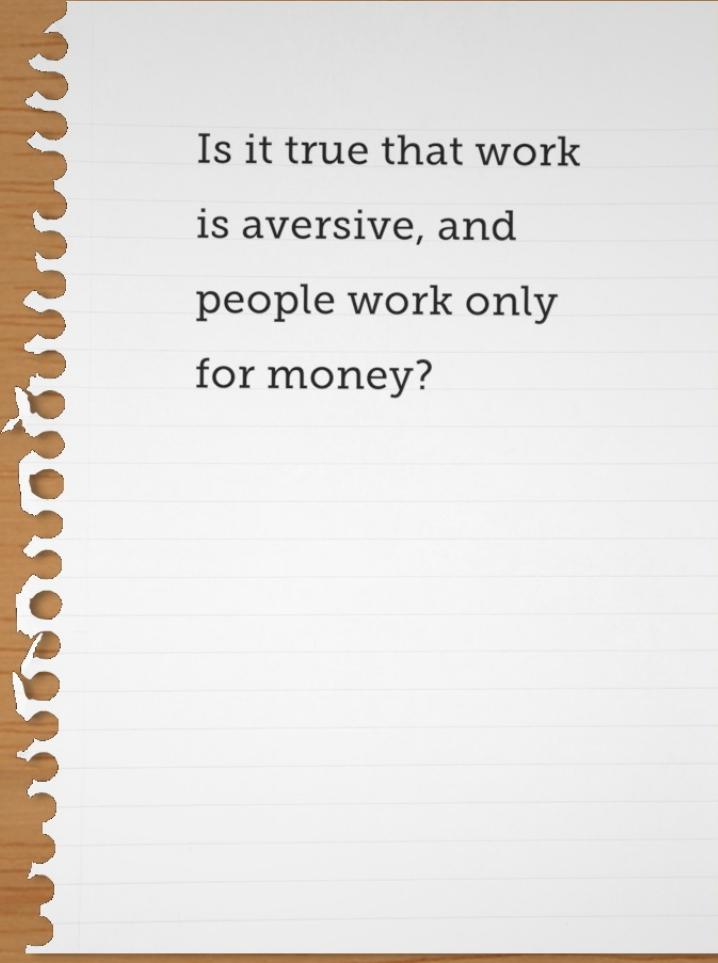


Part 7:
Monetary Stress and Performance



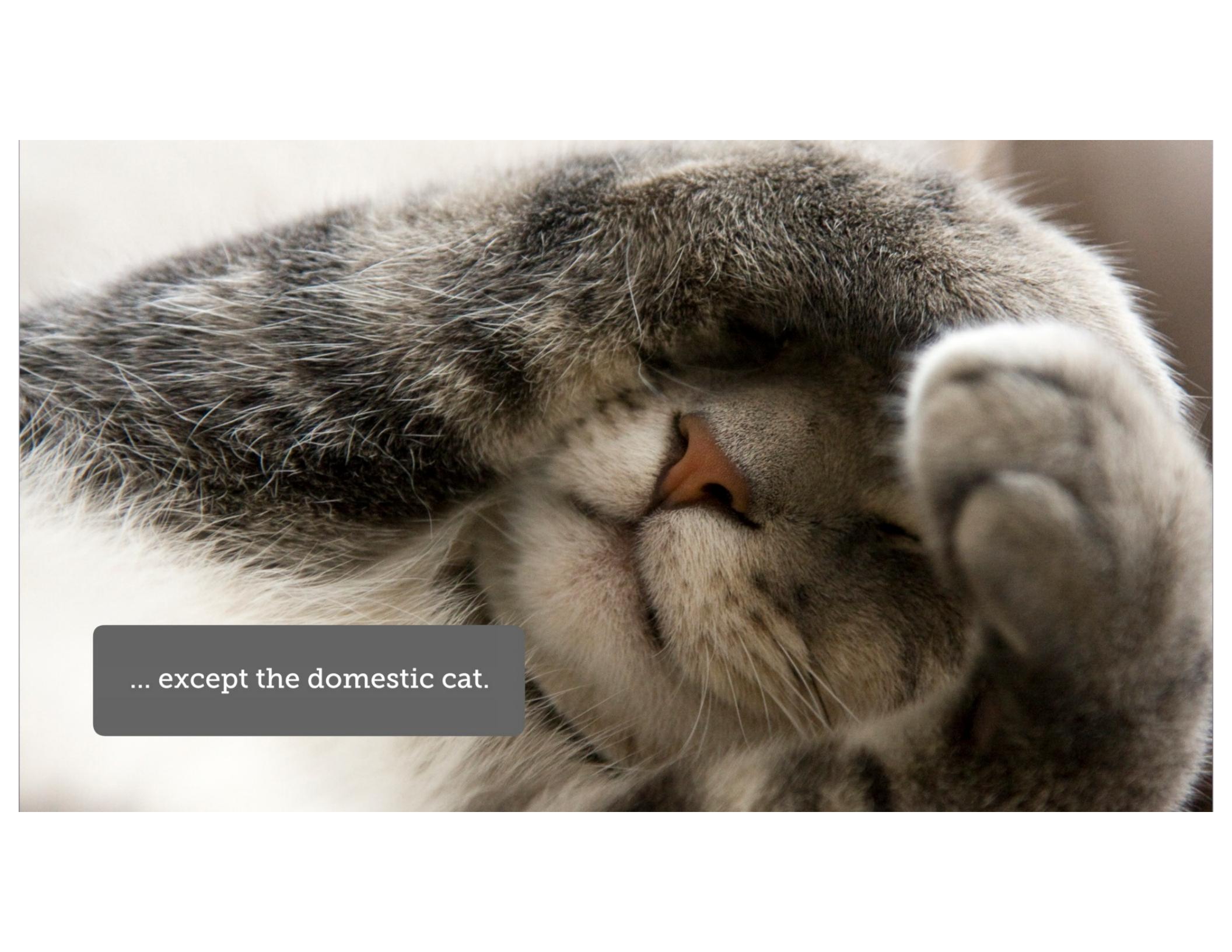
Is it true that work
is aversive, and
people work only
for money?



