market instability on judgment of organizational inefficiencies. Organizational Behavior and Human Decision Processes, 130, 108–122. https://doi.org/10.1016/j.obhdp.2015.06.008

Rodeheffer, C. D., Hill, S. E., & Lord, C. G. (2012). Does this recession make me look black? The effect of resource scarcity on the categorization of biracial faces. Psychological Science, 23(12), 1476–1478. https://doi.org/10.1177/0956797612450892

Ross, L. (1977). The intuitive psychologist and his shortcomings: Distortions in the attribution process. Advances in Experimental Social Psychology, 10, 173–220. https://doi.org/10.1016/S0065-2601(08)60357-3

Ryan, M. K., Haslam, S. A., Morgenroth, T., Rink, F., Stoker, J., & Peters, K. (2016). Getting on top of the glass cliff: Reviewing

a decade of evidence, explanations, and impact. The Leadership Quarterly, 27(3), 446–455. https://doi.org/10.1016/j.leaqua.2015.10.008

Sherif, M., Harvey, O., White, B. J., Hood, W. R., & Sherif, C. W. (1961). Intergroup cooperation and competition: The Robbers Cave experiment.

Sherif, M., & Sherif, C. W. (1953). Groups in harmony and tension: An integration of studies of intergroup relations. Oxford, England: Harper & Brothers.

Sirola, N., & Pitesa, M. (2017a). Economic downturns undermine workplace helping by promoting a zero-sum construal of success. Academy of Management Journal, 60(4), 1–21. https://doi.org/10.5465/amj.2015.0804

Sirola, N., & Pitesa, M. (2017b). The macroeconomic environment and the psychology of work evaluation. Organizational Behavior and Human Decision Processes, 144(4), 11–24. https://doi.org/10.1016/j.obhdp.2017.09.003

Skarlicki, D. P., & Folger, R. (1997). Retaliation in the workplace: The roles of distributive, procedural, and interactional justice. Journal of Applied Psychology, 82(3), 434–443. https://doi.org/10.1037/0021-9010.82.3.434

Swami, V., Frederick, D. A., Aavik, T., Alcalay, L., Allik, J., Anderson, D., … Cunningham, J. (2010). The attractive female body weight and female body dissatisfaction in 26 countries across 10 world regions: Results of the International Body Project I. Personality and Social Psychology Bulletin, 36(3), 309–325. https://doi.org/10.1177/0146167209359702

Tajfel, H. (1982). Social psychology of intergroup relations. Annual Review of Psychology, 33(1), 1–39. https://doi.org/10.1146/annurev.ps.33.020182.000245

Tajfel, H., & Turner, J. C. (1979). An integrative theory of intergroup conflict. In W. G. Austin, & S. Worchel (Eds.), The social

psychology of intergroup relations (Vol. 33) (pp. 33–47). Monterey, CA: Brooks Cole.

The National Bureau of Economic Research (2010). The NBER's business cycle dating committee. Retrieved from http://www.nber.org/cycles/recessions.html

Zimbardo, P. G., & Leippe, M. R. (1991). The psychology of attitude change and social influence. New York, NY: McGraw-Hill.

Biography

Nina Sirola is an assistant professor at Singapore Management University, Lee Kong Chian School of Business. She studies direct reactions of individual employees to changes in the macroeconomic environment. Her research aims to help organizations and policymakers understand, predict, and manage the behavior of their workforce across business cycles with the goal of promoting adaptability of organizations and economic systems to macroeconomic changes. Email: nsirola@smu.edu.sg