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Human value learning and representation reflects rational adaptation to task demands

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Abstract

Humans and other animals routinely make choices between goods of different value. Choices are often made within identifiable contexts, such that an efficient learner may represent values relative to their local context. However, if goods occur across multiple contexts, a relative value code can lead to irrational choice. In this case, an absolute context-independent value is preferable to a relative code. Here, we test the hypothesis that value representation is not fixed, but rationally adapted to context expectations. In two experiments, we manipulated participants' expectations about whether item values learned within local contexts would need to be subsequently compared across contexts. Despite identical learning experiences, the group whose expectations included choices across local contexts, went on to learn more absolute-like representation than the group whose expectations only covered fixed local contexts. Thus, human value representation is neither relative nor absolute, but efficiently and rationally tuned to task demands.

Introduction

Humans and other animals often behave “as if” they calculated the value of goods, arranged goods according to their preferences in a rational manner, and chose the good with highest value. One way to achieve rational decision-making is to represent all items on an absolute scale, where an item's value is expressed as the amount of fixed units of measurement it provides. Units of measurement might be the number of food items in a foraging patch, money, or the subjective utility of consumer products. Such an absolute value code is assumed in normative theories of decision-making¹, optimal foraging theory², computational models of learning³, and in key descriptive theories of choice⁴.

Whilst an absolute code would equip the agent to make decisions across all contexts in which this unit of measurement is relevant, there are many reasons why biologically constrained systems may utilise different coding regimes. For example, absolute codes maintaining a constant unit may reserve precious coding range for values that occur with low frequency. Moreover, absolute codes may be more prone to deleterious noise if values cluster within a small range in a given context (leading to easily confusable items).

From the olfactory system in the fruitfly⁵, to visual systems⁶, through to value coding in humans⁷, neural systems can overcome such problems by encoding input relative to the local context (and/or state^{8,9}). The value of one foraging patch can, for example, be encoded relative to other nearby patches. Such context-dependent encoding has been formalised in computational models, for instance by ensuring that coding covers the entire range of values (‘range adaptation’¹⁰) or by ensuring that values are normalised by concurrent inputs (‘divisive normalisation’¹¹).

The key advantage of relative value codes is that they enable even small populations of neurons to efficiently represent items within a local context¹¹. For the perceptual system, for example, adapting to local brightness levels (e.g., dark adaptation¹²) is likely close to optimal given the temporal and spatial autocorrelation in brightness in natural scenes (e.g., day-night light cycle). For value-based decisions, agents can boost discriminability of items of similar value using relative codes, which may be of particular importance if the agent aims to choose “correctly” (i.e., choose the highest valued item). This means that a foraging animal employing a relative value code may discriminate

80 between patches of values $A = 5$ and $B = 6$ with equal precision to when choosing between patches of
81 values $C = 20$ and $D = 21$.

82 There is now ample evidence from psychology, behavioural ecology, primate
83 neurophysiology and cognitive neuroscience that humans and other animals learn, and/or make
84 choices consistent with such context-dependent value codes (^{9,13-19} but see²⁰). A relative context-
85 dependent code also describes the firing pattern of neurons in value-related areas of the prefrontal
86 cortex²¹ and explains human errors of judgment across many domains¹⁷. Relative codes have also
87 been shown to be efficient in the sense that they maximize mutual information between stimulus and
88 neural code under certain conditions²². In this latter sense, context-dependent codes can be locally
89 optimal and resource efficient – allowing animals to choose the best option with the use of minimal
90 resources^{22,23}.

91 However, as can easily be seen, relative value encoding can lead to inferior decision-making
92 if the local contexts in which values were encoded are intermixed. In the above example, for instance,
93 foraging patch $B = 6$ is the locally superior option to $A = 5$, which means that a pure relative encoder
94 may prefer it to the globally superior option from a different context - provided it is inferior in its
95 local context (e.g., prefer $B=6$ to $C=20$, where C is from $[C=20, D=21]$). Such ‘irrational’ decision-
96 making has been observed across species in many laboratory tasks^{10,15,17,24}.

97 Thus, one is faced with an additional problem: How to arbitrate the costs and benefits of
98 absolute and relative encoding to optimize decision-making. This problem can be recast as one of
99 expectation about context: If contexts are stable and distinct, relative encoding will be sufficient and
100 maximizes discriminability, but if contexts are either volatile or overlapping in time, a coding regime
101 approximating absolute encoding will be better. Here, we take a first step towards this question by
102 implicitly manipulating human participants’ expectations about contexts in two experiments. In spirit,
103 our work is similar to efforts in reinforcement learning to delineate under what circumstances, and
104 under what cost, humans switch from a habitual (model-free) representation to a more costly
105 representation that allows planning (model-based)^{25,26}.

106 In particular, we propose that humans do not use a single fixed representation of value, but
107 flexibly tune value codes based on their expectations what the codes are for²⁷. Further, we propose

108 that the selection of which code to learn, is rational and efficient²⁸. Thus, we do not ask whether
109 human value learning is absolute or relative overall^{13,15}, but whether humans flexibly adapt^{29,30} their
110 value representation in a manner that can be explained by expectation.

111 We tested the hypothesis that value representation rationally adapts to task demands in two
112 value-learning experiments, in which human participants learned values of pair-wise presented items.
113 We implicitly manipulated task expectations, such that one group expected to make decisions within
114 fixed local contexts ('Uncrossed'), and another group expected to make decisions across local
115 contexts ('Crossed'). If value learning is fixed, the learnt value representations should be identical
116 across groups. If value learning is rationally and flexibly adapted to task demands, people in the
117 'Crossed' group should go on to learn more absolute-like representations (because they expect these
118 to be task-relevant).

119 Despite identical learning experiences, learnt value codes differed: participants learned more
120 complex (absolute) representations only when they expected it to be necessary, thus highlighting the
121 rational and dynamic nature of value representation.

122

123

Results

124 Tasks and design

125 We conducted two value learning experiments. The first experiment used real-valued items,
126 akin to studies in economic decision-making³¹, whereas the second used binomial outcomes akin to
127 many reinforcement learning paradigms in this domain¹⁵. In both experiments, participants went
128 through two independent phases of learning and decision-making.

129 In the learning phases, participants learned the value of items through trial-by-trial feedback.
130 As our key experimental manipulation, we implicitly altered participants' expectations about the local
131 contexts in which items had to be compared. After the initial learning phase, one group ('Uncrossed')
132 was presented with choices between fixed pairs of items (within contexts), whereas the other group
133 ('Crossed') encountered items also in intermixed pairs (across contexts).

134 We expected the Crossed group to use the experience of intermixed contexts to alter their value
135 encoding for the subsequent independent item set. Value representations in both groups were

136 measured with two surprise tasks at the end of each experiment (see below). In the following, we first
137 report on Experiment 1, which used real-valued items.

138 Participants took on the role of consultants to manufacturers of reproduction items (replicas of
139 historical items). There were two separate manufacturers (of cars & antiques) in two separate Phases
140 (Fig 1A). Participants' goal was to learn market prices to advise on which items to manufacture. In
141 the Learning Phases, participants learned item values through trial-by-trial feedback, after which they
142 advised the manufacturer in separate Decision phases - without feedback. At the end, there were two
143 surprise tasks (All-possible pairs, Value judgment) designed to measure value encoding in the last
144 Learning phase.

145 Participants were randomly and blindly assigned to either the Uncrossed or Crossed group
146 (colour-coded green and blue respectively, Fig 1A). In Experiment 1, each Phase began with a
147 Learning stage, in which participants sampled market values (Fig 1B). A single mouse-click on an
148 item returned a single sale price (superimposed on the clicked item, Fig 1B). Participants were free to
149 sample in any order and as much as they wished. Sampling for each pair was terminated by a selling
150 decision (Fig 1B), after which the next pair was shown. In each Phase, participants learned the values
151 of 6 items arranged into 3 pairs with normally distributed market prices (Fig 1A).

152 In the Decision phases (Fig 1C), the Uncrossed group made decisions about the pairs they had
153 previously experienced. The Crossed group additionally made decisions within novel pairings, thus
154 breaking their learning contexts (Methods). Participants might, for example, decide between Item₂
155 and Item₄ which had previously formed part of the first and second pair respectively. Participants'
156 choices in the Decision phases and surprise tasks were incentive-compatible (Methods).

157 We hypothesized that people do not use a fixed value-learning mechanism, but flexibly adapt
158 their value-learning mechanisms to learn useful value representations. Given double-blind assignment
159 to groups, both groups should start Learning 1 with the same expectations. However, the first
160 Decision phase, Decision 1 (Fig 1C), provides very different implicit signals for the two groups.

161 The Uncrossed group should have no problem performing in this task given successful learning
162 (Fig 1C). This would even be the case if participants used extreme context-dependent encoding: a
163 binary Valence code. Using this mechanism, one learns, for each pair, that one item is 'good' and that

164 one item is ‘bad’. That is, one learns the following (separate) sets of orderings: [Item₁ < Item₂],
165 [Item₃ < Item₄], and [Item₅ < Item₆].