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.

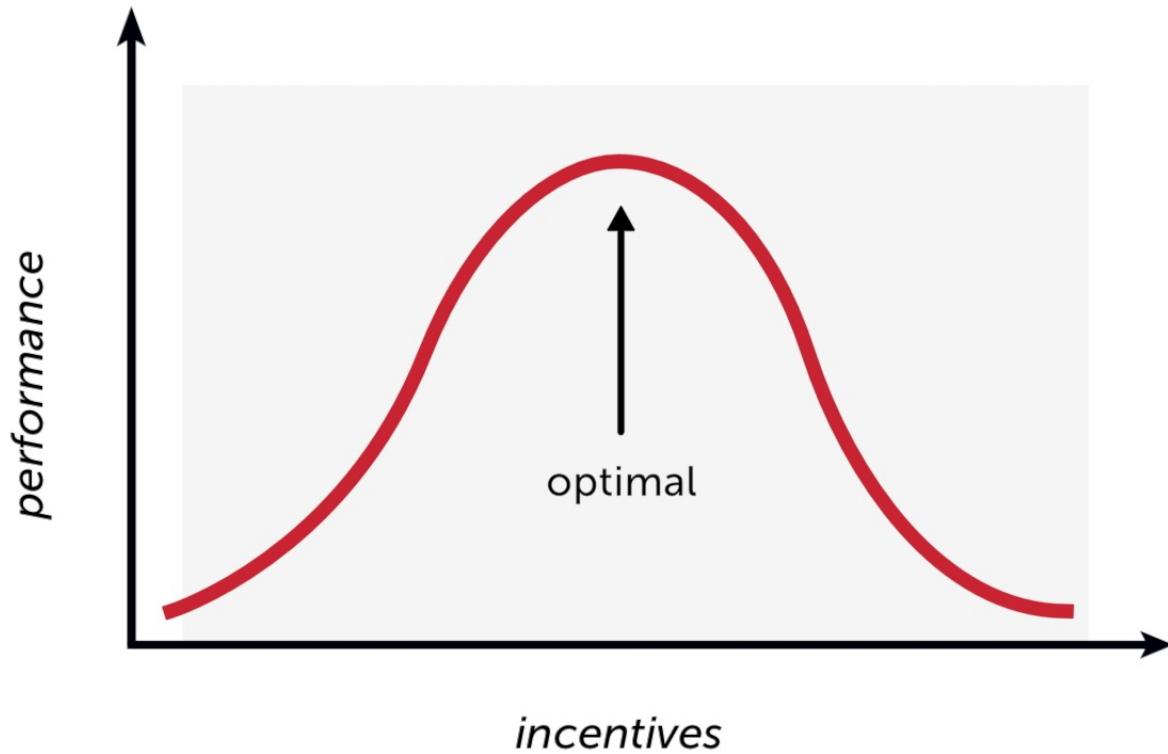




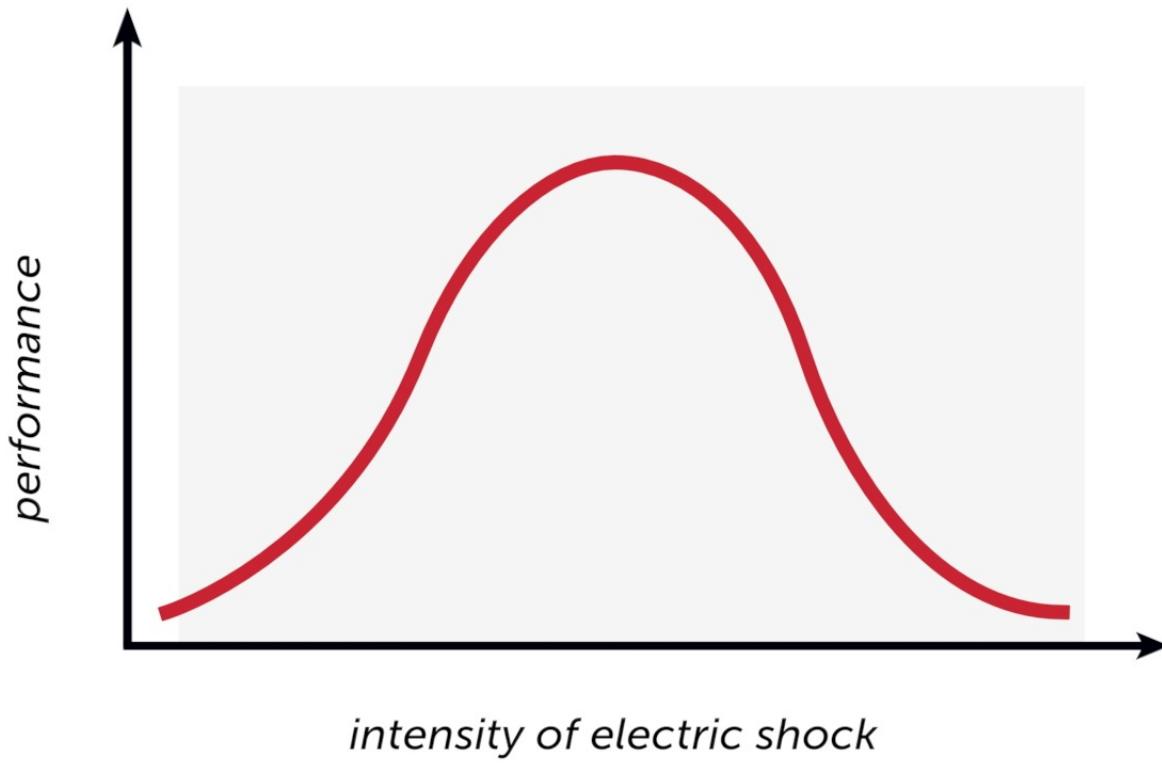
Bonus: a form of payment
contingent on performance.

