Research Statement - Parvaneh Pasandi

My research builds on behavioral economics and experimental methods to identify the mechanisms behind biased decision-making. Across my dissertation chapters, I study how personalized performance goals, competitive preferences, and local comparison heuristics shape effort, evaluation, and choice. My general aim is to clarify when and why individuals deviate from rational benchmarks, and to measure how these deviations interact with incentive design.

Job Market Paper: "Pushing the Limit: The Different Effects of Threshold Proximity and Competitiveness" (with A. Chevalier, F. Feri, and E. Turrini)

My job market paper studies how individuals respond to personalized performance goals. The experiment is a between-subject design where subjects are randomly assigned to one of two treatments: one group receives an easier personalized threshold (closer to their own baseline), and the other group receives a harder personalized threshold (further away). This lets us isolate how threshold proximity, competitiveness, and gender each relate to both performance and the probability of reaching the goal.

The main results show clear heterogeneity along all three dimensions. When the personalized threshold is easier to reach, subjects improve more than when it is harder. Gender matters: the negative effect of facing a further threshold is substantially stronger for women; women's performance drops in the far-threshold treatment, while men's performance is more stable across threshold distances. Competitiveness matters as well: men in the sample are 14 percentage points more likely to voluntarily enter tournaments, and this competitive preference is positively correlated with goal achievement.

Quantitatively, men are 22 percentage points more likely than women to reach their personalized threshold, and their improvement relative to a piece-rate baseline (performance measured as time taken to complete the task) is about three times larger. These patterns suggest that the relationship between goal distance and effort is not uniform, it depends on competitive preferences, and competitive preferences differ systematically by gender.

The contribution of the paper is to show that personal performance goals are not neutral framing. How close a goal is interacts with individual type. Goals amplify heterogeneity. In environments that use personalized targets (firms, tournaments, selective admissions), the effectiveness of goal-based incentives depends not only on the goal itself, but also on who is facing it.

Working Paper: "Strategic Use of Decoy Effect in Bargaining" (with F. Feri and A. Gantner)

The decoy effect describes how preferences shift when additional options are introduced, violating standard rational choice. We study whether subjects strategically deploy decoys to manipulate bargaining outcomes. In our experiment, two negotiators bargain over a menu

of alternatives, and can insert a dominated option at a small cost. More than one-third of subjects choose to add a decoy.

We study both compromise-creating and attraction decoys, and vary payoff levels of original alternatives. Belief elicitation reveals that compromise-type decoys are chosen instrumentally to move agreement points toward a preferred settlement, while attraction-type decoys are often chosen because they are themselves perceived as acceptable fallback agreements. The contribution is to show that decoys are strategically used, not simply behaviorally reacted to, and that choice architects inside negotiations exploit this channel.

Working Paper: "Local Winner's Curse" (with F. Feri and M. Melendez)

We study a ranking bias where diagnostic but local comparisons distort global probability assessments. Even though all subjects face objectively identical winning chances, local low ranks induce over-investment in some conditions. While small sample size limits statistical power overall, extreme-rank treatments (first/second) show significant distortions consistent with local comparison heuristics.

Research agenda

My broader agenda is to build type-heterogeneous models of incentive response that combine personalized goals, competitive preferences, and menu manipulation. The objective is to move from documenting anomalies to isolating primitives that mechanism designers can actually use. Going forward, I plan to embed personalized-goal and menu-manipulation modules into rank-based organizational environments to measure how workers translate feedback into effort, selection, and belief revision.