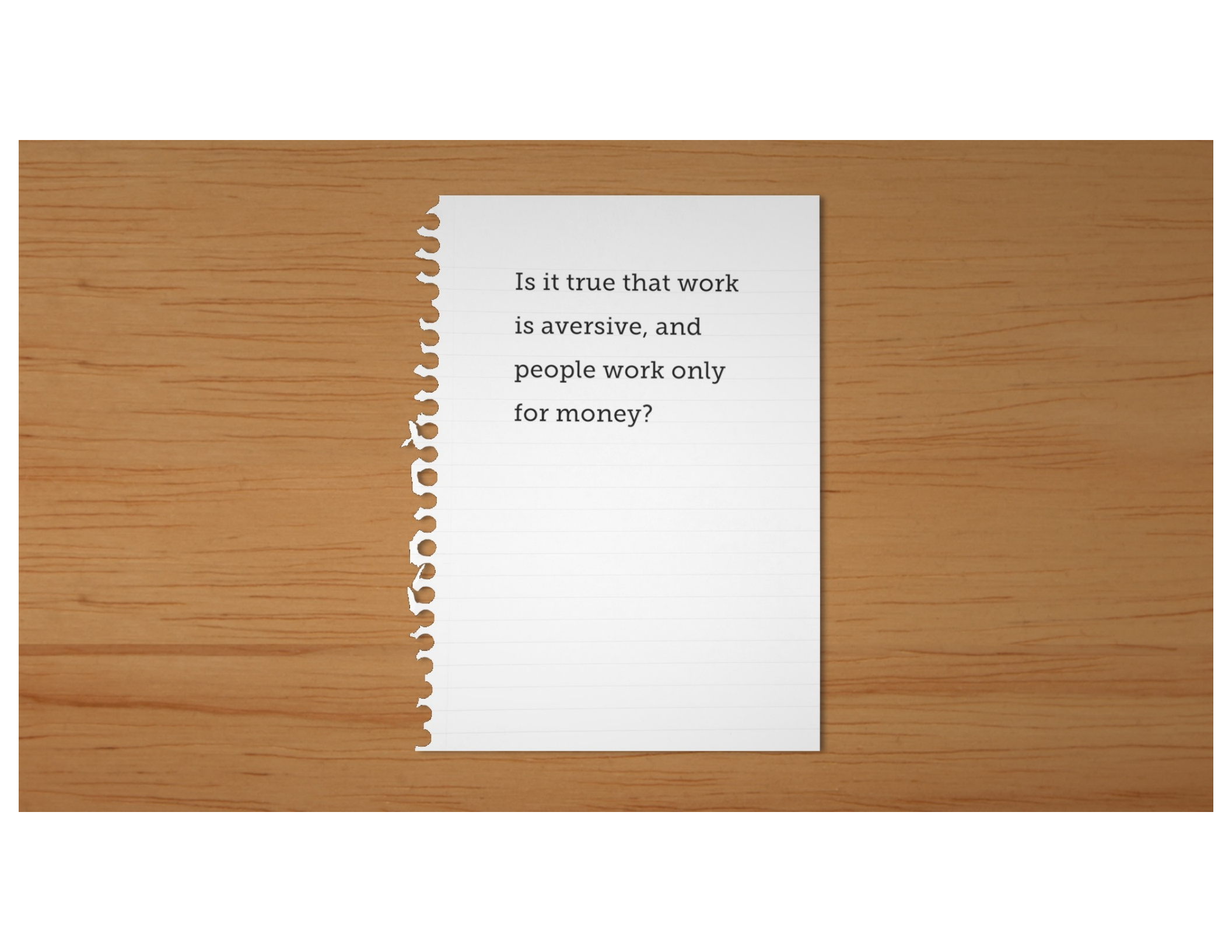


Part 7:
Monetary Stress and Performance

A spiral-bound notebook is centered on a light brown wooden surface. The notebook's pages are white with faint horizontal lines. The spiral binding is on the left side. The text is written on the top page.

Is it true that work
is aversive, and
people work only
for money?