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)

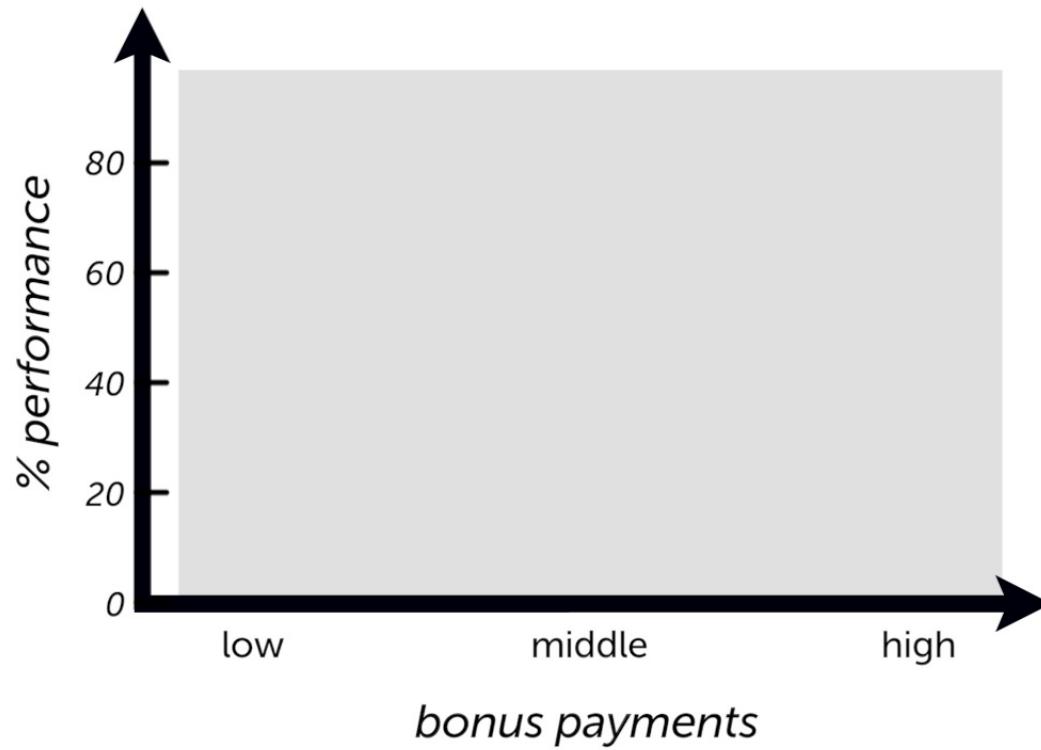
between

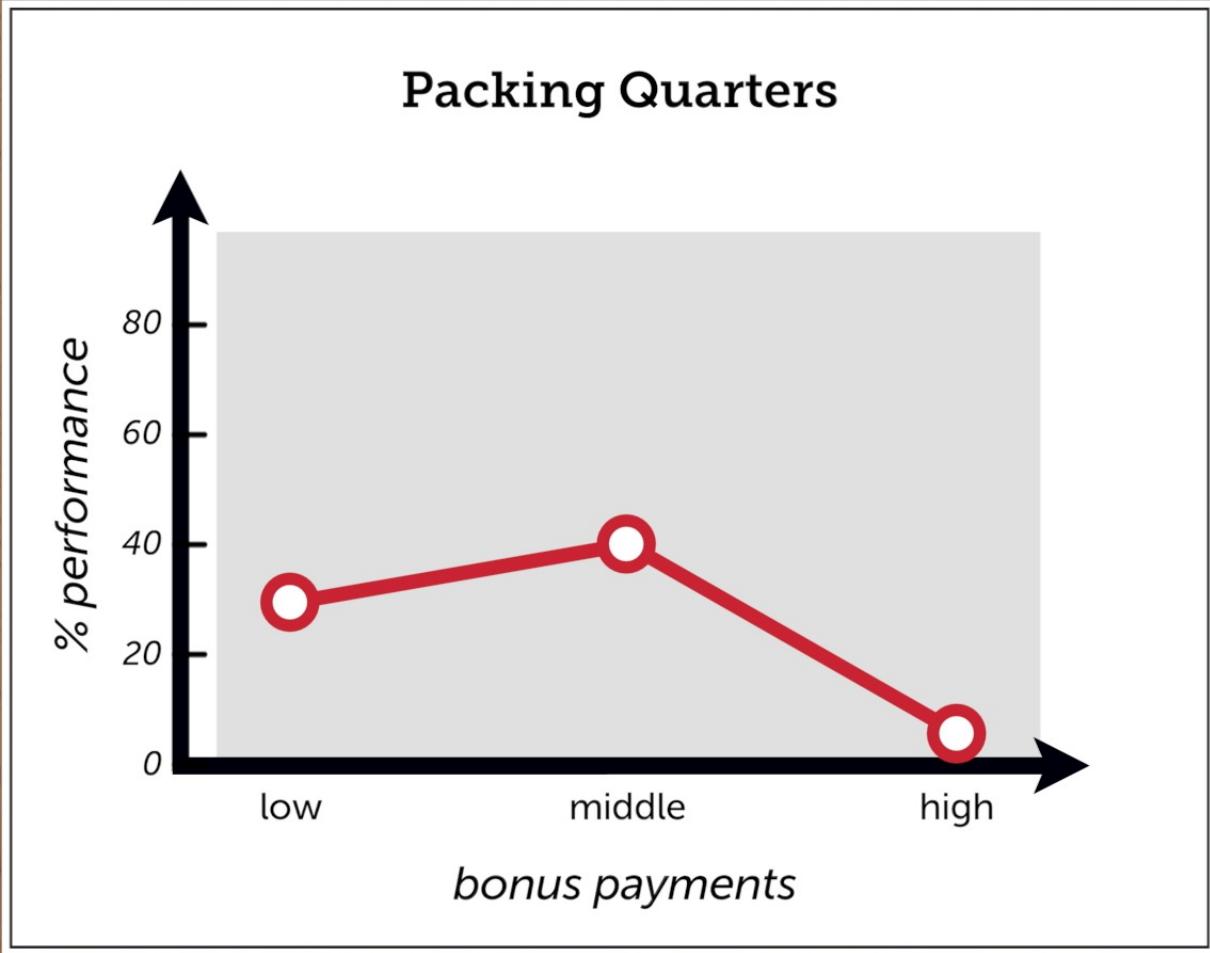
"Good" standard
(payment)

