
The Role of Individualism and Selfishness in Rationalizing Decisions

Mahmoud Yousef Askari

Abstract: In this paper, I propose that individualism and selfishness are embedded in every individual, and that their existence is needed to provide rationale for the actions of individuals. I argue that people are motivated by their targeted benefits as individuals, and rationalize their decisions to reach their individual targets using their selfishness in both individualists and collectivists cultures. As well, I propose that selfishness is good and is not a sin, and I introduce a new definition of selfishness. My approach and methodology in proposing my arguments depends on the conduct of thought experiments of the debated ideas, and on readers' ability to undertake similar thought experiments and reach similar conclusions and understandings. I ask readers to conduct a mental experiment of the proposed ideas using the reasoning that I propose. I believe that thought experiments on individualism and selfishness and their role in the rationalization of human decisions could be easily conducted by all readers.

Keywords: Individualism; Selfishness; Rationalization of Decisions; Behavioral Economics.

Introduction

Questions of rationality and rational decision making have been a topic of interest to scholars from many fields of knowledge. Philosophers, psychologists, economists, sociologists, and management scholars have contributed to debates on the topic of rationality. Yet, many questions are still being raised about the rationality of decisions that do not match the normative approach, and if abnormal decisions of different people should be seen irrational. Psychologists and behavioral economists ((Kahneman & Tversky, 1979; Kahneman & Thaler, 2006; Thaler,1980) have criticized the normative traditional economic approach to rationality and utility, and argued that the world is not made of traditional rational economists with standard utility, but it is made of normal people who make real life decisions. The work of behavioral economists was complemented by other researchers (Askari & El Refae, 2019) who proposed that individuals rationalize decisions to maximize their subjective tangible and intangible utility, and that decisions of all kinds are considered rational if seen through the lens of the individual decision maker. My intention in this paper is to take the idea of subjective rationality that was based on subjective utility maximization by including individualism and selfishness

in the analysis of rationality. This would help in clarifying the relationship between individualism and selfishness, the rationalization process, and the decisions made by individuals.

Assumptions of rationality, according to De Vree and Dagevos (1997), have much to do with human behavior theories. Normative models of rationality have been used by economists and social scientists in which people are assumed to behave according to pre-set linear models, and have unbounded rationality. "Humans were assumed to use a linear rule for integrating subjectively perceived probabilities with the utilities assigned to the outcomes of decision alternatives". (Betsch & Held, 2012, p. 70). These assumptions have been challenged by psychologists (Kahneman & Tversky, 1979; Kahneman & Thaler, 2006) and economists (Thaler,1980), and individuals were found to make irrational decisions according to behavioral economists. In other words, individuals were found to break the rules of the linear models of rationality when making decisions. While some researchers (Betsch & Held, 2012) argue that making rational decisions is linked to people's ability to make different levels of analysis while making decisions, other researchers (Levin & Aharon, 2014) have pointed to what is known as practical rationality and the importance of the rationalization process:

An action is rational if it meets three optimality requirements: First, it is the best means of satisfying the agent's desires, given the agent's beliefs about the available options and their consequences. Second, the latter beliefs are as well supported as possible, given the agent's evidence. Third, the latter evidence resulted from an optimal investment in information gathering (p. 229).

Other researchers (De Vree & Dagevos, 1997) argued that "there is no need to believe that rationality referred to any particular, well-defined kind of behavior. In fact, it will be shown from different perspectives, that no independent criterion for distinguishing rational from non-rational behavior can be found". (p. 236). According to Askari and El Refae (2019), "all decisions are rational at the individual level, and that all decisions are justified by decision makers and maximize the decision maker's perceived utility". (p. 1). Askari and El Refae argue that rationality should be seen through the eye of the individual because "individuals customize rationales for their own actions to make decisions that maximize their perceived utility". (p. 1).