166 In the Crossed group (Fig 1C), however, even participants who used less extreme relative
167 encoding strategies may struggle to compare items across contexts, such as Item₅ (locally inferior,
168 value of 320) and Item₂ (locally superior, value 280). These unexpected and potentially more difficult
169 experiences led participants to be slower in responding (Mann-Whitney-U test, $U = 116, p < .001$;
170 Supplementary Results III, V, Fig. S13).

171

172 **Decision-making performance**

173 If people adapt to expected task demands, and the implicit manipulation is sufficient to induce
174 different expectations, the two groups should go on to learn different representations for the
175 subsequent set of items – Learning 2 and Decision 2. Immediately after these task phases, we tested
176 participants’ learned representations using two surprise tasks.

177 First, we tested their performance in an All-Pairs task, where all possible pairs of items were
178 presented to both groups (without choice feedback). We found that the Crossed group’s choice
179 accuracy was significantly better than the Uncrossed group’s despite identical learning Phases ($t(44) =$
180 $2.61, p = .012, CI = .026-.199, d = .77$, independent t-test) and above chance performance in both
181 groups (Fig. 2A, CIs do not overlap .5, see also Supplementary Results II). The performance
182 difference is consistent with the Crossed group having encoded a more absolute-like value
183 representation (Supplementary Methods I, Fig. S1).

184 Next, we turned to a feature of our experimental design which allowed us to dissociate
185 absolute-like encoding from any relative encoding using ‘diagnostic’ item pairs. The intuition is that
186 any relative encoding will result in a fraction of choices that are globally inferior, but locally superior
187 within the learning context, whereas an absolute code would not result in the same mistakes. Our task
188 items were chosen to optimize for this (Supplementary Methods I).

189 Specifically, in Phase 2, Item₂ $\sim N(280, 28)$ was paired with Item₁ $\sim N(250, 25)$. On the one
190 hand, a relative learner would learn that Item₂ is ‘good’ within its local context. On the other hand,

191 they would learn that both Item₃ ~N(300,30) and Item₅ ~N(320,32) are ‘bad’ – because they were
192 paired with higher-value items. Thus, a relative-value learner would prefer the locally ‘good’ (but
193 globally inferior) Item₂, to the globally superior (but locally ‘bad’) Item_{3,5}: exhibiting irrational
194 choice ^(see also e.g., 15).

195 In line with these predictions, we found that the Uncrossed group preferred the globally inferior
196 option, choosing it instead of the globally superior options (preferring Item₂ to Item₃, and to Item₅),
197 whereas the Crossed group expressed a weak preference for the globally superior items. The
198 difference between groups was marginal for the first pair ($U = 183, p = .055, r = .31$), and highly
199 significant for the second pair ($U = 145, p = .003, r = .45$), by Mann-Whitney U tests.

200 In summary, participants choice behaviour shows that the groups learned different value
201 representations despite identical learning Phases, and that the Crossed group’s choices were more
202 consistent with an absolute-like code than the Uncrossed group’s (with statistical contrasts
203 specifically selected to discriminate absolute from relative encoding, Supplementary Methods I).

204

205 **Value representation**

206 While the above analyses provide tentative evidence that the groups learned different value
207 representations, we next set out to address value representation more directly. For this purpose,
208 participants were asked to directly indicate their learned value for each item in a Value Judgment task.
209 Items were presented sequentially (in random order), and participants indicated the value using a
210 slider. To test value representation, we applied representational similarity analysis (RSA)^{32,33} to this
211 final judgement task (Fig 1A). Note that, although RSA was developed mainly as a multivariate
212 analysis technique for neural data, it is increasingly deployed to characterize brain representations
213 given behavioural data (e.g.,^{34–36}) and can be used whenever the measure of interest is pair-wise
214 differences on a univariate or multivariate space.

215 We computed Representational dissimilarity matrices (RDMs) separately for each participant
216 and averaged them to form group-wise RDMs. These RDMs, shown in Fig 3A-D, depict each group’s
217 value representation in the form of a dissimilarity structure (rank-transformed and scaled, see

218 Methods and Supplementary Results IV, Fig. S16, for the overall judgments). On this scale, a
219 dissimilarity of 0 implies that item values are represented identically (item pairs along the diagonal),
220 and a dissimilarity of 1 implies that item values are highly dissimilar.

221 Empirical RDMs are most readily interpreted when compared to model RDMs. As noted, the
222 experiment was designed to allow absolute-like codes to be dissociated from relative-like context-
223 dependent codes – irrespective of the precise context-dependent encoding. However, the RSA
224 analysis allows contrasts between different kinds of relative value representation. Thus, to corroborate
225 our results, we contrasted two of the most common relative value encoding models: range adaptation
226 and divisive normalisation. For completeness, we also include a fully contrastive, binary valence
227 model. The higher the correlation between participants’ RDMs and the model RDMs – the better the
228 model RDMs describe participants’ representation of value.

229 The first relative model (‘Valence’, Fig 3E) formalizes the extreme ‘good vs bad’ encoding
230 mentioned in the introduction. The better option in each local context is encoded as ‘good’ and the
231 worse option as ‘bad’. The second relative model (‘Range adaptation’, Fig 3F) formalizes range-
232 adaptation encoding, a highly successful class of context-dependent encoding schemes^{10,16}.

233 Accordingly, the value of the left item equals $\frac{\text{item}^{\text{left}}}{\max(\text{item}^{\text{left}}, \text{item}^{\text{right}})}$ (and vice versa for the right item).

234 Note that this model scales values within local contexts to the interval $[\frac{\min(V)}{\max(V)}, 1]$, rather than the

235 interval [0,1]. This is necessary here as with only two items, the full range adaptation model (e.g.¹⁶)

236 would otherwise reduce to the valence model. The third relative model (‘Divisive normalisation’, Fig

237 3G) formalizes the divisive normalisation encoding highlighted in the Introduction. Here the value of

238 the left item equals $\frac{\text{item}^{\text{left}}}{1+\text{item}^{\text{left}}+\text{item}^{\text{right}}}$ (and vice versa for the right item). We formalize absolute-like

239 context-independent encoding, as the expected value for items. For example, Item₂ is encoded as 180

240 because Item₂ ~ N(180,18).

241 As can be seen in Figure 3, the three relative RDMs (E-G) have clusters of items that are
242 objectively similar in value but are nonetheless encoded as highly dissimilar. For example, all the
243 relative models capture the ‘irrational’ value encoding, by which 280 (Item₂) is encoded as more

244 similar to 330 (Item₄) than to 300 (Item₃). The ‘irrational’ dissimilarity structure follows from the
245 context-dependent encoding of value formalized in the relative value models.

246 In Figure 3, we first highlight qualitative similarities between the Uncrossed group’s RDM
247 and the relative model RDMs (E-G), and between the Crossed group (D) and the Absolute model
248 RDM (H). For example, the items with values 250 and 280 are encoded as highly dissimilar in the
249 Uncrossed RDM (C) - as it is in the relative models (E-G). The Absolute RDM (H), on the other hand
250 correctly encodes this pair as similar, as does the Crossed group RDM (D). This pattern contrasts with
251 the gradient of increasing dissimilarity between 390 and the other items in the Crossed RDM (D). The
252 Uncrossed RDM does not exhibit this gradient (C). Finally, it is clear that both groups encode value in
253 a format that goes beyond mere valence encoding (c.f., Fig 3E, and A-B). Thus, participants in both
254 groups encode and retain at least some value magnitude information.

255 Next, we turned to the key quantitative comparison. We contrasted the correlations between
256 each model and the two groups which takes individual differences into account. As per standard
257 practice³³, model RDMs were compared to the RDMs derived from participants’ behaviour using
258 rank-correlations (Methods). A large positive correlation between a participant’s RDM and a given
259 model RDM, shows that their representation of value is well accounted for by the model in question.
260 For presentation purposes, we focus on the two relative models that capture key aspects of
261 participants value representation: range-adaptation and divisive normalisation.

262 The Crossed group learned a more absolute value representation than the Uncrossed group:
263 both compared to the Range-adaptation model ($t(44) = 2.97, p = .005, CI = .15 - .77, d = .88$) and the
264 Divisive normalisation model ($t(44) = 2.57, p = .014, CI = .10 - .85, d = .76$).

265 Fig 4A-B plots model-participant RDM similarities expressed as partial Spearman Correlation
266 Coefficients (thus discounting shared variance between models, Methods). Because the Range-
267 adaptation and the Divisive normalisation RDMs were highly correlated, we ran separate analyses
268 contrasting each with the Absolute RDM. Symbols in Fig. 4 reflect group averages, and grey lines
269 reflect individual participants.