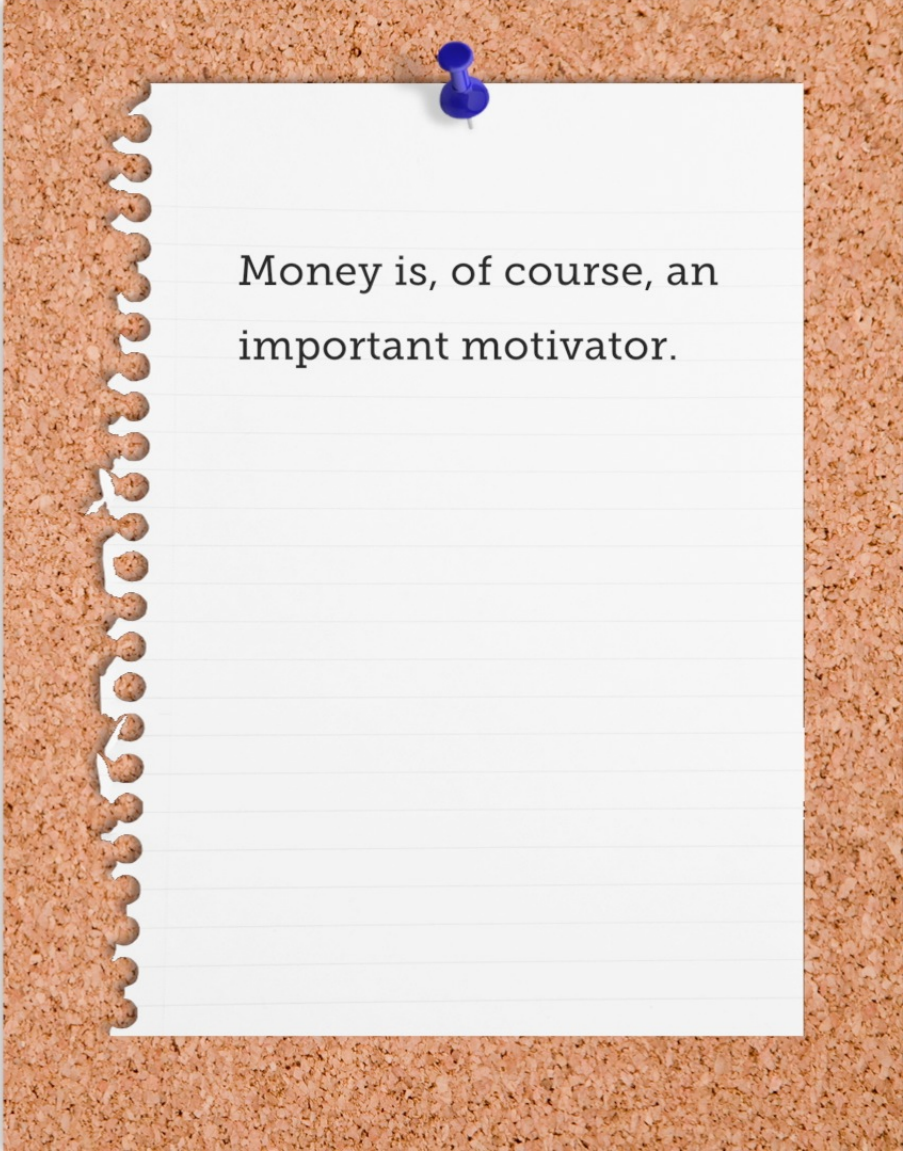
Contrafreeloading:
Even rodents (sometimes)
enjoy working for food.

Is it true that work
is aversive, and
people work only
for money?

Almost all animals
like working to
some degree ...



... except the domestic cat.

A corkboard with a light brown, textured surface. A blue pushpin is pinned to the top center of a white, lined piece of paper. The paper has a decorative scalloped edge on its left side. The text "Money is, of course, an important motivator." is written in a black, serif font on the paper.

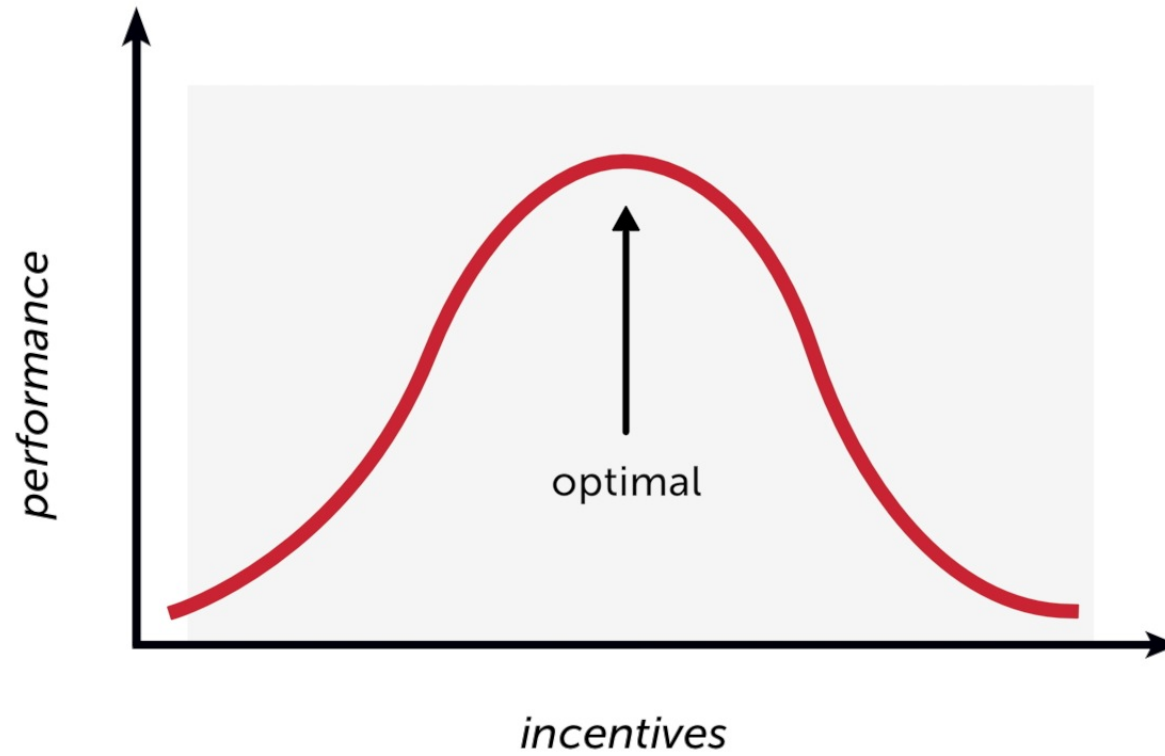
Money is, of course, an important motivator.