Individualism in Literature

Individualism can be briefly defined as an ideology in which “individual effort is rewarded and benefits the individual” (Steele & Lynch, 2013, p. 442). An individualist society was defined by Hofstede (2001) as “a society in which the ties between individuals are loose: Everyone is expected to look after her/his immediate family only.” (p. 225). On the other hand, Hofstede defined the collectivist society as “a society in which people from birth onwards are integrated into strong, cohesive in-groups, which throughout people’s lifetime continue to protect them in exchange for unquestioning loyalty.” (p. 225). Minogue (2012) also defined the individualist societies as:

societies in which each individual is seeking to advance his own interest? Such individuals would seem to be competitive or, in modern jargon, to be playing a zero-sum game. Abstractly (but not realistically), every gain to X is a loss to Y. Such a nexus has caused capitalism to be identified with selfishness (p. 261).

While individualist societies are accused of being greedy societies, some researchers argue that socialist societies are greedy as well. It was highlighted by Ballor (2012) that “the history of socialist regimes also shows [that] free markets do not have a monopoly on greed.” (p. 317). The individual who has the freedom to choose and is driven by his/her self-interest was the basis of Adam Smith’s philosophy of economic activities (Zabkowicz, 2017). Even when individualists are collaborating and cooperating with members of groups and communities, they are accused of collaborating with group members for the sake of obtaining gains they cannot get on their own (Wagner, 1995). An individualistic society sees individuals as independent persons who have freedom to choose, are self-reliance, and are motivated by their preferences and goals (Tifferet & Herstein, 2010). In these societies, attention is given to the individual and not the group.

Literature is also divided between methodological individualism, and holism. This divide exists among philosophers, economists, management scholars, political scientists, sociologists, and scholars from other fields of knowledge. “[M]ethodological individualists ... seek to explain ... phenomena by reference to individuals and their interactions, and holists (or nonreductionists), who consider some higher-level social entities or properties such as states, institutions, or cultures ontologically or causally significant” (List & Spiekermann, 2013, p. 629). Individualists believe that groups, communities, or states are made of individuals, and therefore, do not exist as separate entities without the existence, actions, and behavior of individuals, and that understanding groups or communities can be achieved by understanding individuals. However, some researchers (Machan, 2016, 2017) believe that we as individuals are “nothing apart from the group or groups of which we are members. Yet, we are not much either if our individuality is stifled, suppressed and banned” (p. 8). An individual, according to Kant, can create rationales to govern his/her actions and decide to follow them because the individual is a person and not a thing. Kant also believed that human advancement and

happiness can be achieved only in nations that protect the freedom of individuals (Otteson, 2009).

Methodological individualism, according to Gylys (2017), was first introduced by Max Weber but was also discussed by “Friedrich von Hayek, Milton Friedman and Ludwig von Mises” (p. 8). Gylys, who is an advocate of methodological holism, explained the assumptions of individualists and stated that they assume “that [the] only reality is an individual and that there is no substratum other than the actions of individuals, [and] that ... we cannot act otherwise than each of them acting on his own behalf” (p. 10). He also added that according to individualists, “The study of individual behavior gives a full picture of the society. In other words, it means that the microeconomic analysis of the actions committed by the egoistic *homo economicus* discloses the macropicture of the economy as a whole” (p. 10). In this statement, Gylys points to what is known in literature as reductionist philosophy, which assumes that the society as a whole can be understood by understanding its parts, or by understanding the actions of individuals. This also means that collectivities do not exist, and that families, groups, or communities are unreal, and that individuals with their self-interests are the only reality. Critics of Hayek’s evolutionary individualism approach (Vanberg, 2014) argue that individualists are “silent on how the other kind of order, namely corporate-organizational arrangements, should be dealt with from an individualist perspective” (p. 149). Other researchers (Yoon, 2014) used the argument of ‘Individualistic fallacy’ which claims that it is wrong to assume that one can understand a collective-level phenomenon by utilizing individual-level data and results.

Individualism is in the heart of traditional economic thinking which assumes that individuals have the freedom to choose and make rational decisions. According to Zabkowicz (2017), methodological individualism has been largely used by researchers to explain individual decisions. Individualism considers the individual as an economic unit or ‘*homo economicus*’ who is motivated by maximizing his/her own benefits (Gylys, 2017; Nar, 2015). According to Gary Becker, who was awarded the Nobel Memorial Prize in Economic Sciences in 1992, even individuals within a family (husband & wife) could be seen as market agents who are motivated by the maximization of their own utilities (Becker, 2009). Thus, this approach to explaining the behavior of the common individual would certainly require proper understanding of individualism because individualism has always been attacked by its adversaries who formulate their thoughts and ideas by developing wrong understanding of the term. Nolan (2013) explained how Friedrich Hayek warned that “no political term had suffered worse distortion and misunderstanding by its opponents, in this respect, than individualism” (p. 58).

