EMOTION NEGLECT IN COMPENSATION
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Abstract
Countless people suffer emotional losses. Compensations for emotional losses often depend on the judgment of laypersons serving as advisors, mediators and jurors. We study such lay judgments and compare situations in which emotional losses are accompanied by economic losses with situations in which they are not. We theorize people hold a dualistic attitude toward emotional losses, believing emotional losses should be compensated for yet preferring to base compensations on economic losses because economic losses appear more objective. Consistent with this theorizing, seven studies tapping diverse contexts show people award less compensation to a victim if the victim incurs an emotional loss plus a small economic loss than if the victim incurs only an emotional loss, and this less-for-more effect will disappear if the emotional loss is removed or “hardened” (monetized). Through this work, we draw attention to the potential neglect of emotional losses in compensations.