270 For the Uncrossed group (A), no model consistently outperforms another, indicated by the
271 mix of slopes. In the Crossed group, however, most participants are substantially better accounted for

272 by absolute encoding (upward sloping lines), indicating that most participants changed their encoding
273 strategy towards an absolute code.

274 Fig 4C shows the within-group contrast between the Absolute model and the two relative
275 models from Fig 4A-B. Positive Δr indicate evidence in favour of the absolute model, and negative
276 indicate evidence in favour of the relative model. As can be seen, no model is consistently favoured in
277 the Uncrossed group (CI's overlap 0). However, in the Crossed group, the absolute model is favoured
278 (CIs do not overlap 0).

279 The previous analyses additionally used a partial correlation approach to rule out the
280 contribution of any shared variance. Fig 4D plots identical analyses, except that they were carried out
281 on independently run correlations. That is, model-by-participant correlations were evaluated
282 independently for the relative encoding models. As can be seen, the results persist with independent
283 correlations. The Crossed group learnt a more absolute value representation than the Uncrossed
284 group: whether one considers the Range-adaptation RDM ($t(44) = 3.23, p = .002, CI = .21 - .92, d =$
285 $.95$), or the Divisive normalisation RDM ($t(44) = 2.88, p = .006, CI = .13 - .74, d = .85$).

286 Jointly, the results so far show that people 1) adapt their learning to expected task demands
287 (difference between groups despite identical learning Phases), and 2) only learn absolute-like value
288 representations when a relative representation is expected to be insufficient for the task at hand (i.e.,
289 in the 'Crossed' group).

290

291 **Choice and value representation in a binomial task**

292 Next, we turned our focus to a binomial decision task akin to many decision-making tasks in
293 the field of reinforcement learning. Although economic values often come from continuous
294 distributions as in Experiment 1 (e.g., market prices, food quantities, etc.), laboratory tasks often
295 involve binomial outcome distributions^{15,37-39}. Next, we therefore sought to establish whether people
296 can also flexibly tune their value-learning mechanism for binomial outcome distributions.

297 As can be seen in Fig 5A, key design features were kept identical to Experiment 1: learning
298 experiences were identical across conditions, Phase 1 was designed to set participants' expectations
299 for Phase 2 in a condition-dependent manner (Crossed vs Uncrossed), and learnt values were assessed

300 in separate surprise tasks (All possible pairs, Value judgement) as before, with the notable exceptions
301 that value distributions were binomial, the number of ‘samples’ from each distribution was fixed
302 across participants, and the experiment was run online (Methods).

303 Based on Experiment 1, we predicted that the Crossed group would show 1) better All-pairs
304 task performance, 2) improved choice for the single diagnostic item pair in this experiment and 3)
305 more absolute-like value representations – compared to the Uncrossed group. We ran an initial
306 Experiment, which broadly confirmed these predictions, but which was underpowered to find a
307 between-group effect of moderate size. We therefore ran a better powered pre-registered replication
308 on which we report next (see Supplementary Results I for the results of the initial experiment).

309 As can be seen in Fig 5B, choice performance was significantly above chance (CIs do not
310 overlap .5, see also Supplementary Results II) in both groups. As in Experiment 1, the Crossed group
311 made significantly better decisions when choosing between All-pairs following learning (Fig. 5B,
312 $t(222) = 2.30, p = .011, CI = .011 - inf, d = .31$, one-tailed unpaired t-test). Next, we further
313 constrained our comparison to those item pairs for which a divisive normalisation model would make
314 opposing predictions to an absolute value code (see Supplementary Methods II, Fig. S3). Figure 4C
315 shows choice accuracy only for those stimulus-pairs. Even for this restricted analysis, for which
316 choosing is more difficult (differences between values are smaller, Fig. S3A) choice performance was
317 significantly above chance in both groups (non-overlapping CIs, Fig 5C). However, for this sub-
318 selection, the Crossed group again made better decisions than the Uncrossed group ($t(222) = 3.56, p <$
319 $.001, CI = .073 - inf, d = .48$). Restricting the analysis further to the single diagnostic stimulus pair
320 (Supplementary Methods II) replicates Experiment 1 (Fig 5D): Crossed group participants chose the
321 higher-value option more frequently than Uncrossed (Fig. 5C; $U = 4722, p < .001, r = .25$, one-tailed
322 Mann-U Whitney test).

323 Next, we turned our attention again to the RSA analyses. Fig 6A,B show the group-wise
324 average RDMs for Experiment 2. As in Experiment 1, Fig 6C-D highlight similarities between the
325 empirical average RDMs and the model RDMs. As can be seen, and as in Experiment 1, participants’
326 value representation was not consistent with a Valence code (Fig 6E, see Supplementary Results IV,
327 Fig. S17, for the overall judgments).

328 However, as in Experiment 1, the Crossed group learned a more absolute value representation
329 than the Uncrossed group: whether one considers the Range-adaptation RDM ($t(222) = 3.25, p < .001,$
330 lower $CI = .17,$ upper $CI = \text{inf}, d = .43$), or the Divisive normalisation RDM ($t(222) = 3.09, p = .001,$
331 lower $CI = .15,$ upper $CI = \text{inf}, d = .41$).

332 Comparing the empirical RDMs to the finer-grained model RDMs, the ‘cross-type’ pattern in
333 the two-remaining relative RDMs (Fig 6F-H) is evident in Uncrossed group (Fig. 6C), but largely
334 absent in the Crossed group (Fig. 6D). The latter instead seems to reflect a gradient of dissimilarity
335 approximating the underlying outcome probabilities as in the Absolute Model (.1 vs the remaining
336 item values, Fig. 6C).

337 Next, we turned to our partial correlation analyses, plotted in Fig 7A-B. For the Uncrossed
338 group (A), there was a trend towards the relative models performing better than the absolute model.
339 However, as in Experiment 1, no model consistently outperformed another (mix of sloped lines). In
340 the Crossed group, however, participants were substantially better accounted for by absolute encoding
341 (upward sloping lines); regardless of whether the comparison is a Range adaptation or a Divisive
342 normalisation RDM.

343 Fig. 7C shows the within-group contrast between the Absolute model and the two relative
344 models from the data in Fig. 7A-B. Positive Δr indicate evidence in favour of the absolute model, and
345 negative indicate evidence in favour of the relative model. As can be seen, no model is consistently
346 favoured in the Uncrossed group (though the Range adaptation RDM is close to significant, Fig. 7C, p
347 $= .071$). However, in the Crossed group, the absolute model is clearly favoured (CIs do not overlap 0).

348 Fig. 7D shows an analysis identical to that in Fig. 7C except that it has been carried out on
349 independently run correlations. As can be seen, the results persist with independent correlations. The
350 Crossed group learned a more absolute value representation than the Uncrossed group: whether one
351 considers the Range-adaptation RDM ($t(222) = 3.01, p = .002,$ lower $CI = .05,$ upper $CI = \text{inf}, d =$
352 $.40$), or the Divisive normalisation RDM ($t(222) = 3.15, p < .001,$ lower $CI = .02,$ upper $CI = \text{inf}, d =$
353 $.42$).

354 In summary Experiment 2 replicated and generalised the results of Experiment 1, using an
355 online study with binomial outcome distributions. Choice task data showed that the Crossed group

356 learned a different value representation than the Uncrossed group – despite identical learning
357 experiences. The choices in the Crossed group were on average better than those in the Uncrossed
358 group and were better specifically for item pairs for which an absolute-like representation will result
359 in improved choice. The RSA analyses further show that the Crossed group learned an absolute-like
360 representation, and that they learned a more absolute-like representation than the Uncrossed group.

361

362

Discussion

363 We sought to reconcile the theoretical and empirical tension between two diametrically
364 opposing accounts of value learning and encoding: a context-independent but potentially
365 computationally costly absolute value representation^{1,2,4}, and an efficient local, but potentially
366 irrational, relative value representation^{7,11,13,15}. We proposed that humans (and possibly other animals)
367 do not use a single fixed mechanism – learning either absolute or relative value codes – but adapt their
368 learning to expected task demands in an efficient and rational manner: learning sufficient and
369 necessary value representations.

370 We tested this hypothesis in two human value-learning experiments: one involving normally
371 distributed values and the other involving binomial outcomes. In each study, the first Phase was
372 equivalent to the full experience of participants in many experimental paradigms^(e.g., 15,37). The second
373 Phase gave participants the chance to use their prior experience with the task to tune their learning
374 mechanism to optimise task performance. Phase 2 thus mimicked the opportunity to adapt and tune
375 learning mechanisms that arise in many real-life tasks (and which are performed more than once).

376 Despite identical learning experiences, the two groups learned different value codes.
377 Specifically, across the two studies, the Crossed group made decisions that are consistent with a
378 higher-fidelity representation (Figs. 3,6), made fewer irrational choices (Fig. 2,5), and learned value
379 representations that were more absolute-like than the Uncrossed group (Fig. 4,7). Importantly,
380 participants consistently learned more absolute representations only when it was expected to be
381 useful. Thus, people do not learn either absolute or relative value codes but adapt their learning to
382 what they expect to use the code for.