Individualism has been associated with freedom, democracy, and treating people equally. However, this should not be understood as making (or attempting to make) people equal as in the case of socialist societies. It was noted by Friedrich Hayek that individuals are not born equal, and that “there is all the difference in the world between treating people equally and attempting to make them equal. While the first is the condition of a free

society, the second means ... a new form of servitude” (Nolan, 2013, p. 64). Individualism also means that each individuals are responsible for their success and achievement, as well as their failure. This point was explained by Askari (2016) who stated that:

It is beyond the reach of an equal society to guarantee a definite outcome for all citizens. A society can pave the way and remove the obstacles for its citizens to reach an expected happy end. But the realization of this happy end will still be a function of the motivation of individuals and their personal initiatives to utilize the available social benefits and contribute to their own success by adding their efforts to build a better future. A society can provide citizens with the intangible wealth of knowledge, but it is through their own efforts and hard work that they can enter the paradise of knowledge and harvest their own fruits (p. 5).

Some researchers tried to study the relationship between individualism as a cultural dimension, and the rationalization of entrepreneurship decisions (Rantanen & Toikko, 2017). They found that “individualism and collectivism ...[are] two separate and independent dimensions of cultural values, both of which have a positive, indirect effect on entrepreneurial intention by way of subjective norms and perceived control” (p. 289). Researchers (Rego & Cunha, 2009) have also linked individualism to the actions and life-style of individuals that matches their own preferences, which is, I argue, a hint to the relationship between individualism and the rationalization of human decisions. Zhang, Liang, and Sun (2013) noted that literature supports that both individualism and collectivism play a role in justifying behavior. They noted that:

In individualist cultures, personal beliefs are more important in decision-making than group norms ... while in collectivist cultures, people may hold personal beliefs ... that differ significantly from the group norm ... but will behave in accordance with the group norm (p. 657).

The Need for A Better Understanding of Rationality

It is arguable that understanding how people rationalize their decisions could lead to a better understanding of human behavior, and many questions on how people rationalize their decisions are still being debated. Traditional normative economists assume that people rationalize the actions they take by adopting externally ready-made rationales, other researchers (Askari & El Refae, 2019) argue that people design, modify, and customize their own subjective rationales to justify their actions. Indeed, the later approach which assumes that rationales are internally developed by individuals could open the door for further questions on subjective utility and rational decision making like:

- Who decides how rational decisions of individuals should look like?
- Who decides what is good and what is bad for different individuals?
- Why should what is good for one individual, be good for another?
- What about individualism and collectivism in the analysis of individual utility?
- Can individual utility be objectively determined?

- What about the role of selfishness in making individual decisions?
- If all people are found selfish, does this mean that we are all bad and make immoral and evil decisions?

The rationalization process is as importance as the actions that stems from the rationalized decisions. Decisions of all kinds (e.g., economic, social, political ...) and at all levels (individual, organizational, national, or international) are rationalized by people making these decisions. It is the rationalization process that is responsible for the consequences of actions. Rationales for different actions issue the approval for actions to take place, and give the green light to the decision maker to proceed. Rationales provide justifications for the actions one would do, including purchasing goods and services, taking vacations, visiting friends, building relationships, investing in the stock market, spreading peace within a society, igniting wars between nations, cooking food to eat, or simply watching TV. All actions are rationalized by action takers, including simple and routine actions that are happening in a daily basis. Actions like eating, drinking, or sleeping are examples of biologically rationalized actions. This natural biological rationalization process is unconsciously undertaken by both humans and animals to satisfy biologically-driven needs. Nevertheless, there could be differences between humans and animals in the biological rationalization where an individual, according to Bosse, Gerritsen, and Treur (2011), “may have the desire to eat but may decide rationally not to do this because it will make him/her fat. However, if the biological desire is too strong, the person may decide to eat nevertheless”. (p. 87-88).