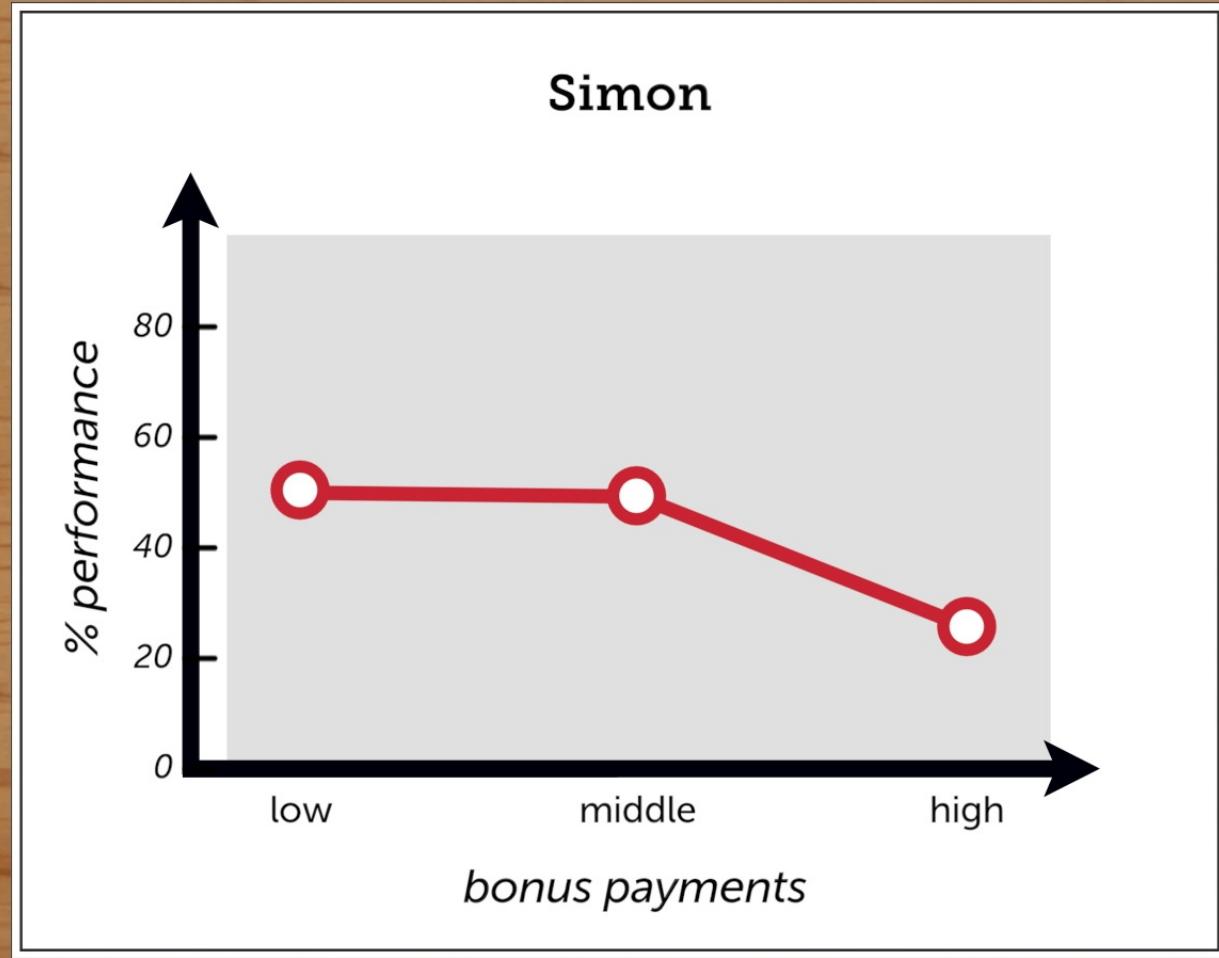
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