

What Color Are Your Gains and Losses?



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A widespread norm using risky decision-making tasks is to represent gains in green and losses in red. It is unclear whether this color-value pairing affects risk preferences, as past studies focused on testing the impact of color without considering its role in representing value components. We examine this possibility via two mixed-gambles experiments where we manipulate color-value combinations congruently (red losses, green gains) and incongruently (red gains, green losses), and compare them to an achromatic color, to examine the effect of color-value pairings on risk preferences. We find that both colors modulate risk preferences, depending on their pairing with gains and losses. Our results suggest that experimental tasks employing red and green are affected by confounded underlying cognitive mechanisms associated with these colors. We thus aim to increase researchers' awareness of the effect of a seemingly irrelevant factor, i.e., color, used to display information in experimental design on research conclusions.

Pay Transparency: Practical Implications for Organizations, Employers, and Public Policy



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Governments around the world are increasingly adopting regulations aimed at enhancing pay equity through greater pay transparency. However, pay transparency continues to be a contentious issue. Proponents argue that greater transparency is more consistent with the ethical underpinnings of humanistic societies and likely to benefit employees, employers, and/or society. In contrast, opponents highlight the ethical challenges that transparency may pose to personal privacy, as well as its potential social, psychological, and economic risks for stakeholders. In this paper, we review the research examining the varying consequences of different forms of pay transparency on a range of consequences. We also discuss steps that policymakers and organizational leaders may take that are likely to have positive implications for both labor and management while minimizing unintended, negative consequences.