Similarly, social, economic, and political actions are rationalized to satisfy social, economic, and political needs, wants, and desires of individuals. But while biologically-driven actions could be easily and routinely rationalized, social, economic, and political actions might require a complicated rationalization process. In other words, these are harder decisions to be made when compared with biologically-driven decisions. The existence of many alternatives to choose from, and the consequences of these decisions (e.g., the consequences of starting a war) are among the reasons that complicate the rationalization process. But the individual who makes the decision is in the center to these decisions, even when the decision is made on behalf of an organization or a nation. An individual’s needs, wants, desires, ideologies, and other individual motives are key factors in the rationalization of an individual decision, and this justifies the inclusion of individualism and selfishness in the analysis of rationality. Because people’s needs, wants, desires, and ideologies are so different, the valuation of their targeted utilities would also be different. These differences can be proofed by simple thought experiments which I have conducted by asking undergraduate students of different management courses about the value of different tangible and intangible items like the value of a diamond ring, a barrel of oil, the value of honesty, or the value of a car license plate of one digit.

Indeed, rationalizing the value of different goods and services by different individuals would lead to decisions to either buy or abandon these items. That makes indi-

viduals' rationalization of buying decisions very important for business leaders. As well, individuals' rationalization of social and political decisions is also important for social and political leaders, and therefore, require proper attention and understanding. Managers of all kinds of organizations (e.g., profit organizations, non-profit organizations, and not for profit organizations) need to have a better understanding of the rationalization process of decisions. I propose that a good understanding of the rationalization process of decisions is a pre-requisite for good management practice at the organizational and the national levels. Certainly, knowing why people make certain decisions would help in planning and implementing successful management strategies. Thus, proper understanding of the role of individualism and selfishness in the rationalization process would help in understanding behavior, and understanding the process of value creation and promotion of social, economic, and political goods and services.

The Approach and The Methodology

In this paper, I propose that individualism and selfishness are imbedded in every individual, and that their existence is needed to provide rationale for the actions of individuals. I argue that people are motivated by their targeted benefits as individuals, and rationalize their decisions to reach their individual targets using their selfishness in both individualists and collectivists cultures. As well, I propose that selfishness is good and is not a sin, and I introduce a new definition of selfishness. My approach and methodology in proposing these arguments depends on the conduct of thought experiments of the debated ideas, and on readers' ability to undertake similar thought experiments and reach similar conclusions and understandings. I ask every reader to conduct a mental experiment of the proposed ideas using the reasoning that I propose. I believe that thought experiments on individualism and selfishness and their role in the rationalization of human decisions could be easily conducted by all readers.

Individualism: From A Zero-Sum Utility Game To A Win-Win Utility for All Participants

Individualism is not a zero-sum utility game, and is, in fact, a win-win tournament for all participants at the organizational, local, national, and international levels. In a zero-sum game, the gain of utility by one individual is matched by a loss of utility by another individual, in which the net effect of the total sum of utility would be zero. The zero-sum view of individualism was promoted by communists who assume that the total sum of benefits or utilities in a given capitalist society can be seen as a cake, in which a larger piece of one individual (the capitalist) would mean smaller pieces for the other members of a society (proletariats). The success or gain of one individual should never be seen as the failure or loss of someone else. The narrow and short-sighted view of individualism which assumes that people are either winners or losers in their interaction with others is, indeed, false,

outdated and does not represent reality. In this section of the paper, I clarify and explain the nature of individualism and selfishness, their natural existence in all individuals, and why they are needed to rationalize human decisions.

