

Why Humans Do What They Do: Interdisciplinary Research on Realistic Decision Making

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MU has enormous potential to be the site of path-breaking interdisciplinary research on the topic of *realistic decision making*. Not only is this research a basic component of human life science, it also has clear application to the marketing of life-science-related industries and products. The standard approach to modeling decision making incorporates a variety of simplifying assumptions. Agents are often assumed to be fully rational and to have narrowly defined personal goals, complete knowledge about the relevant options, and the ability to perform complex optimization calculations. Although these assumptions are frequently relaxed, standard psychological and economic analyses derive power from the ability of simplified models to represent complex behaviors.

Despite the benefits of assuming a simplified rational decision-making process, there is growing recognition that alternative models, which replace the assumption of simple rationality with alternative assumptions, may aid in understanding decision making. As we better understand how humans make decisions in the real world, significant changes will be felt across economics, business, politics, and ethics. Economists have long understood that groups of individuals will not always coordinate on efficient outcomes merely by following self interest. But recently they have focused attention on the basic decision-making process, reflecting an increasingly mainstream acceptance of models in which simple rational decisions are no longer assumed. This is attested to by the number of popular trade books and new celebrity intellectuals who have attracted unprecedented attention to this kind of research; for example, Malcolm Gladwell's popular trade book, *Blink: The Power of Thinking without Thinking*

(2005), focuses on how humans make immediate judgments through unconscious mechanisms that operate independently of rational decision making.

A better understanding of the nonrational factors that influence decision making will have specific, transformational consequences for large areas of our economic and political lives. Even though such research is still in its infancy, there are already several private consulting firms that work with Fortune-100 companies for the purpose of informing their marketing and sales strategies through the use of neurological studies. In the political arena, the same companies are now marketing their services to political parties for the purpose of influencing voters' reactions to candidates and platforms. As this research proceeds, we can easily envision a future in which a focus on the nonrational elements of decision making becomes even more dominant among those who move public opinion.

MU is in a unique position to carry out the kind of interdisciplinary research—based on a framework that goes beyond the traditional assumptions still largely dominant in rational-choice models—that is at the center of recent developments in the study of decision-making; indeed, we have an exceptional opportunity to become an important center for such research. The reason for this is the broad and deep research overlap among faculty in economics, psychology, philosophy, and anthropology, together with MU's new, state-of-the-art Brain Imaging Center. A survey of faculty research interests in the four disciplines shows that there are obvious strengths in the study of decision making that cannot be duplicated elsewhere.