383 Nevertheless, the reliable group differences were not always reflected at the individual level.
384 In the Uncrossed condition, many participants appeared to have learnt absolute-like codes. This may
385 be driven by the fact that both absolute and relative codes yield good results for the Uncrossed group.
386 Thus, whichever code participants favour as their “default” would be expected to persist. In the
387 Crossed condition some participants appeared to have learnt relative codes. This may be driven by
388 different factors beyond the scope of our current study: by cognitive capacity limitations⁴⁰, intrinsic
389 computational noise^{41,42}, or by mechanisms relating to working memory or attention^{43,44}. Future work
390 might manipulate task demands and difficulty^{38,45, (c.f. 46} to address individual differences in value
391 encoding.

392 A second outstanding question is the learning mechanisms that give rise to the flexible and
393 adaptive value representations we observe. Our studies were designed for well-controlled
394 measurement of value representation following learning. The trade-off is that the design is not
395 effective in characterizing learning mechanisms themselves - as opposed to the codes they give rise
396 to. Nevertheless, our design allowed us to successfully recover the relative and absolute models in
397 simulations, thus supporting our key RDM contrasts (Supplementary Results VII).

398 It is possible that a single mechanism underlies the observed flexibility in value encoding.
399 Such a mechanism could be implemented with a free parameter governing the extent to which
400 learning is relative in the Divisive normalisation model, such that $\text{item}^{\text{left}} = \frac{\text{item}^{\text{left}}}{1+w*(\text{item}^{\text{left}}+\text{item}^{\text{right}})}$,
401 where w is a free parameter between 0 (for wholly absolute encoding) and 1 (for wholly relative
402 encoding). However, it is also possible that mechanisms rely at least in part on different cognitive
403 substrates as in, for example, model-based and model-free learning⁴⁷⁻⁴⁹. Future work is needed to
404 address the question of mechanism, and perhaps more importantly mechanism selection, which likely
405 requires higher-level cognition and monitoring of expectations. Our experiments were designed to
406 tests for coarse between-group differences in encoding, allowing us to ask: Is value encoding
407 adaptive, and if so – is it rationally adaptive? Thus, further work is needed to allow more precise
408 classification of learning and encoding mechanisms.

409 Finally, extrapolating beyond the behavioural data at hand, one might reasonably expect that
410 relative values behave in a way similar to “cached” values in Reinforcement Learning, in the sense
411 that they incorporate context into their code (without later being able to retrieve context values),
412 whereas absolute-like encoding may rely on memory systems that separate item and context
413 representations, allowing the system to flexibly combine them at decision time. In this sense, one
414 might expect the absolute-like representation to preferentially recruit hippocampal-medial prefrontal
415 circuits, whereas relative encoding may rely more heavily on striatal-prefrontal circuits, as
416 approximately in the model-free / model-based distinction in RL⁴⁹. However, further research is
417 needed to identify the neural mechanisms arbitrating between the two encodings.

418 In summary, our results highlight the highly dynamic and rational nature of value
419 representation: humans do not simply have a single, fixed form of representation, but rather adjust
420 their code in a rational⁵⁰⁻⁵² manner according to expected task demands. Further, our findings
421 highlight that both absolute and relative codes previously found can potentially be explained by the
422 fact that participants infer which code would be sufficient for the current task.

423

424

Methods

Experiment 1 - Participants

426 The study complied with all relevant ethical regulations and was approved by the local ethics
427 committee at City, University of London. Sixty participants (37 female) were recruited via the local
428 participation panel. Participants provided written informed consent and were debriefed. Participants
429 had normal, or corrected-to-normal, vision, were fluent in English, healthy (no known physical or
430 psychological conditions), and between 18-45 years old. No statistical methods were used to pre-
431 determine sample sizes, but our sample sizes are similar to those in previous work^{10,15}.

432 Participants were reimbursed for their time and were paid a performance-related bonus: a base
433 pay of £5 and an additional bonus between £0 and £6. The average bonus was for a total of £2.78
434 (range £0-6). The performance bonus was determined by choice performance across all Decision
435 Phases as well as during the final two tasks. The greater the number of high-value choices, the greater
436 the bonus, and the closer the judgement to the true item value the higher the bonus.

437 We excluded participants who did not fulfil minimal task requirements. Criteria apply to the
438 Learning phases only (Fig 1A,B), and are therefore orthogonal to the target behaviour in the final
439 tasks (Fig 1A). Exclusion criteria were based on 1) sampling behaviour and 2) below-chance
440 performance for the preliminary decisions in the first sampling phase. Participants who only sampled
441 once (or fewer times), per item per item-pair sampling opportunity, were excluded (Learning 1-2, Fig
442 1). This cut-off represents ≤ 18 samples per Context and is far lower than the median of 123
443 ($IQR=118$) and 143 ($IQR=91$) for Phase 1 and 2 respectively. There were 9 preliminary decisions in
444 the first Phase (3 pairs presented three times each, Fig 1A,B). Someone who responded randomly
445 when making these decisions, would be expected to achieve a choice accuracy between .22 and .78
446 (with a mean choice accuracy of .5). This range reflects the lower and upper 95% confidence interval
447 on a hypothetical agent who responds randomly (i.e., selects each option with $p = .5$). Participants
448 who performed worse than the upper confidence interval (i.e., did not achieve at a greater choice
449 accuracy than expected by chance) were excluded.

450 In summary, we excluded participants who showed no or little evidence of learning – a pre-
451 condition for encoding value (whether in an absolute or relative form). In total, fourteen participants
452 met one or both exclusion criteria for a final sample size of $n=46$: 24 of which had been assigned to
453 the Uncrossed condition, and 22 of which had been assigned to the Crossed condition.

454 **Experiment 1 - Materials**

455 Participants took on the role of a consultant to a manufacturer of reproduction items in two
456 different contexts (antiques/cars, Fig 1). The item-values and item-pairs were Phase-specific (Fig 1A).
457 However, the mapping of item type (antiques/cars) to Phase, the mapping of specific items (e.g.,
458 typewriter) to item-values (e.g., $N(180,18)$), and the side on which items were presented during
459 sampling, were all randomized across participants.

460 Item-values (Fig 1A) were selected primarily so that absolute-value and relative-value
461 representations dissociate (Supplementary Methods I-II, Fig. S1-3), and secondarily to achieve a
462 balance between task-difficulties in the Learning and Decision phases (Supplementary Methods III,
463 Fig. S4-7). A single sample from one item resulted in a draw from the corresponding normal value
464 distribution (truncated at ± 2 SD). The Learning phases (Fig 1A,B,D) were self-paced, and participants

465 had a wide range of different strategies as evidenced by the wide range of the number of samples
466 drawn (range Phase 1: min=48, max=478: range Phase 2; min=32, max=509).

467 The Decision phases (Fig 1A,C,D) involved 18 decisions per Phase. The Uncrossed group
468 decided between the pairs they had experienced during sampling (repeated 6 times = 18 decisions).
469 The Crossed group made decisions between novel pairs (6 novel pairs x 2 = 12 decisions, see Fig 1
470 for examples), in addition to learnt pairs (3 pairs x 2 = 6 decisions).

471 The two final tasks (Fig 1A,E) were identical across groups. The All-possible pairs task
472 involved 15 pairs, representing a full factorial combination of all possible pairs from Phase 2
473 (excluding identical pairs), repeated three times for a total of 45 pairs. The Value judgment task
474 involved the 6 items in Phase 2, presented one at a time along with a slider-interface (min=100,
475 max=450). For all tasks, the presentation order and presentation side (where applicable) were
476 randomized across participants.

477 **Experiment 1 Procedure**

478 Participants read the information sheet, provided written informed consent, and completed the
479 tasks. After completing the behavioural tasks, participants completed three questionnaires. These
480 formed parts of one author's MSc dissertation project and are not reported on here.

481 **Experiment 1 Apparatus**

482 Stimuli were displayed on a touchscreen (Iiyama T2245MSC) and code was written in
483 MATLAB (Mathworks) using PsychToolbox⁵³ on Linux (Xubuntu 18.04) with a soft real-time kernel.

484 **Experiment 2 Participants**

485 The study was approved by the local ethics committee at City, University of London.
486 Participants were recruited via Prolific Academic, fully informed, provided written informed consent
487 and were debriefed. Participants were between the age of 18 and 40, were UK residents, were healthy
488 (no ongoing mental health conditions, dementia/mild cognitive impairment, no daily impact of mental
489 illness), had not participated in similar studies of ours, had a minimum approval rate on Prolific of 99
490 and minimum of 10 submissions. We sought to include a minimum of 280 participants, conditional on
491 having at least 100 participants in each condition passing post-completion exclusion criteria. The
492 sample size was determined based on power calculations, which in turn were based on the pilot study

493 (*Supplementary Results I*). Power calculation, exclusion criteria, and sampling strategy were all pre-
494 registered (<https://osf.io/xjsmh>).