The Natural Existence of Individualism and Selfishness

Individualism and selfishness are imbedded in every individual. Regardless of one's degree of collectivism, it is the hidden "ME" inside individuals that directs their belief system, and provides rationale for their intended decisions. But it is important first to note that capitalist societies do not have a monopoly over the ME, and it is arguable that the ME is imbedded in socialism as well. In societies with any kind of ideology, it is the "ME" that is behind the justification of sharing with others, and caring for the rest of the group to gain the benefit of being a member of that group. It is MY safety that justifies the promotion of the well-being of a society to enjoy peace and security. It is MY happiness that is driven from, and sustained by, the happiness of those who are around me, as one might not be able to sustain personal happiness without having happy people around him. It is the maximization of MY luxury that could be achieved through the existence of successful others who own businesses to provide goods and services for MY own use. It is the ME inside every individual that is rationalizing the promotion of collective success and happiness, and it is the ME that is rationalizing donations and giving to charities. The natural existence of individualism and selfishness in individuals is a natural phenomenon. It is as natural as sleeping or breathing, and it provides rationale for individual decisions automatically and naturally.

The Goodness of Selfishness

Selfishness is a term that should be correctly understood and properly defined to reflect its function in the continuity of life, and in the rationalization of, not only actions with a bad image, but also good and desirable human actions. I offer the following definition of selfishness:

Selfishness is a personal valuation mechanism that works as a sensor of potential utilities to rationalize the attainment of these utilities to satisfy personal needs, wants, and desires.

Selfless human beings do not exist in reality, and *we are all Selfish Individuals*. A selfish individual is an individual who cares about the attainment of tangible and intangible personal utilities to satisfy needs, wants, and desires, and all humans fit in this category. The attainment of these utilities should not be seen as limited to the individual's lifetime, because utilities could be believed by individuals to be achieved in the hereafter. On the other hand, a *Selfless* individual would have no interest in gaining any kind of personal utility to fulfill needs, wants, and desires, and would, therefore, lose motivation to do any kind of action. This is why a *Selfless* individual is not a real individual. As highlighted earlier, even good actions of indi-

viduals (e.g., donating to charities) are motivated by the attainment of internal and/or religious utilities that the individual is hoping to attain by doing these action, or motivated by the fear from the *loss of utility* (punishment).

I tested this idea by conducting an experiment on a group of students in a management class during the summer semester of 2017/2018 during the month of Ramadan (the month that Muslims fast from sunrise to sunset). I asked students why do they fast the month of Ramadan? The unified reply of students was that they fast to please God. I then asked them: what are you expecting to get from pleasing God? They replied by saying that God will allow us to enter Heaven on the Day of Judgement. The discussion was then open to discuss the selfishness of worshippers, and if they are selfish as they practice religion. The conclusion was that worshippers are selfish because they do what they do for their own benefit, and that no worshipping will take place if no expected utility will be gained, or no expected negative utility (Hellfire) will be avoided.

Selfishness is the sensor of potential tangible and intangible utilities of individuals, and without it, utilities would have no value or meaning. Selfishness perform the task of utility valuation. Things have value only when the individual decides that they have value. The values of different benefits and utilities are self-determined by the selfishness mechanism of the individual based on the individual's needs, wants, and desires. The values of utilities that are selfishly-determined rationalize the worth of these utilities in the eyes of the individual, and pushes the individual to get these utilities. Utilities are sought after to fulfill needs, wants, and desires, and these needs, wants, and desires belong to the individual. Thus, selfishness is a born-with rationalization mechanism that guides human decisions, and its nonexistence in individuals would lead to a total loss of motivation and a total stop of all individual actions.

Selfishness should not be seen as a social or a religious sin. It is unfortunate that some might even consider selfishness as immoral or evil, without considering the need for its existence for the purpose of life continuity. It is unfortunate that the term has always been associated with greed, emotionless individuals, or individuals who care less about other individuals. In fact, it is because of selfishness that people give to the poor, take care of orphans, or donate to charities to feel good about themselves (utility) through giving, or to '*gain*' the blessing of God (utility), and to enter God's paradise (utility also) on the day of judgement. But what should also be highlighted in this discussion is that selfishness must exist in individuals to motivate them to do the actions that they do. One can easily think that an individual without any need for any kind of utility will have no motivation to do anything. An individual without needs, wants, and desires does not exist, and even life will, in fact, stop if all people are needs-free. Thus, selfishness could be considered as the secret of life continuity, and its removal from people is equivalent to putting an end their desire for life.