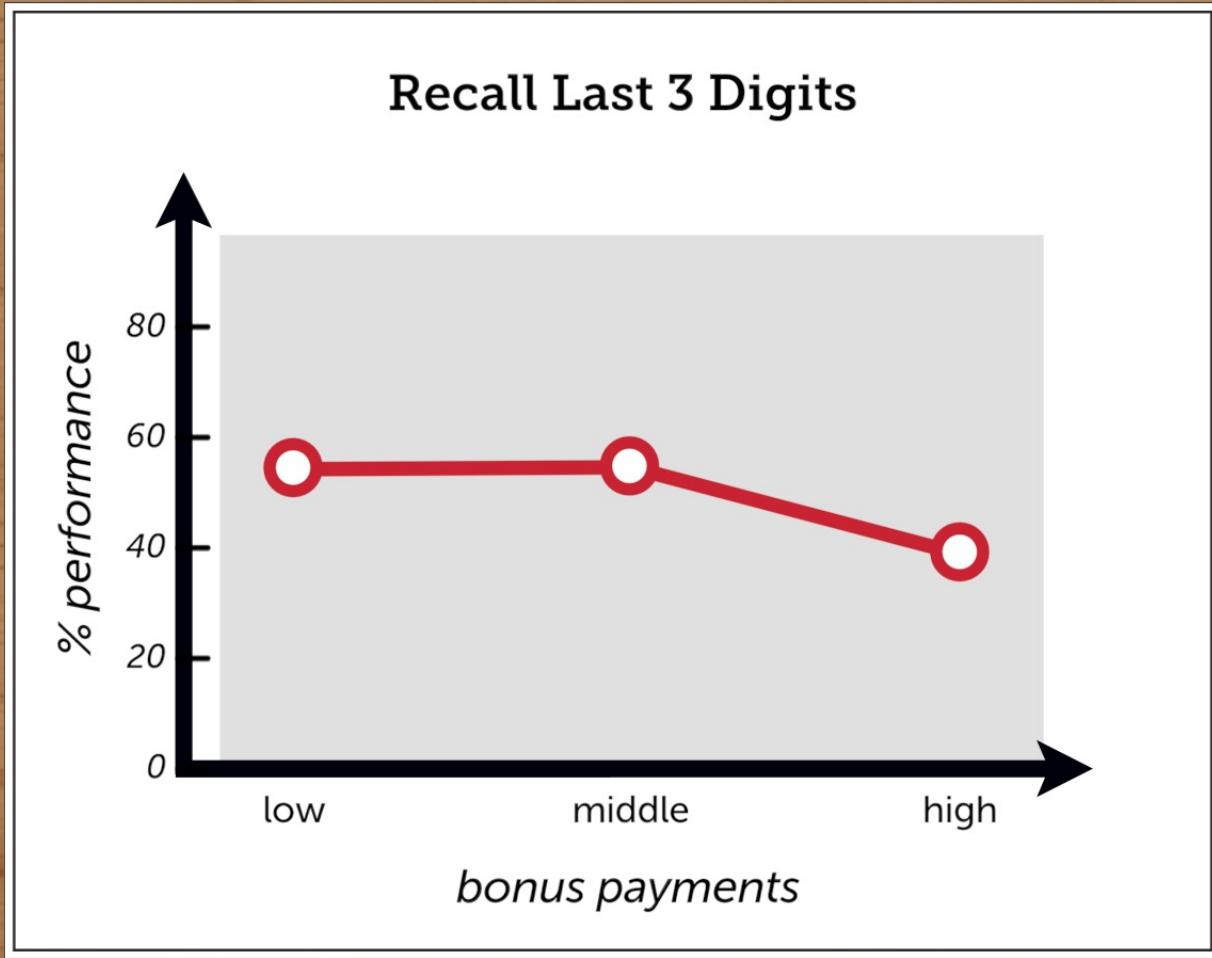