495 Online panels provide little experimental control and the potential for poor participant
496 engagement (see also discussion in *Supplementary Results VI*). To minimise this issue, we employed
497 an initial check that participants had read and understood task instructions. To be eligible, potential
498 participants had to answer 8 multiple-choice questions correctly. In addition, participants were
499 allowed to make only one error in the first Decision block for the stimuli they had just learnt about.
500 Specifically, if after experiencing 10 learning trials per item-pair, participants were unable to choose
501 the higher value items 2 out of the first 3 presentations the study ended prematurely, and participants
502 pay was pro-rated. We chose to allow 1 error as even engaged participants might be expected to make
503 mistakes especially for the more difficult stimulus pair (.8 vs .9). In total 888 participants expressed
504 interest and 352 completed the full study. Most non-completers (92%) failed the initial knowledge
505 test.

506 Participants were reimbursed for their time and were paid a performance-related bonus.
507 Participants were paid a base pay of £2.92 for participation (the experiment took ~35 mins) and an
508 additional bonus between £0 and £2.92. The average bonus was £1.46 (range £0.50–£2). The
509 performance bonus was determined by choice performance across all Learning, Decision Phases and
510 the final two tasks. Correct choices in the Decision phases and the All-pairs task were weighted x10
511 compared to Learning. This was done to encourage participant engagement for the tasks which did not
512 involve feedback. In general, the reward structure was as in Experiment 1 in that the greater the
513 number of high-value choices, the higher the bonus, and the closer the judged value to the true item
514 value, the higher the bonus.

515 In addition to the pre-registered *a priori* exclusions, we also employed pre-registered exclusion
516 criteria based on participants' not fulfilling minimal task performance criteria after completing the full
517 study. Because each participant experienced the same number of trials, sampling behaviour cannot be
518 used for excluding disengaged participants (unlike in Experiment 1). Instead, we excluded
519 participants who did not learn to choose among the pairs experienced during Learning. All
520 participants were trained on the following binomial probability pairs: [.1 vs .6], [4 vs .7] and [.8 vs

521 .9.] - irrespective of condition. We excluded participants who made more than two errors in two
522 repeats of these three pairs (i.e., more than 2/6 errors) at the end of the experiment (in the All-pairs
523 task). In other words, we include only participants who showed evidence of encoding these learning
524 phases for later recall. Note that these exclusion criteria are orthogonal to the question of absolute and
525 relative value codes. Both absolute and relative models of learning will allow participants to learn to
526 choose between the items in the Learning phase. In other words, choices between items of pairs that
527 participants directly learned about - unlike novel combinations of the component items - are not
528 diagnostic with regards to value representation.

529 Applying these exclusion criteria, which are orthogonal to which model participants may use to
530 encode value, leaves N=224 participants of which n=119 participants were from the Uncrossed group
531 and n=105 were from the Crossed group. That is, it resulted in the exclusion of ~36% of participants.
532 We report analyses also including these excluded participants in Supplementary Results VI and note
533 that these analyses replicate those reported in the main text.

534 **Experiment 2 Materials and Procedure**

535 Experiment 2 was a pre-registered version of a previous study (<https://osf.io/xjasmh>). As in
536 Experiment 1, participants took on the role of a consultant to a manufacturer of reproduction items in
537 two different contexts (antiques/cars, Fig 4). Key design features were identical to Experiment 1.
538 However, outcomes were binomial (successful sale/unsuccessful sale), the task was not self-paced,
539 and the learning experience was not ‘blocked’ by item-pairs (item-pairs were randomly intermixed
540 during learning) and involved a relatively rapid stimulus display sequence.

541 In the Learning Phases, participants saw each item pair presented side-by-side (~1 sec),
542 followed by a response phase in which participants had ~1.5 second to make a choice, followed by
543 sequential feedback, in which the chosen item was presented first followed by the unchosen item.
544 Outcome feedback was in the form of a green double-rectangle image outline (successful sale) or a
545 single-rectangle red image outline (unsuccessful sale).

546 Experienced outcomes matched the expected outcome of the binomial distributions (Fig 4A).
547 This was achieved by pre-allocating and shuffling an outcome vector (of 1’s and 0’s) for each item.
548 This design minimizes the impact of sampling error⁵⁴ on differences between participants and/or

549 conditions. There were two learning blocks per Learning Phase. In each block each pair was presented
550 10 times, for a total of 30 trials per block and 60 trials per Phase. The presentation order was
551 randomized.

552 Each of the two blocks of Decision trials (two for each Learning Phase), involved 12 decisions
553 without feedback. The Uncrossed group made decisions between pairs experienced during learning (3
554 pairs x 4). In addition to experienced pairs (3 pairs presented once), the Crossed group made decisions
555 also between novel pairs composed of items from different learning pairs (9 novel pairs, randomized
556 across participants). Thus, each group experienced 24 Decision trials per Learning Phase.

557 The two final tasks (Fig 1A,E) were identical across groups. The All-possible pairs task
558 involved 15 pairs, representing a full factorial combination of all possible pairs from Phase 2
559 (excluding identical pairs), repeated twice (controlling for presentation side) for a total of 30 pairs.
560 The Value judgment task involved the 6 items in Phase 2, presented one at a time along with a slider-
561 interface (min=0%, max=100%) representing the probability of an item selling. The presentation
562 order and presentation side (where applicable) were randomized across participants for all tasks.

563 **Design and Statistical Analyses – Experiment 1 & 2**

564 Both experiments used a between-subject design with participants assigned randomly and
565 blindly to one of two conditions: Uncrossed and Crossed. Our analyses focus on differences between
566 the two groups for the two final tasks and within-task contrasts against reference magnitudes.

567 The primary inferential statistic was the t-test. T-tests are relatively robust and were used
568 whenever feasible. For data with clear deviations from parametric assumptions (e.g., Fig 2B), less
569 powerful non-parametric tests were used. To rule out potential limits to t-test robustness affecting
570 inferences we also ran all our t-tests reported here using non-parametric tests (all resulting in the same
571 conclusion as the t-test). We also report 95% CIs (parametric or bootstrapped) for all descriptive
572 statistics here. CIs can be used for inference by comparing them to reference magnitudes. For
573 example, if the mean choice accuracy is above .5, and the 95% CI of that mean does not overlap .5,
574 choice performance was significantly greater than chance.

575 All reported tests for Experiment 1 are two-tailed. Predictions for Experiment 2 were pre-
576 registered (<https://osf.io/xjsmh>) and derived from results from Experiment 1, and the initial pilot

577 version of Experiment 2 (Supplementary Results I), and all between-group contrasts were one-tailed.
578 Reported effect sizes are Cohen's d for t-tests ($\geq .2$ small, $\geq .5$ medium, $\geq .8$ large) and rank-
579 biserial correlation r for non-parametric tests ($\geq .1$ small, $\geq .3$ medium, $\geq .5$ large).

580 Standard RSA protocols³³ were followed. Empirical value RDMs were computed as the
581 Euclidean distance between each participant's value judgements. Average RDMs were computed by
582 averaging (arithmetic mean) over participants' RDMs separately for each group. Model RDMs were
583 computed as the Euclidean distance between item values defined by the relevant model equations
584 (Main Text). For display purposes RDMs were rank-transformed (equal stays equal) and scaled to 0-
585 1, where 0 implies identical item-values and 1 means maximally dissimilar item-values.

586 We computed the similarity between model RDMs and participant RDMs by partial correlation
587 (Spearman). Partial correlation accounts only for unique variance. This means that a correlation
588 between one model RDM and a participant's RDM cannot be explained by the second model RDM.
589 Because our interest lay in dissociating absolute from relative encoding (not distinguishing between
590 various relative models), and because relative models were highly correlated, we performed these
591 analyses separately for each contrasting relative model (Fig 4 & 7). We also performed analyses with
592 independent correlations (i.e., any shared variance between models is not taken into account). Like the
593 partial correlation analyses, these used the Spearman correlation coefficient. For all correlational
594 analyses, large positive r 's imply a high degree of similarity between participants value representation
595 and model RDMs (and $r = 0$ implies no relationship).

596 For the key statistical analysis, to establish whether the evidence in favour of the absolute
597 model over the relative model was greater in the Crossed group than the Uncrossed group, we
598 computed the difference between the absolute and the relative models independently for each group
599 and contrasted those differences with t-tests. A positive difference in r indicates evidence in favour of
600 absolute encoding and a negative difference in r indicates evidence in favour of relative encoding.
601 These differences can also be used to infer whether there was a tendency to favour relative or absolute
602 encoding within each group by contrasting the 95% CIs of those averages differences to 0.

603 All statistical analyses were performed in MATLAB 2021b (MathWorks).

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Data availability

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Data is available online on OSF (<https://osf.io/h32u6/>).

608

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Code availability

610

Analysis code is available on OSF (<https://osf.io/h32u6/>).

