

### *Abstract*

Information cascades as a form of rational herding help to explain real-life phenomena such as fads, fashion, creation of 'bubbles' in financial markets or conformity in general. In this paper I attempt to model propensity to herd and infer its relationship to time-pressure by conducting a laboratory experiment. I let subjects perform a simple cognitive task under different treatment conditions and levels of time pressure with the possibility to herd. The order of decision-making is endogenous and the task is not probabilistic. Rather, I impose uncertainty of private signal by different levels of time pressure. This is expected to make participants prone to imitate the behavior of others. Apart from that I examine the effect of reputation (also called endorsement effect) as an addition to the public pool of information, which is expected to increase the probability to herd. The main findings are that propensity to herd was not significantly influenced by different levels of time pressure. Information cascades arose, but never in a perfect form. Personality traits measured by the Big Five protocol contribute considerably to the explanation of the model, but their relationship is not straightforward. Heart-rate increased during performance of a task, but was not correlated to subjectively stated level of stress. Moreover, it significantly influences the propensity to herd, but unexpectedly with a negative sign. The endorsement effect plays an important role in determining the probability to herd, but again unexpectedly with a negative sign.