The India Experiment: Games

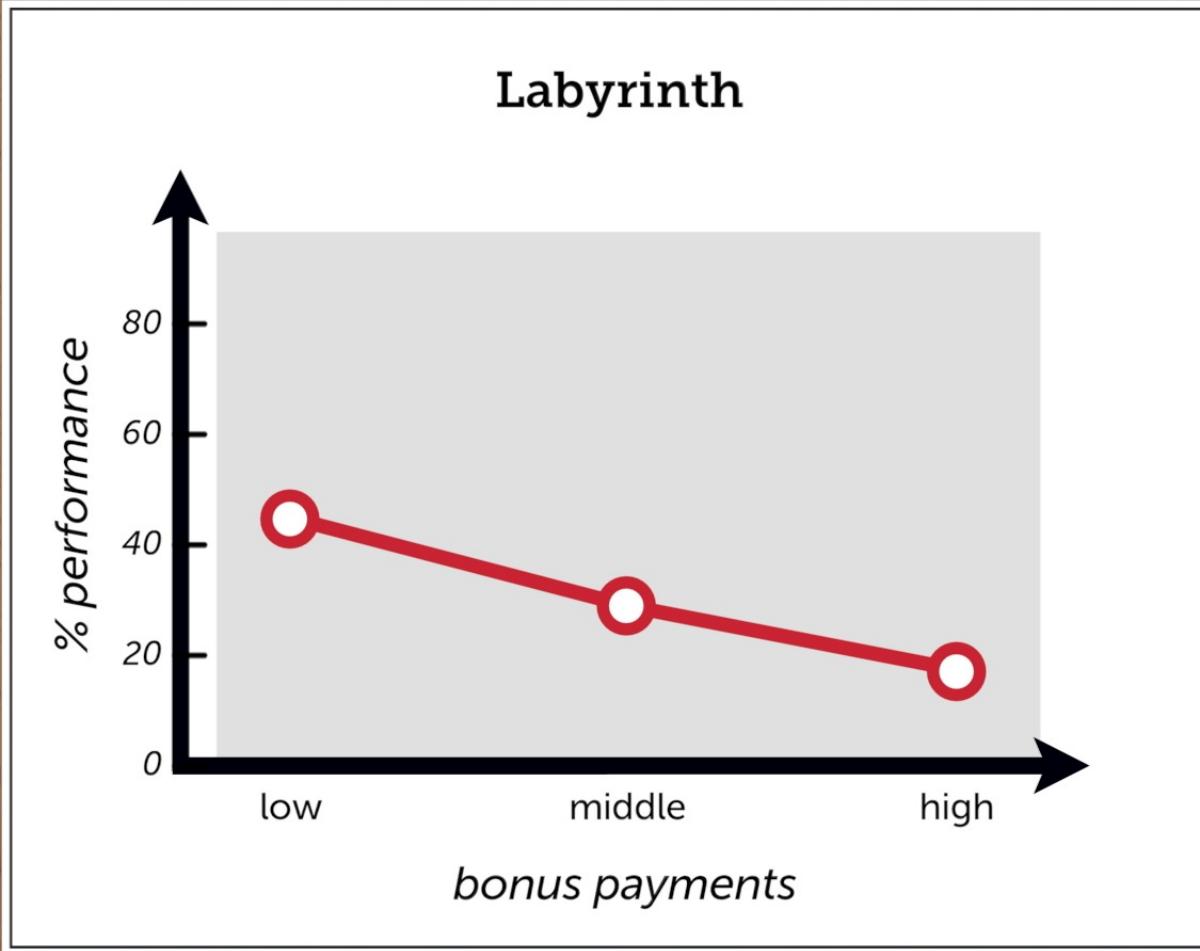