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Author Contributions

735 KJ, AJ designed the research; TA, RH conducted the research; AJ analysed the data; KJ, AJ
736 contributed materials/analysis tools and wrote the paper.

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Competing Interests

739 The authors declare no competing interests.

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Figure legends

742 **Figure 1.** Experiment 1 Design and Tasks. (A) Each participant was double-blindly assigned to either the
743 Uncrossed (green) or the Crossed (blue) group. There were two Phases, which were structurally identical, but
744 with different market values and item types. The mapping between item types and context was randomized
745 across participants, as was the item-value mapping, and item type was counterbalanced. In each Phase,
746 participants first learnt market values of 6 items (antiques or vintage cars) arranged into 3 pairs. The notation in
747 the panel indicates the normal value distributions from which experienced samples were drawn: $N(M,SD)$ where
748 M is the mean and SD the standard deviation. Samples were truncated at $\pm 2SD$ to avoid potential extreme
749 outlying values (A, see also Supplementary Methods III). Participants learnt by sampling (B). A click on an
750 item returned a single sample. Participants were free to sample as much as they wished. Sampling for a given
751 pair ended once a preliminary selling decision was made. There were three sampling phases for each item-pair
752 (three preliminary decision/item). Learning was followed by Decision (C), in which participants made decisions
753 without feedback. The Uncrossed groups made decisions about previously sampled item-pairs. The Crossed
754 group also made decisions between novel item-pairings, composed of items from different item-pairs. We
755 predicted that the expectations induced by Decision in Phase 1 would cause value learning mechanisms to
756 diverge across groups in Phase 2 (D). Phase 2 learnt values were assessed in two ‘surprise’ final tasks: In All-
757 possible pairs (E) participants made decisions between all possible pairs from Phase 2 ($N=15$, repeated thrice for
758 $N=45$). In Value judgment (F), participants judged the value of the six stimuli in Phase 2 presented in
759 a random order by adjusting a slider (min=100, max=450, in integer steps) until it matched the perceived item
760 value.

761
762 **Figure 2.** Experiment 1 All-pairs choice accuracy. (A) Choice accuracy as a function of group. Coloured
763 symbols represent group means (green square = Uncrossed; blue triangle = Crossed). Grey discs represent
764 individual participants (Uncrossed $N=24$; Crossed $N=22$). Error bars are 95% CIs. Statistics reflect the group-
765 wise contrast $t(44) = 2.61, p = .012, CI = .026-.199, d = .77$, independent t-test. (B) Choice accuracy for a sub-
766 selection of highly diagnostic pairs, in which a local high-value item (Item₂) was globally inferior to other local
767 low-value items (Item₃, Item₅). Error bars are bootstrapped 95% CIs. P-values reflect Mann-Whitney U tests: U
768 $= 183, p = .055, r = .31$ and $U = 145, p = .003, r = .45$ respectively. X-axis coordinates of participants’ data have
769 been jittered for presentation purposes.

770
771 **Figure 3.** Experiment 1 Value RDMs. Average RDMs for the Uncrossed group (A) and the Crossed group (B).
772 Note that items are ordered by the underlying value (not item number). Average RDMs (C,D) but with pair-wise
773 similarities matching those of different models (E-H) highlighted. Model RDMs (E-H). The colour scale
774 indicates rank-transformed and rescaled dissimilarity (see Methods, 0=minimal dissimilarity, 1=maximal
775 dissimilarity).

776
777 **Figure 4.** Experiment 1 RDM correlations. Partial Spearman participant x model correlations for the Uncrossed
778 (A, green squares, $N=24$) and Crossed group (B, blue triangles, $N=22$) respectively. Each panel (A,B) shows
779 two analyses: one in which range-adaptation is pitted against absolute encoding, and another in which divisive
780 normalisation is pitted against absolute encoding. The larger the r the better the model accounts for participants’
781 value representation. Symbols indicate group means and error bars reflect 95% CIs. Grey lines represent

782 individual participants. Downwards sloping lines (from left to right) indicate that participants' representation of
 783 value is better modelled as relative. Upward sloping lines (from left to right) indicate that the participants' value
 784 code is better accounted for by an absolute code. (C) Mean participant x Model correlation differences
 785 (participant x Absolute r – participant x Relative r). Positive r 's indicate that the absolute model fits better and
 786 negative r 's that the relative model fits better. Symbols reflect means and error bars reflect 95% CIs. The
 787 reported p-values reflect group-wise contrasts, which assess whether the evidence in favour of the absolute
 788 model over the relative model was stronger in the Crossed group: $t(44) = 2.97, p = .005, CI = .15 - .77, d = .88$
 789 and $t(44) = 2.57, p = .014, CI = .10 - .85, d = .76$ respectively. (D) As (C) but for independent correlations. The
 790 p-values reflect key across-group contrasts $t(44) = 3.23, p = .002, CI = .21 - .92, d = .95$ and $t(44) = 2.88, p =$
 791 $.006, CI = .13 - .74, d = .85$.

792
 793 **Figure 5.** Experiment 2 Design and All-pairs choice accuracy. Key design features of Experiment 2 were
 794 identical to Experiment 1. Each participant was assigned (double-blind) to either the Uncrossed (green colour)
 795 or the Crossed (blue colour) groups. There were two Phases, which were structurally identical, but with different
 796 market values and item types. In each phase, participants first learnt the likelihood that an item would sell of 6
 797 items (antiques or vintage cars, order counterbalanced across participants) arranged into 3 pairs. Values were
 798 matched to the expected outcomes of binomial distributions ($B(N, p)$, where p is the probability of observing a
 799 sale on a single trial ($N=1$). Values were matched such that with $p=.1$, for example, participants would observe a
 800 successful sale on 2 out of 20 trials (Methods, see also Supplementary Methods III). Learning was followed by
 801 Decision, in which participants made consequential decisions without feedback. The Uncrossed groups made
 802 decisions about previously sampled item-pairs. The Crossed group made decisions between novel item-pairings,
 803 composed of items from different previously sampled item-pairs. (B) All-pairs choice accuracy as a function of
 804 group. Coloured symbols represent group means (Uncrossed=green square, $N=119$; Crossed=blue triangle,
 805 $N=105$). Error bars are 95% CIs. Gray dots represent individual participants. The p-value reflects a one-tailed
 806 independent t-test $t(222) = 2.30, p = .011, CI = .011 - inf, d = .31$. (C) Sub-set of All-pairs trials for which
 807 Divisive normalisation and Absolute encoding make different predictions (see Supplementary Methods III).
 808 Coloured symbols represent group means (Uncrossed=green square, Crossed=blue triangle). Error bars are 95%
 809 CIs. Gray dots represent individual participants. The p-value reflects a one-tailed independent t-test $t(222) =$
 810 $3.56, p < .001, CI = .073 - inf, d = .48$ (D) The single All-pairs stimulus-pair for which strong context-
 811 dependent encoding would result in different choices compared to absolute value encoding. Error bars are
 812 bootstrapped 95% CIs. Gray dots represent individual participants. For (D) participants could either make 0, 1
 813 or 2 errors. The p-value reflects a one-tailed Mann-Whitney U, $U = 4722, p < .001, r = .25$. X-axis coordinates
 814 of participants' data have been jittered for presentation purposes.