Bonus: a form of payment
contingent on performance.

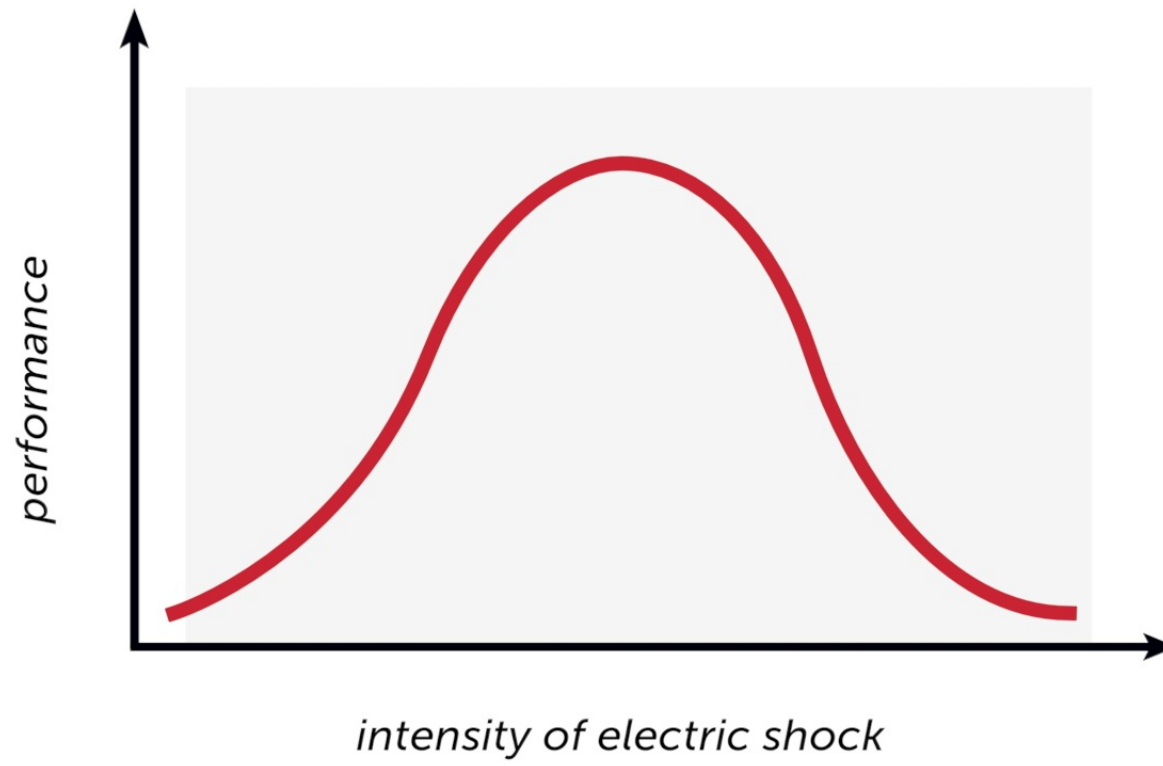
In theory, high bonuses should
get people to work harder.



Yerkes-Dodson Curve



Yerkes-Dodson Curve



Learning incentives have
an inverse-U relationship.



Bonuses increase motivation,
but do they increase performance?



Task Performance

above

"Very Good" standard
(higher payment)

