

Collective Decision-Making of Asymmetric Decision Makers with Respect to States of Nature

Tal Patal
Bar-Ilan University

Abstract

The study focuses on the decisions made by a group of individuals who share a common goal, where each decision is independent and relates to a choice between two courses of action. Assume there are two states of nature and two possible courses of action. The skills of the individuals, represented by the probability of reaching the correct decision, are heterogeneous and asymmetrical with respect to the possible states of nature. We examine how this asymmetry in individual skills with respect to states of nature affects the decision-making processes by studying the interaction between the individual skills under the simple majority rule and the hierarchical rule. The findings help us answer the question, what it is preferable, to invest in an individual's skills equally in both states of nature or only in one state.