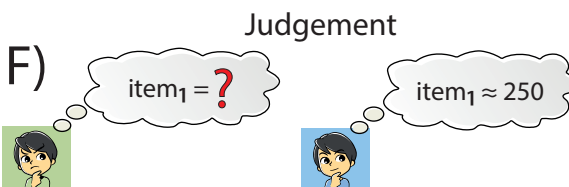
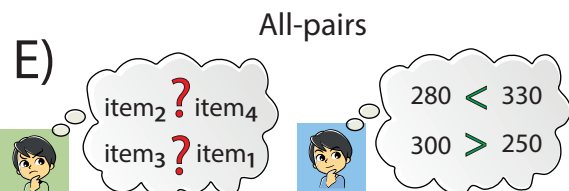
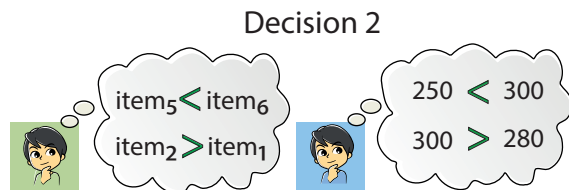
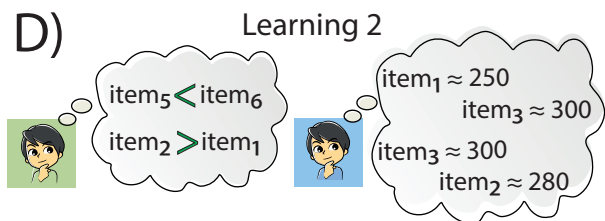
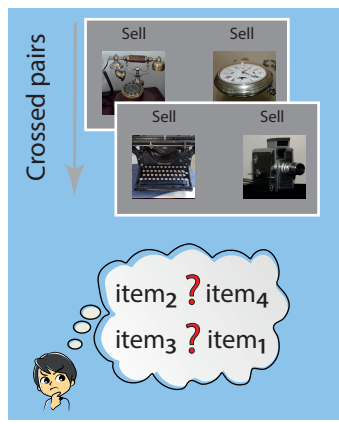
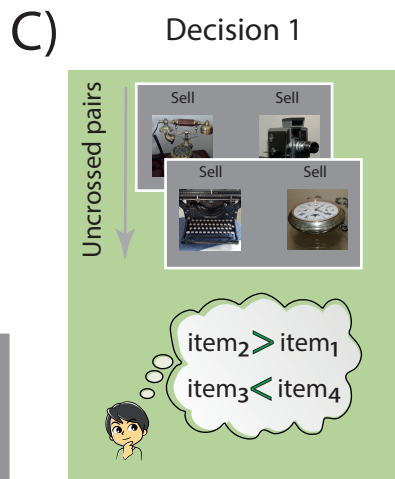
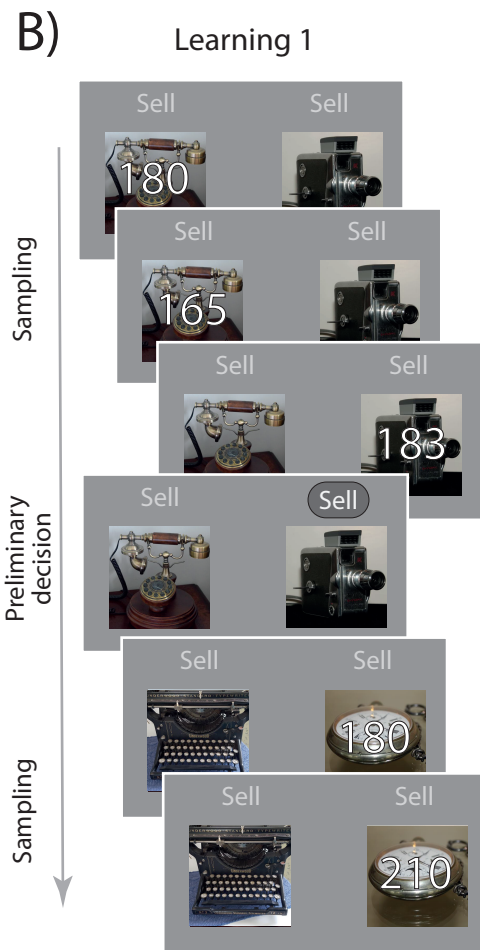
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 816 **Figure 6.** Experiment 2 Value RDMs. Average RDMs for the Uncrossed group (A) and the Crossed group (B).
 817 Note that items are ordered by the underlying value (not item number). Average RDMs (C,D) but with pair-wise
 818 similarities matching those of different models (E-H) highlighted. Model RDMs (E-H). The colour scale
 819 indicates rank-transformed and rescaled dissimilarity (see Methods, 0=minimal dissimilarity, 1=maximal
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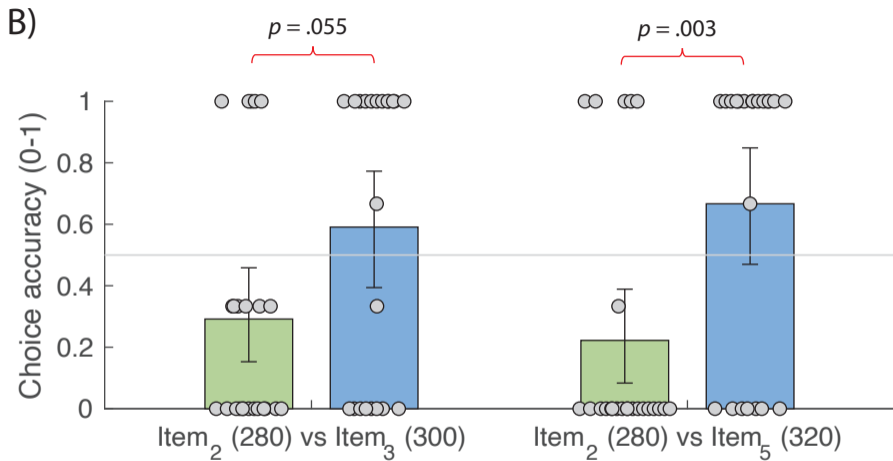
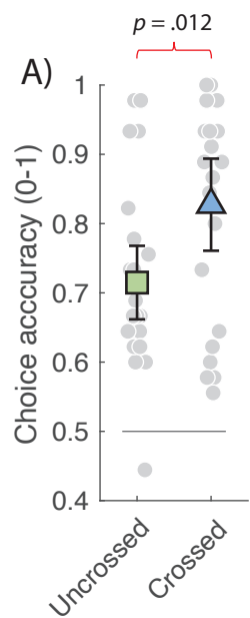
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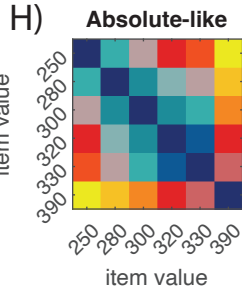
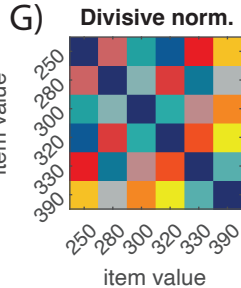
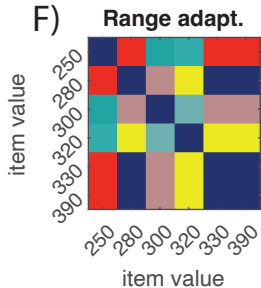
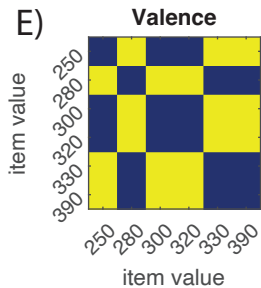
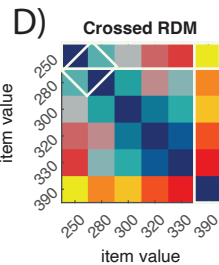
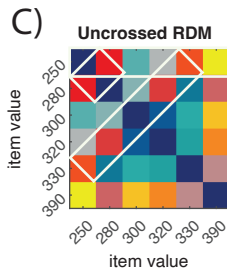
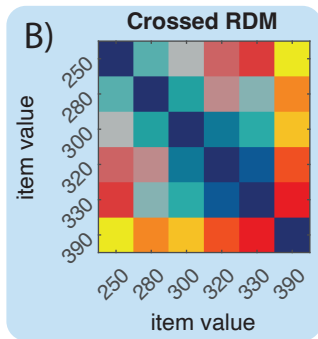
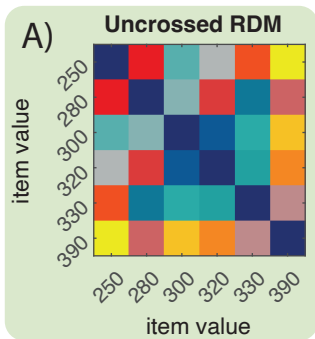
822 **Figure 7.** Experiment 2 Model RDM correlations. Partial Spearman participant x model correlations for the
823 Uncrossed group (A, green squares, N=119) and Crossed group (B, blue triangles, N=105). Each plot shows two
824 analyses: one in which range-adaptation is pitted against absolute encoding, and another in which divisive
825 normalisation is pitted against absolute encoding. The larger the r the better the model accounts for participants'
826 value representation. Symbols indicate group means and error bars reflect 95% CIs. Grey lines represent
827 individual participants. Downwards sloping lines (from left to right) indicate that participants' representation of
828 value is better modelled as relative. Upward sloping lines (from left to right) indicate that the participants' value
829 code is better accounted for by an absolute code. (C) Mean participant x Model correlation differences
830 (participant x Absolute r – participant x Relative r). Positive r 's indicate that the absolute model fits better and
831 negative r 's that the relative model fits better. Symbols reflect means and error bars reflect 95% CIs. The
832 reported p-values reflect key Crossed-Uncrossed group-wise contrasts assessing whether the evidence in favour
833 of the absolute model over the relative model was stronger in the Crossed group: $t(222) = 3.25, p < .001$, lower
834 CI = .17, upper CI = *inf*, $d = .43$; $t(222) = 3.09, p = .001$, lower CI = .15, upper CI = *inf*, $d = .41$). (D) As (C)
835 but for independent correlations. The p-values reflect key across-group contrasts: $(t(222) = 3.01, p = .002$,
836 lower CI = .05, upper CI = *inf*, $d = .40$); $(t(222) = 3.15, p < .001$, lower CI = .02, upper CI = *inf*, $d = .42$).