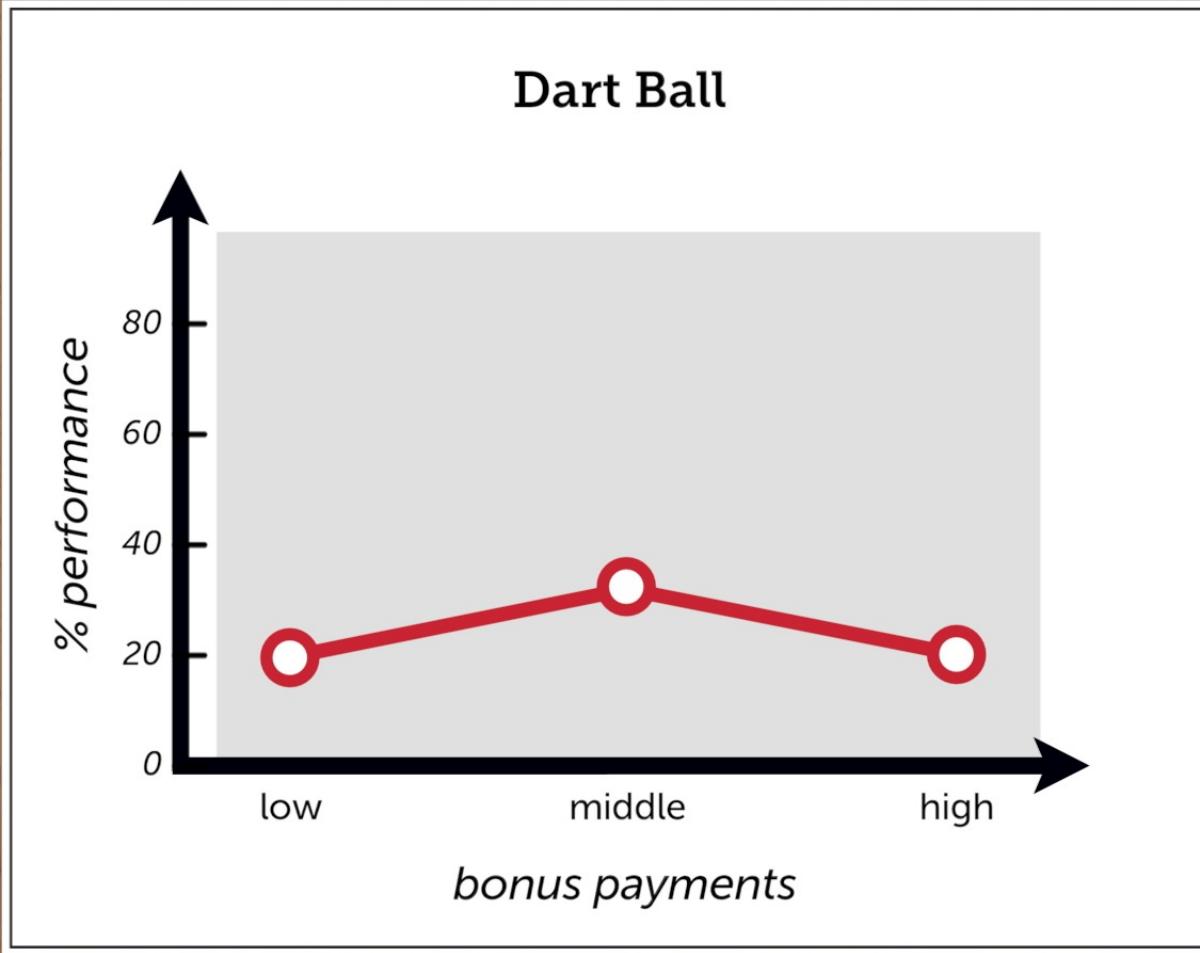


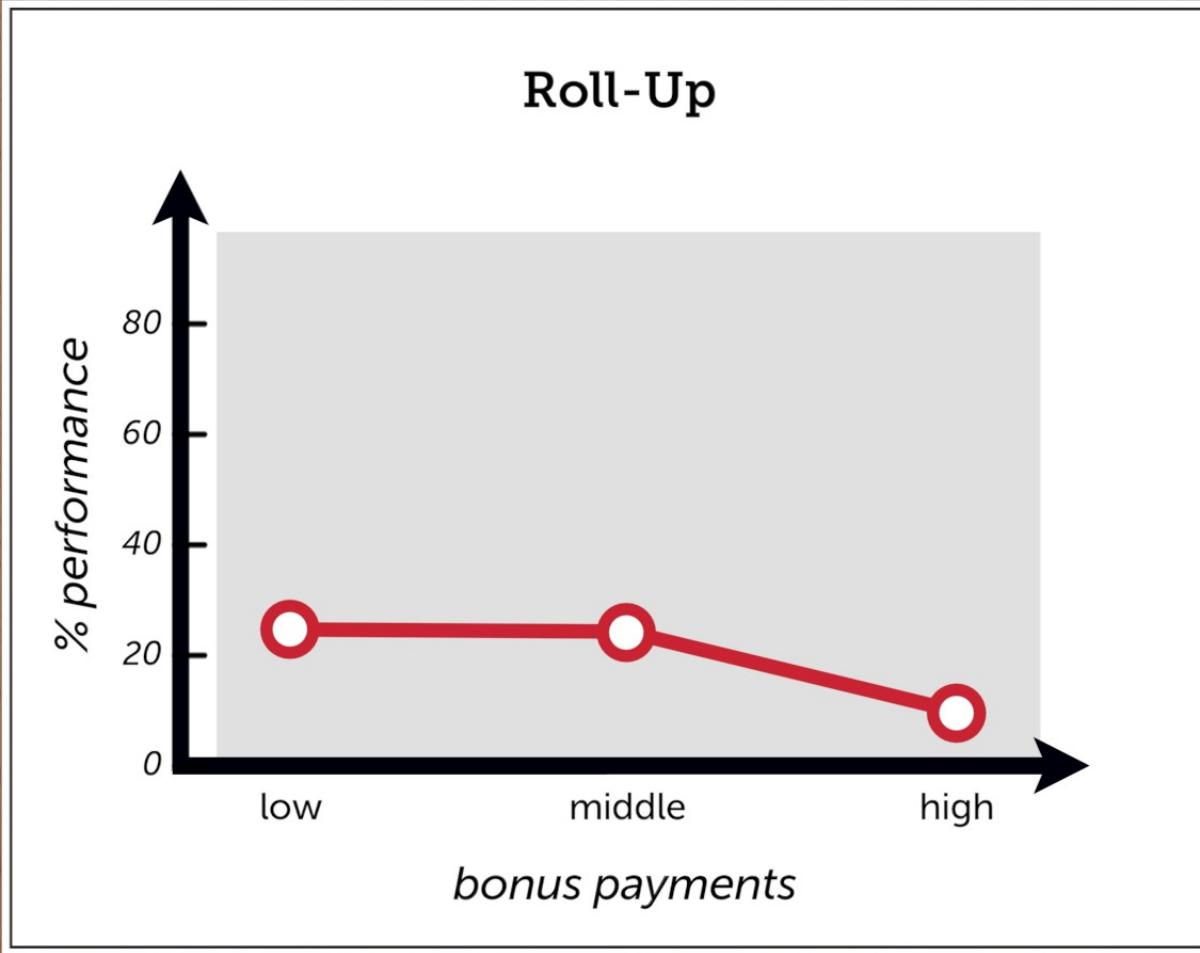