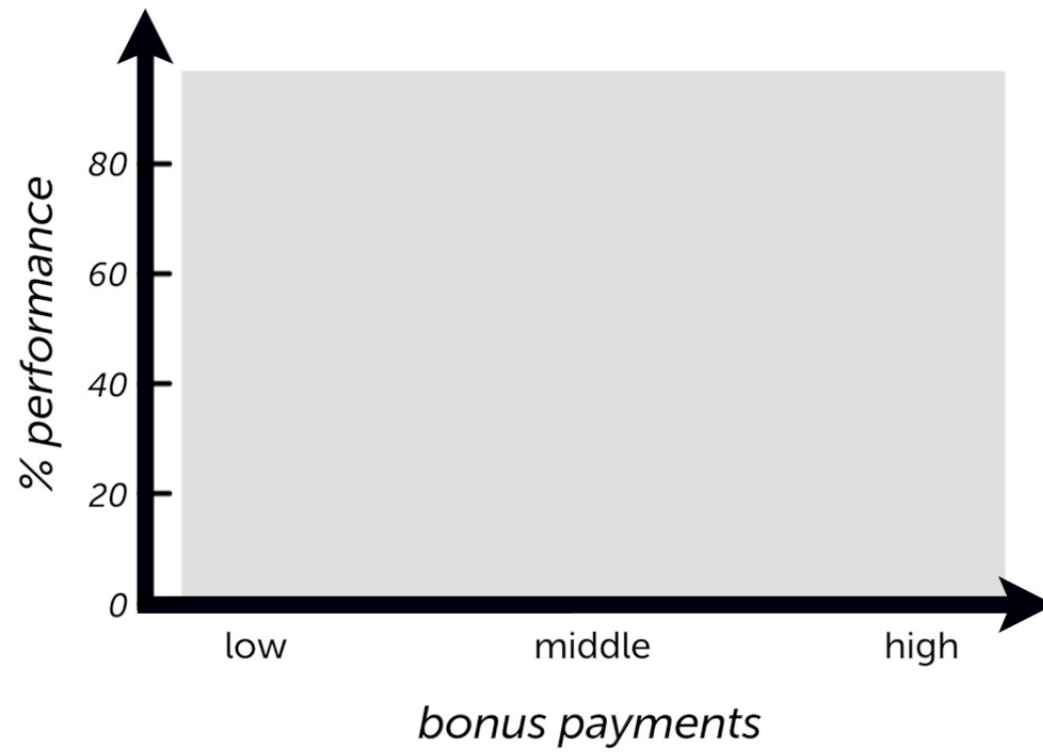
between

"Good" standard
(payment)

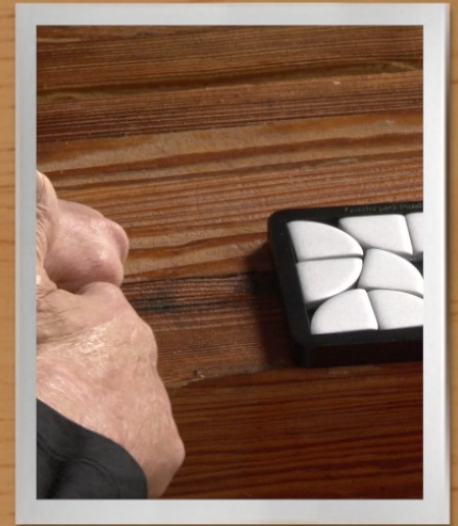
below



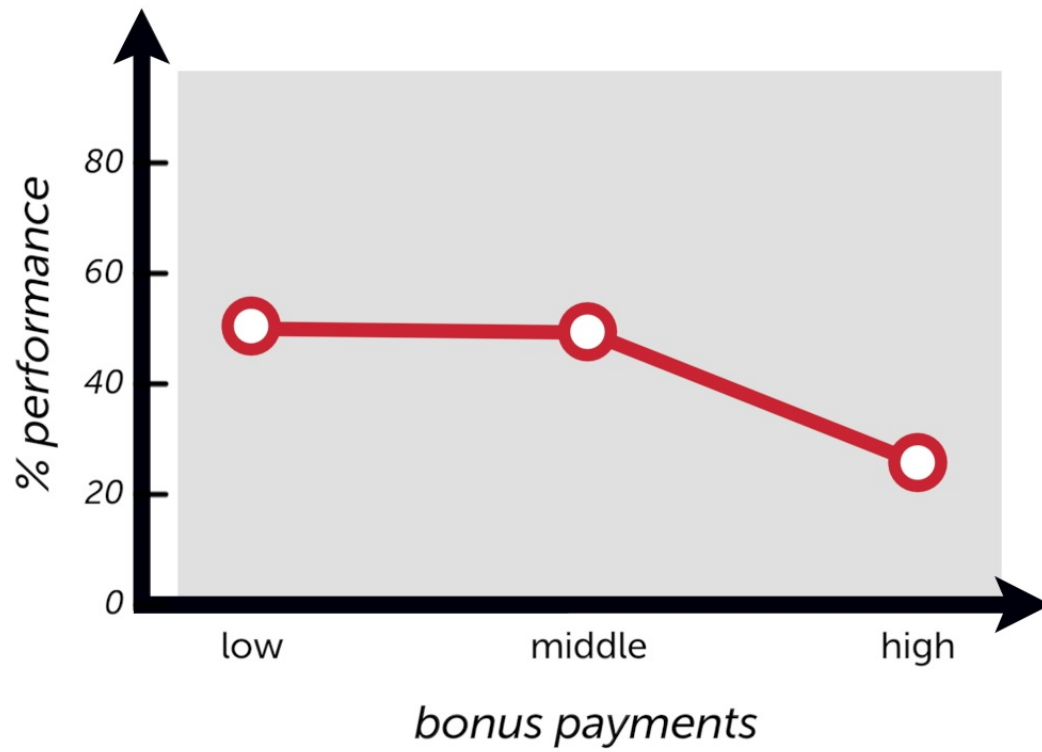
The India Experiment: Games



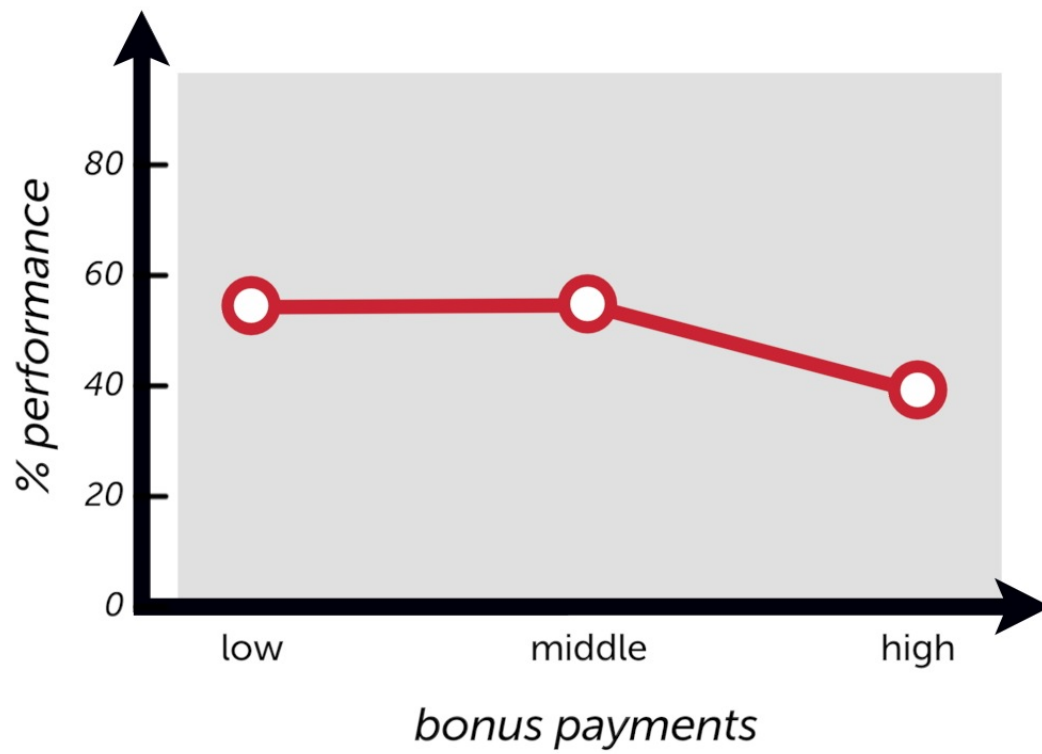
Packing Quarters



Simon

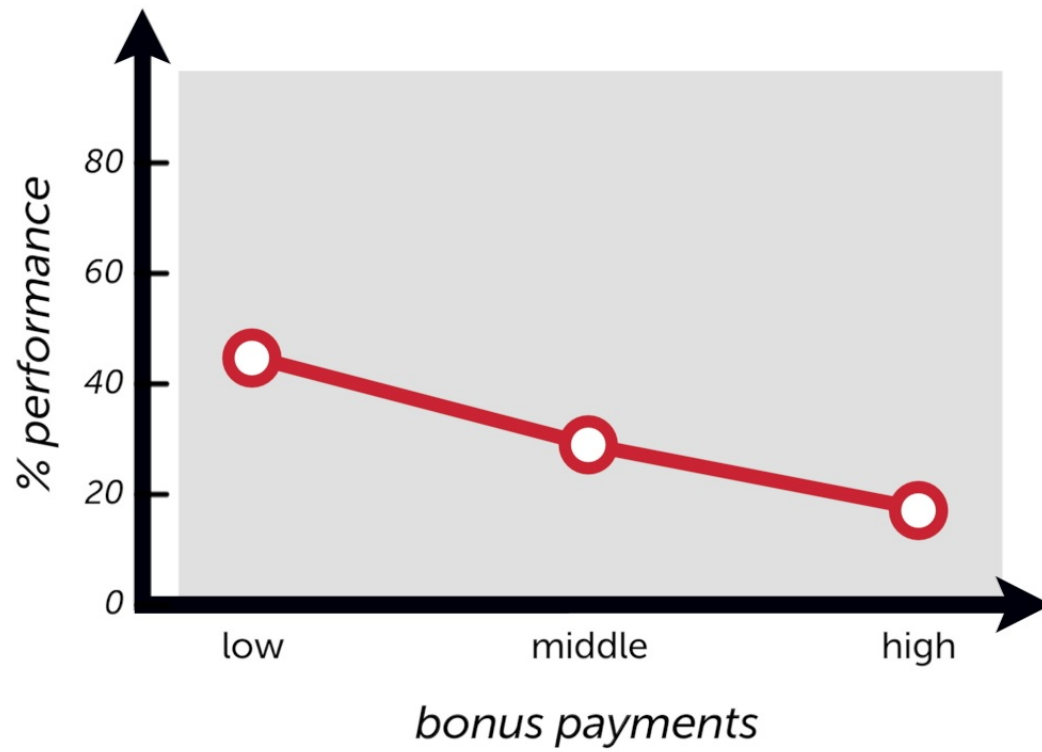


Recall Last 3 Digits

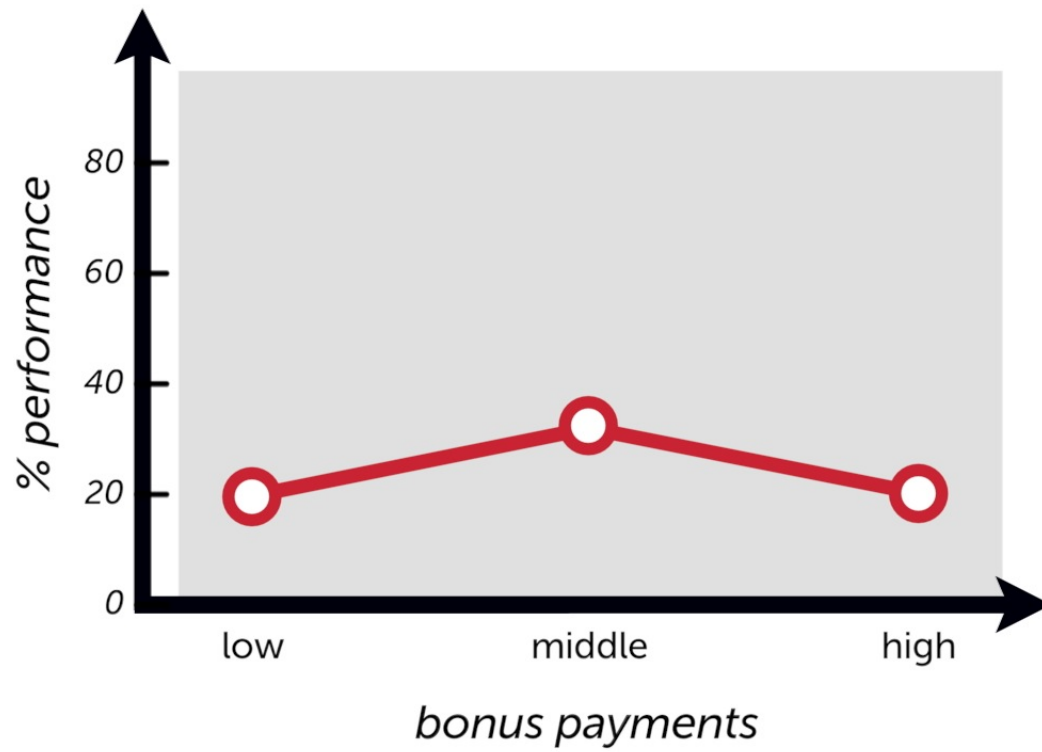


"... 3, 2, 17"