A)

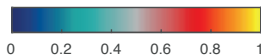
Condition	Phase 1 (antiques/cars)		Phase 2 (cars/antiques)			
	Learning 1	Decision 1	Learning 2	Decision 2	All-pairs	Judgement
Uncrossed	item ₁ ~ $N(150,15)$ vs. item ₂ ~ $N(180,18)$	item ₁ vs. item ₂ item ₃ vs. item ₄ item ₅ vs. item ₆	item ₁ ~ $N(250,25)$ vs. item ₂ ~ $N(280,28)$ item ₃ ~ $N(300,30)$ vs. item ₄ ~ $N(330,33)$	item ₁ vs. item ₂ item ₃ vs. item ₄ item ₅ vs. item ₆	item ₁ vs. item ₃ item ₆ vs. item ₁ item ₂ vs. ...	item ₃ item ₆ ...
	item ₃ ~ $N(200,20)$ vs. item ₄ ~ $N(230,23)$	item ₁ vs. item ₄ item ₂ vs. item ₆ item ₃ vs. ...		item ₁ vs. item ₄ item ₂ vs. item ₆ item ₃ vs. ...		
Crossed	item ₅ ~ $N(220,22)$ vs. item ₆ ~ $N(290,29)$	item ₁ vs. item ₄ item ₂ vs. item ₆ item ₃ vs. ...	item ₅ ~ $N(320,32)$ vs. item ₆ ~ $N(390,39)$	item ₁ vs. item ₄ item ₂ vs. item ₆ item ₃ vs. ...		

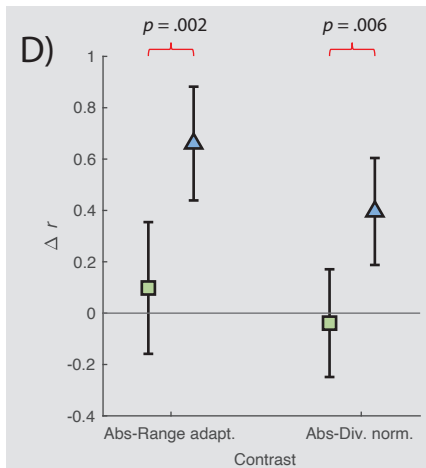
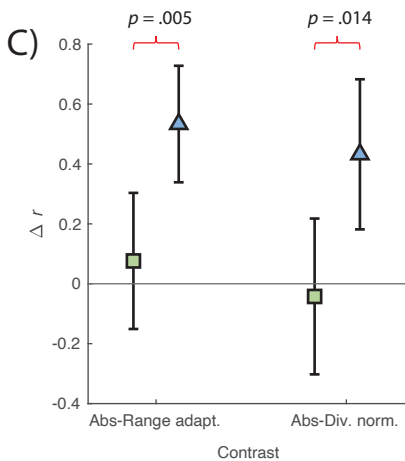
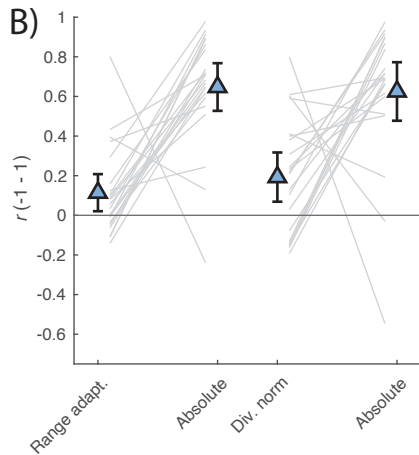
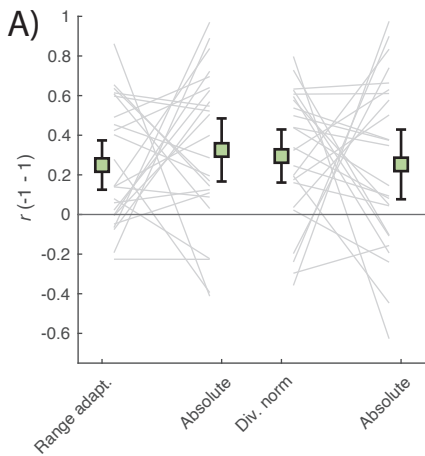






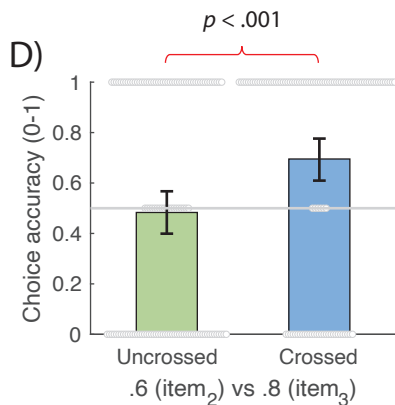
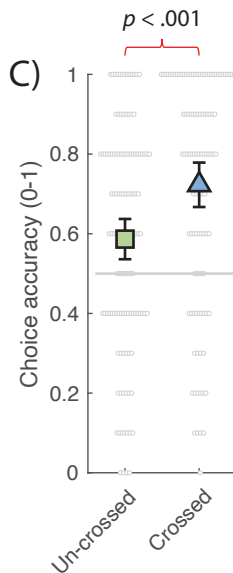
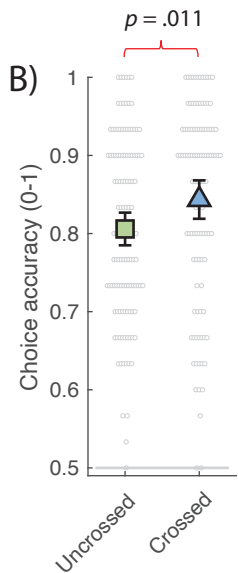
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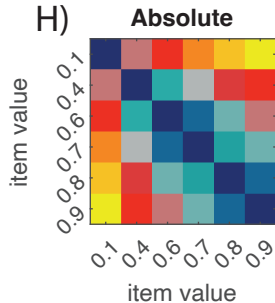
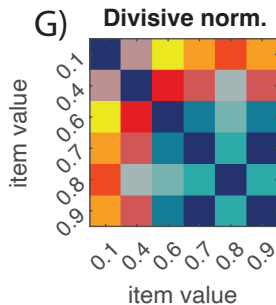
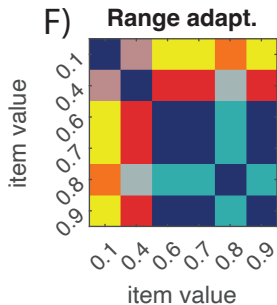
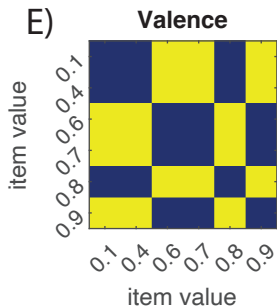
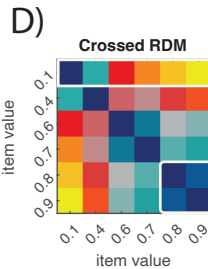
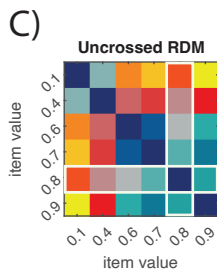
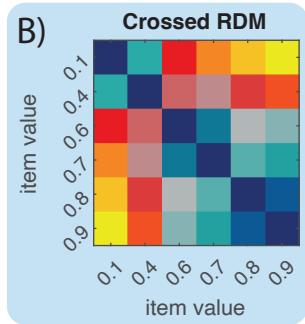
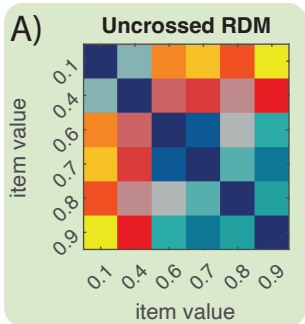




A)

Condition	Phase 1 (antiques/cars)			Phase 2 (cars/antiques)		
	Learning 1	Decision 1	Learning 2	Decision 2	All-pairs	Judgement
Uncrossed	item ₁ ~ $B(.1, 1)$ vs. item ₂ ~ $B(.6, 1)$	item ₁ vs. item ₂	item ₁ ~ $B(.1, 1)$ vs. item ₂ ~ $B(.6, 1)$	item ₁ vs. item ₂	item ₁ vs. item ₃ item ₆ vs. item ₁	item ₃ item ₆
		item ₃ vs. item ₄		item ₃ vs. item ₄		
Crossed	item ₃ ~ $B(.4, 1)$ vs. item ₄ ~ $B(.7, 1)$	item ₅ vs. item ₆	item ₃ ~ $B(.4, 1)$ vs. item ₄ ~ $B(.7, 1)$	item ₅ vs. item ₆	item ₂ vs.
		item ₁ vs. item ₄ item ₂ vs. item ₆ item ₃ vs. ...		item ₁ vs. item ₄ item ₂ vs. item ₆ item ₃ vs. ...		





Rank-transformed scaled similarity:

