Studying Perception of Choice Proves Right Decision for Business Professor

As a child growing up in Flush- ing, Queens, Sheena Sethi Iyengar remembers how excited her par- ents would become when looking through the ice cream flavors in the grocery store. Despite their interest in such an assortment—which did not exist in their homeland of India—they would always spend time weighing their options only to bring home plain vanilla each week. It was then that Iyengar started to wonder whether or not having so much choice was a good thing.

That same curiosity inspired her to earn a Ph.D. in social psycholo- gy. It has also brought her to Columbia where she is currently an assistant professor of management in the School of Business regularly conducting research on how people respond to choice when select- ing an ice cream flavor, a life insurance policy or a college to attend.

Recently, President George W. Bush presented Iyengar a National Science Foundation (NSF) Early Career Award, which goes to scien- tists and engineers in the social sci- ences. The NSF says her work is “helping lead to a better under- standing of how cultural, individ- ual, and situational dimensions of human decision-making can be used to improve people’s lives.”

The five-year, $688,000 grant, given to Iyengar this summer in a White House ceremony held in the executive office, will allow her to further research her proposal, which “questions the common assumption that more choice is always intrinsically motivating and results in higher levels of satisfac- tion. So how much choice is too much? Iyengar believes that the idea of choice in America is more appealing to most in theory than in actuality.”

“[Americans] have a lot invested in the concept of choice for choice’s sake,” says Iyengar. “This country was founded by people who strove to be autonomous. There seems to be an instinctive desire for it.”

However, her research reveals that although Americans want to feel like they have a voice, they become overwhelmed and more prone to second-guess a decision when presented with too many options. An example of this comes from research Iyengar did on employees who were being offered 401-K pro- grams through their jobs. The workers were informed of multiple investment opportunities, each laden with additional financial decisions for the individuals to make. After reviewing the findings from different companies, Iyengar concluded that the more retirement options employees were offered, the less they wound up participat- ing in any program at all.

Iyengar has been studying the impact that culture can have on the process of decision making as well. Looking at the consequences of reunification on the former East and West Germans, Iyengar found that most former East Germans presented all the choices they were suddenly afforded when the Berlin Wall came down. Some found the new society, with its abundance of options, to be far less personal as family doctors and small town doctors were replaced by family doctors and small town doctors were replaced by healthcare programs and shopping malls.

She has also evaluated the habits of people in Asian countries like Taiwan and the Philippines and found that many more they prefer to have a trusted figure in their life make decisions for them. Iyengar notes that people in other cultures often consider choice a burden, a responsibility they would be happy to avoid.

Such was the case for a sample group at a gourmet food store in California who proved that when given the choice between 30 types of jams, they almost always regret- ted the selection they made, believ- ing they did not choose as optimal- ly as they could have. But, when making the decision from a choice of only five jams, most respon- dents stated that, even when choosing the exact same jam they had chosen from the original 30.

“If you allow people to choose their options, they almost always choose to see less,” says Iyengar. “And when we don’t like our choices, we seem to prefer to have no choice at all.”

Iyengar’s research runs the gamut, encompassing satisfaction studies among employees at Citi- group to the career paths laid out by college seniors. She is even evaluating the tendencies of choice among those participating in “Hurry-date” events, where singles are matched up with 25 different people for three minutes each and have to decide which they might want to give their e-mail addresses to.

In all her studies, Iyengar’s con- clusions have revealed one univer- sal truth, which she will base the next five years of her research on: more choice does not always lead to happier decisions. The grant she recently received affords her the chance to further explore this theo- ry and, perhaps, change the Ameri- can perception of choice.

“They gave me an award for what they hope I’ll do,” she says. “I’m very happy and pleased to have it, but there’s also a great chal- lenge that comes with it.”

Certainly, Iyengar is anxious to meet that challenge, hoping it might bring her one step closer to answering the questions she first conceived of inside that grocery store in Flushing.