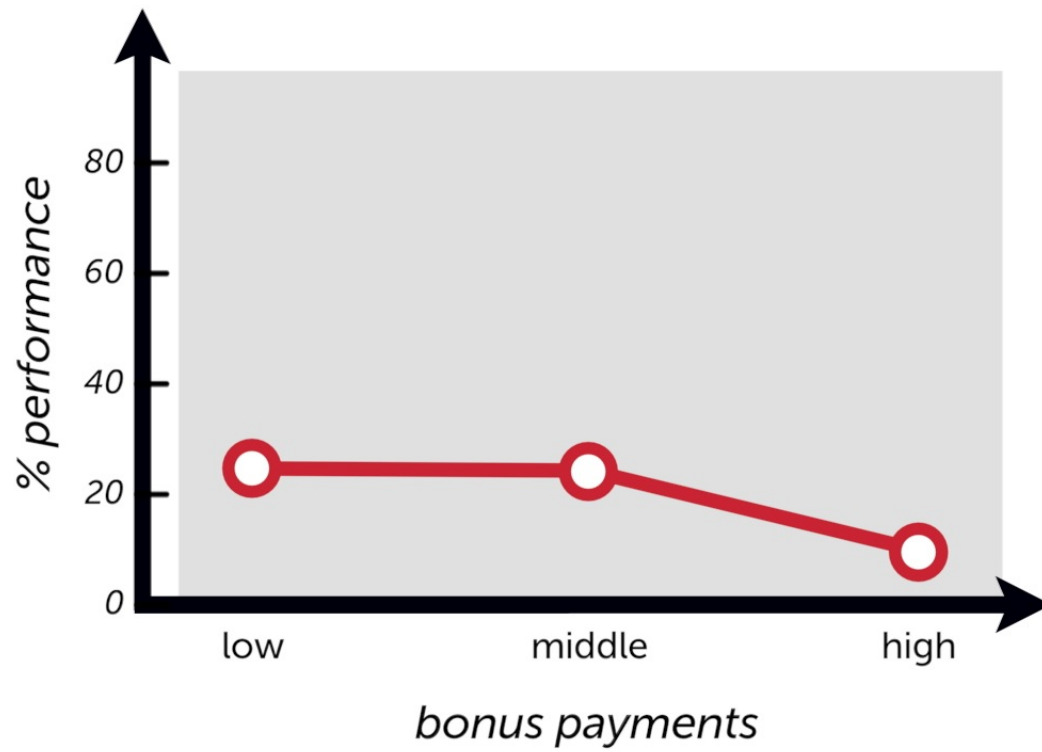
Labyrinth



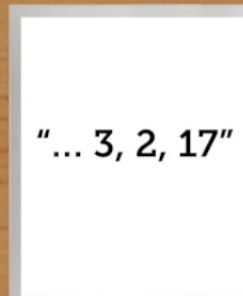
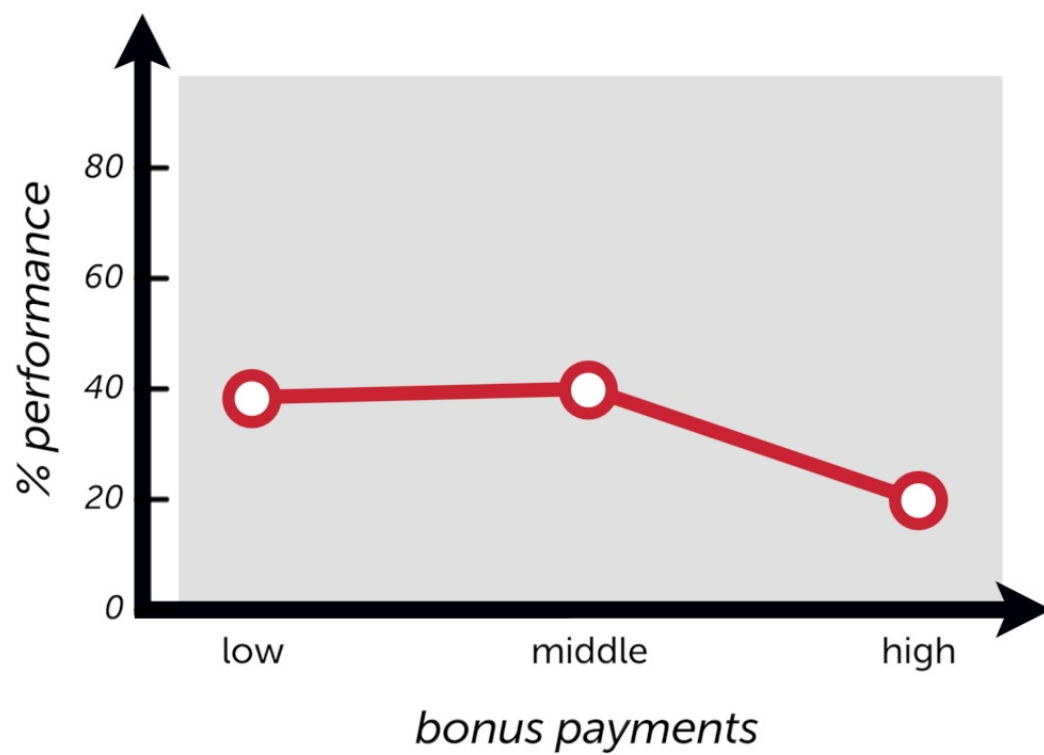
Dart Ball



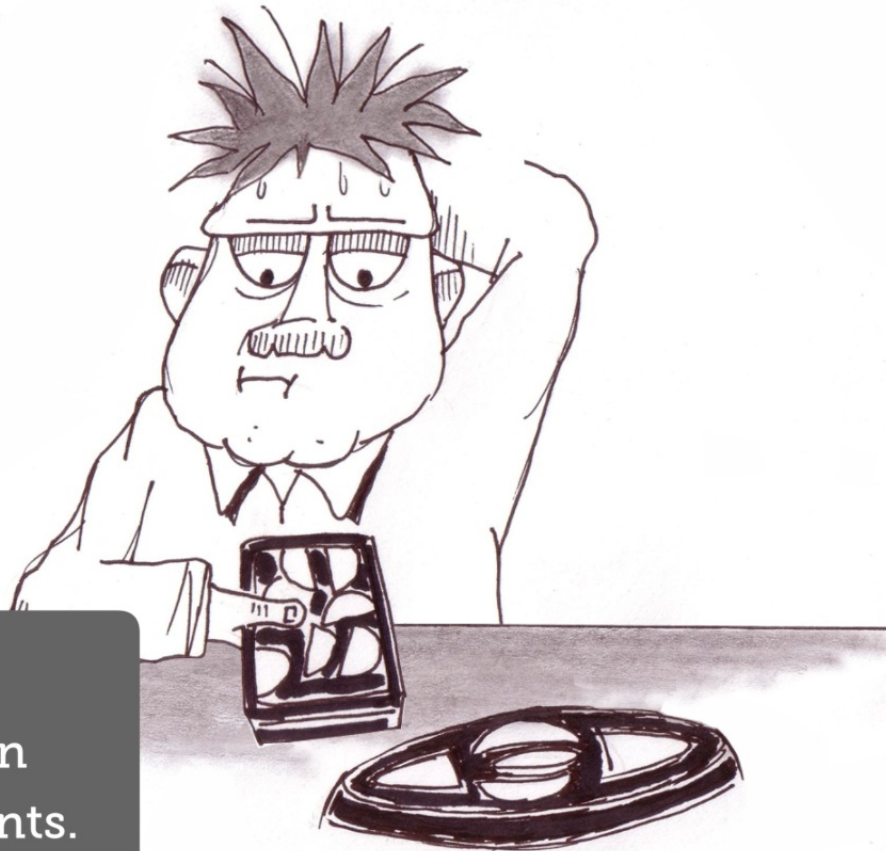
Roll-Up



All Six Games Combined



We tried to test the principle of loss aversion by pre-paying participants.



TEW.



The first participant
completely choked.

TEW.


And so did the second, but
he ran away with the money.



TEW.

Do real-life bonuses operate
like the gain or loss condition?



A spiral-bound notepad with a white cover and lined pages is placed on a light-colored wooden surface. The notepad is open to a page with horizontal lines. The question "Do mechanical tasks work differently than mental tasks?" is written in black ink on the page. The spiral binding is on the left side of the notepad.

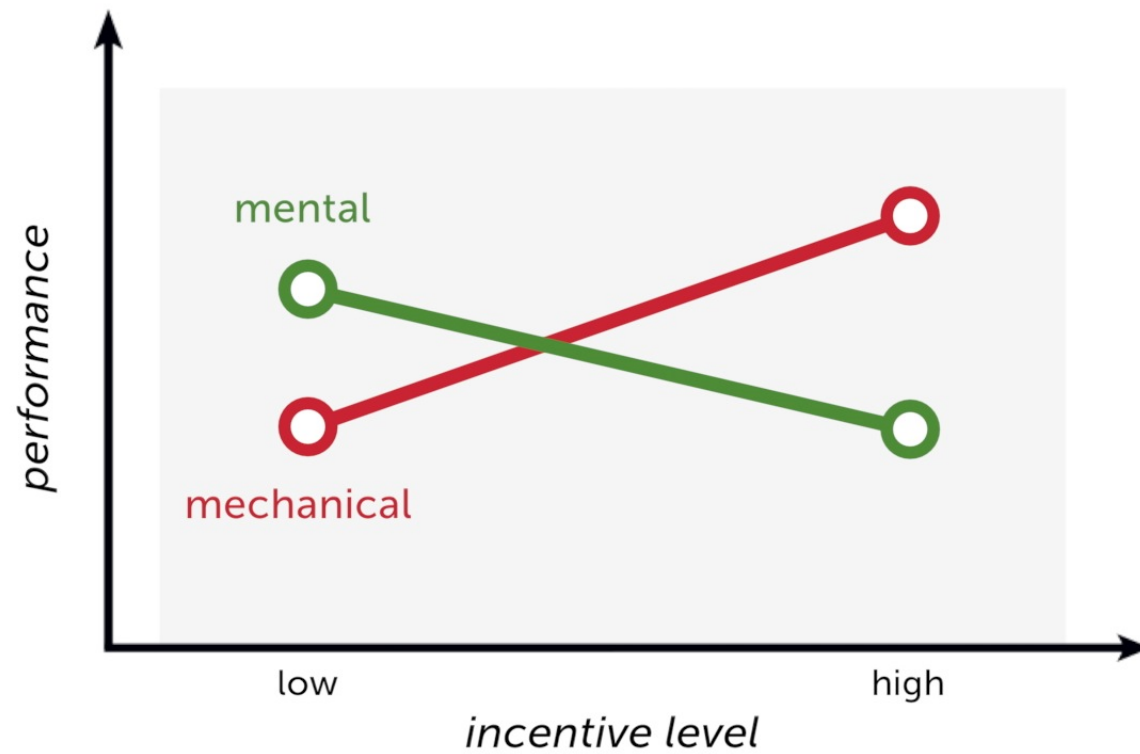
Do mechanical tasks
work differently
than mental tasks?



To separate mental from mechanical tasks, we created a very simple typing task.

8.45	2.54	2.96
GoIt		
0.2	2.54	2.96
1.05	2.39	3
1.44	2.28	
1.73	2.19	3.85
GoIt		
9.5	8.32	
GoIt		

Mechanical and Mental Task Results



The intuition about bonuses
increasing performance
relies on what we know
about mechanical
(not mental) tasks.

A state of "flow" drives the
highest quality performance.



Bonuses can be distracting,
and may actually
decrease performance.