Believers of God are motivated by their selfishness to worship God. Moslems, Christians, and Jews believe in God, in the day of judgment, and in the existence of Hell and Heaven in the hereafter. Their commitment to worship God is motivated by their self-interest to enter

Heaven and to avoid Hellfire on the day of judgement, and to gain the blessing of God as they live. In other words, it is their selfishness that is guiding their willingness to worship God. Non-believers, on the other hand, are also guided by their selfishness. But while both believers and non-believers are guided by their selfishness, the difference between the two groups is in the valuation of expected utility that is perceived by each individual when deciding on a course of action. The two groups are trying to maximize their utility by either choosing to be a believer and capitalize on gaining utilities in the hereafter, or by choosing to be a non-believer and maximize wealth by not donating money to charities. Indeed, choosing a path is a huge lifetime decision for people, in which the values of expected utilities are to be seen by both groups in the hereafter reality.

Everyone is a Winner with Individualism and Selfishness

Business owners rationalize their investment decisions to establish new enterprises for the purpose of maximizing their utility through potential future profits. These new businesses will provide job opportunities, and goods and services to potential markets. On the other hand, potential customers maximize their utility by purchasing and using these goods and services from business owners, and potential employees will benefit from the created job opportunities. Profits made from successful business operations will pay corporate taxes, and money made by employees from the created job opportunities will pay income taxes. Taxes collected from the two sides will be used by governments to provide public services for the benefit of the whole nation. Money made by employees of these successful businesses will also be either spent on other goods and services of other businesses, or saved for future use, which would also provide money in bank accounts that could be used in bank operations. Money saved in bank accounts is lent by banks to other individuals and organizations to finance their intended purchases to fulfill their needs, wants, and desires. Banks will also pay government taxes, and the cycle will go on and on, and all participants will end up winning.

Both buyers and sellers are winning, both the employer and the employees are winning, both borrowers and lenders are winning, and both donors and beneficiaries are winning. This ongoing win-win tournament is benefiting all social members, right in the heart of individualistic societies which are accused of being selfish societies. One's intention of maximizing his/her own utility is perfectly fitting in the maximization of the utilities of other people. Individuals who attempt to increase their wealth by participating in a market are, in fact, needed by others to maximize their own benefits and make their dreams of getting a job or buying a certain product come true. One should even '*pray*' for the success of all organizations, including for-profit organizations, for the purpose of sustaining one's luxury and happiness, even if these organizations are in the other side of the world. It is in our best interest as users of smart phones, as an example, to see companies like Apple, Samsung, Sony, and Nokia prosper and become successful and innovative. Their in-

novations are making the life of billions of people easier, and their success is providing tens of thousands of jobs around the globe. It is, indeed, obvious that the whole world is winning due to their success and innovation, and the whole world would lose if they are not around.

As highlighted earlier, life will stop functioning if individuals' selfishness is removed or if people are born without self-interest. Establishing a business needs the self-interest of investors, hiring people to work for a business needs the self-interest of business owners, and working as an employee in an organization needs the self-interest of the employee. Exporting goods to other countries is guided by self-interest of exporters, and importing these goods is also guided by self-interest of importers. Both buyers and sellers are guided by self-interest, and both insurers and the insured are guided by self-interest. Regardless of the side we are in, we are all guided by our self-interest and all of us are winners at the same time. The actions that we take are fulfilling our needs and are making us winners, regardless of our position in a certain interaction. As long as people are given the freedom to choose to be in a certain interaction, their motive for choosing would be their self-interest that is guiding their utility attainment within that interaction. I propose that it is only when people are forced to interact with other parties that they might end up losers, and that their interaction might not lead to utility maximization. In fact, this is why capitalist societies are called free societies, and their markets are called free markets. It is the freedom that is enjoyed by all participants of the market that is guiding the utility maximization of all participants, and leading to win-win utility games.

Conclusion

Selfishness and individualism are needed for the continuity of life. They are needed to push people to spend their money on goods and services, to go to schools and universities, to build factories, and to donate to charities. They are imbedded in every individual, and they are needed to rationalize the decisions of individuals, as well as decisions of families, organizations, communities, and nations, because these decisions are made by individuals. It is worth noting that decisions made on behalf of any entity (e.g., family, organization, nation ...) are also rationalized by the self-interest of the decision maker in these entities, and these decisions maximize the utility of the decision maker, even when decisions might not seem to be in the best interest of the decision maker. To explain this argument, I assume that utilities of an individual would include expected positive tangible and intangible utilities that individuals hope to gain after doing a certain action, and expected negative tangible and intangible utilities that individuals fear to lose after doing a certain action. Thus, individuals would evaluate utilities that they will gain or lose due to a certain decision, and they will end up taking actions that are expected to maximize their net utility.

However, to make sure that decisions of individuals in organizations or nations are in the best interest of these organizations and nations, rules, regulations, and policies

should be adopted in these entities to prevent individuals' conflict of interest. This is what is known in corporate governance as the Agency Problem, in which the interest of shareholders is in conflict with the interest of the appointed managers. This problem arises when managers make decisions to maximize their utility, instead of maximizing shareholders' equity. Both, written and unwritten rules and regulations of different entities should be in place to prevent managers from making decisions that are not in the best interest of their organizations or nations. Politicians would fear to lose an election if they make decisions that are not in the best interest of voters, and corporate CEOs would fear to lose their bonuses, their jobs, or even face criminal charges if they make decisions that maximize their own wealth, and are not in the best interest of shareholders like in the case of Enron managers in 2001. The US adoption of the Sarbanes-Oxley Act of 2002 was an attempt from the US regulators to set rules and regulations for corporations' Board of Directors, management, as well as their public accounting companies to prevent individuals' conflict of interest when making decisions in corporations. Indeed, successful organizations have managers with self-interest, and future research could study the effect of the self-interest of managers on the success of successful organizations.

References

- Askari, M. Y. (2016). A theory of equality and intangible wealth distribution. *International Journal of Business and Management Studies*, 05(01):1–12. <http://universitypublications.net/ijbms/0501/pdf/A6A180.pdf>
- Askari, M.Y. & El Refae, G.A. (2019). The rationality of irrational decisions: A new perspective of behavioral economics. *Int. J. Economics and Business Research*, Vol. 17, No. 4, pp. 388-401.
- Askari, M., & El Refae, G. (in press). The rationality of irrational decisions: A new perspective of behavioral economics. *International Journal of Economics and Business Research*.
- Ballor, J. J. (2012). Between greedy individualism and benevolent collectivism. *Journal of Markets and Morality*, 15(2) Retrieved from <https://search.proquest.com/docview/1438860583?accountid=130846>
- Becker, G. S. (2009). *A treatise on the family*. Retrieved from <https://ebookcentral.proquest.com>
- Betsch, T., & Held, C. (2012). Rational decision making: Balancing RUN and JUMP modes of analysis. *Mind & Society*, 11(1), 69-80. doi: <http://dx.doi.org/10.1007/s11299-011-0097-2>
- Bosse, T., Gerritsen, C., & Treur, J. (2011). Combining rational and biological factors in virtual agent decision making. *Applied Intelligence*, 34(1), 87-101. doi: <http://dx.doi.org/10.1007/s10489-009-0182-y>
- De Vree, J.,K., & Dagevos, J. C. (1997). Reason rules...: The utility of rationality and the rationality of utility. *Quality and Quantity*, 31(3), 233-267. doi: <http://dx.doi.org/10.1023/A:1004298330577>
- Gyls, P. (2017). On the irrelevance of methodological individualism. *Ekonomika*, 96(1), 7-24. doi: <http://dx.doi.org/10.15388/Ekon.2017.1.10661>
- Hofstede, G. (2001). *Culture's consequences: Comparing values, behaviors, institutions and organizations across nations*. Thousand Oaks, CA: Sage.
- Kahneman, D., & Tversky, A. (1979). Prospect theory: An analysis of decision under risk. *Econometrica (Pre-1986)*, 47(2), 263. Retrieved from <https://search.proquest.com/docview/214665840?accountid=130846>
- Kahneman, D., & Thaler, R. H. (2006). Anomalies: Utility maximization and experienced utility. *The Journal of Economic Perspectives*, 20(1), 221-234. <http://dx.doi.org/10.1257/089533006776526076>
- Levin, Y., & Aharon, I. (2014). Emotion, utility maximization, and ecological rationality. *Mind & Society*, 13(2), 227-245. doi: <http://dx.doi.org/10.1007/s11299-014-0151-y>
- List, C., & Spiekermann, K. (2013). Methodological individualism and holism in political science: A reconciliation. *The American Political Science Review*, 107(4), 629-643. doi: <http://dx.doi.org/10.1017/S0003055413000373>

- Machan, T. R. (2016). On economic individualism. *Psychosociological Issues in Human Resource Management*, 4(2), 145-184. Retrieved from <https://search.proquest.com/docview/1906048872?accountid=130846>
- Machan, T. R. (2017). Individualism and the vitality of community life: An update. *Psychosociological Issues in Human Resource Management*, 5(2), 7-24. doi: <http://dx.doi.org/10.22381/PIHRM5220171>
- Minogue, K. (2012). Individualism and its contemporary fate. *The Independent Review*, 17(2), 257-269. Retrieved from: <https://search.proquest.com/docview/1095563877?accountid=130846>
- Nar, M. (2015). The effects of behavioral economics on tax amnesty. *International Journal of Economics and Financial Issues*, 5(2) Retrieved from <https://search.proquest.com/docview/1678821684?accountid=130846>
- Nolan, M. C. (2013). Hayek's 1945 finlay memorial lecture: Tracing the origins and evolution of his 'true' individualism. *Review of Austrian Economics*, 26(1), 53-71. doi:<http://dx.doi.org/10.1007/s11138-012-0200-x>
- Otteson, J. R. (2009). Kantian individualism and political libertarianism. *The Independent Review*, 13(3), 389-409. Retrieved from <https://search.proquest.com/docview/211317305?accountid=130846>
- Rantanen, T., & Toikko, T. (2017). The relationship between individualism and entrepreneurial intention - a finnish perspective. *Journal of Enterprising Communities*, 11(2), 289-306. Retrieved from <https://search.proquest.com/docview/1897739222?accountid=130846>
- Rego, A., & Cunha, M. P. (2009). How individualism-collectivism orientations predict happiness in a collectivistic context. *Journal of Happiness Studies*, 10(1), 19-35. doi:<http://dx.doi.org/10.1007/s10902-007-9059-0>
- Steele, L. G., & Lynch, S. M. (2013). The pursuit of happiness in china: Individualism, collectivism, and subjective well-being during china's economic and social transformation. *Social Indicators Research*, 114(2), 441-451. doi:<http://dx.doi.org/10.1007/s11205-012-0154-1>
- Thaler, R. H. (1980). Toward a Positive Theory of Consumer Choice. *Journal of Economic Behavior & Organization* 1 (1): 39-60. Retrieved from <http://www.eief.it/butler/files/2009/11/thaler80.pdf>
- Tifferet, S., & Herstein, R. (2010). The effect of individualism on private brand perception: A cross-cultural investigation. *The Journal of Consumer Marketing*, 27(4), 313-323. doi: <http://dx.doi.org/10.1108/07363761011052350>
- Vanberg, V. J. (2014). James buchanan's contractarian individualism: A personal account. *Review of Austrian Economics*, 27(2), 147-156. doi: <http://dx.doi.org/10.1007/s11138-014-0263-y>
- Wagner, J. A. (1995). Studies of individualism-collectivism: Effects on cooperation in groups. *Academy of Management Journal*, 38(1), 152-172.
- Yoon, K. (2014). Political psychology of individualism and collectivism*. *Journal of International and Area Studies*, 21(2), 45-64. Retrieved from <https://search.proquest.com/docview/1658882029?accountid=130846>
- Zabkovicz, A. (2017). Economics and groups: Methodological individualism and collective action. *Oeconomia Copernicana*, 8(1), 7-20. doi: <http://dx.doi.org/10.24136/oc.v8i1.1>
- Zhang, X., Liang, X., & Sun, H. (2013). Individualism-collectivism, private benefits of control, and earnings management: A cross-culture comparison. *Journal of Business Ethics*, 114(4), 655-664. doi:<http://dx.doi.org/10.1007/s10551-013-1711-5>