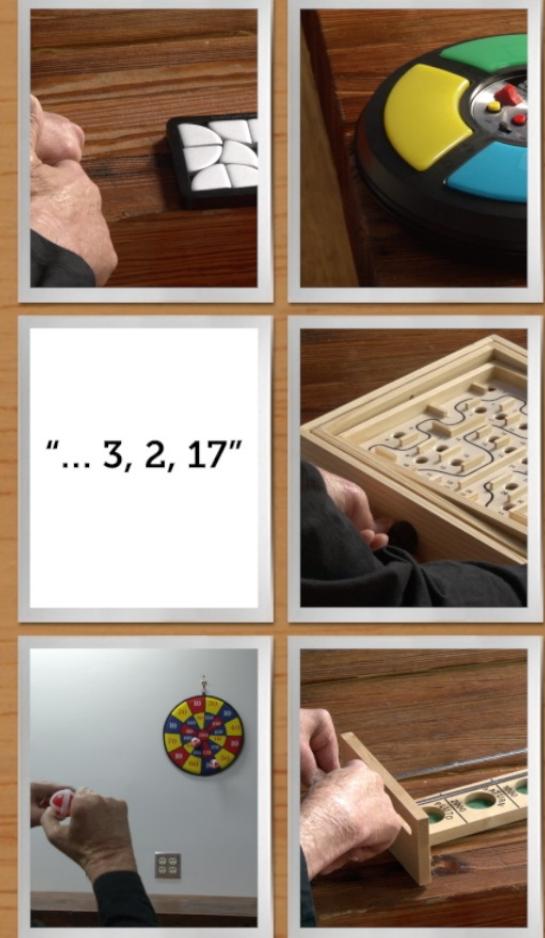
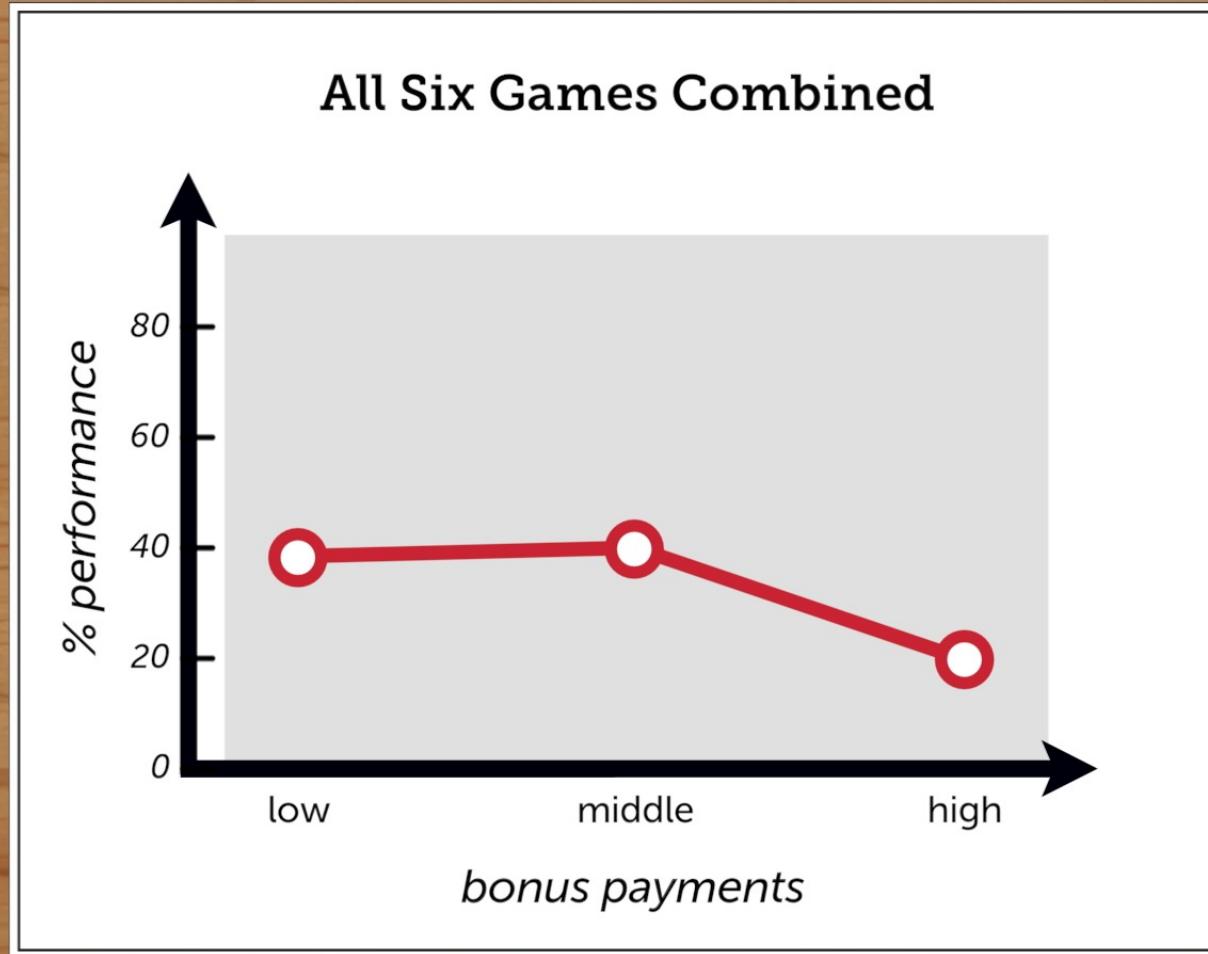


"... 3, 2, 17"

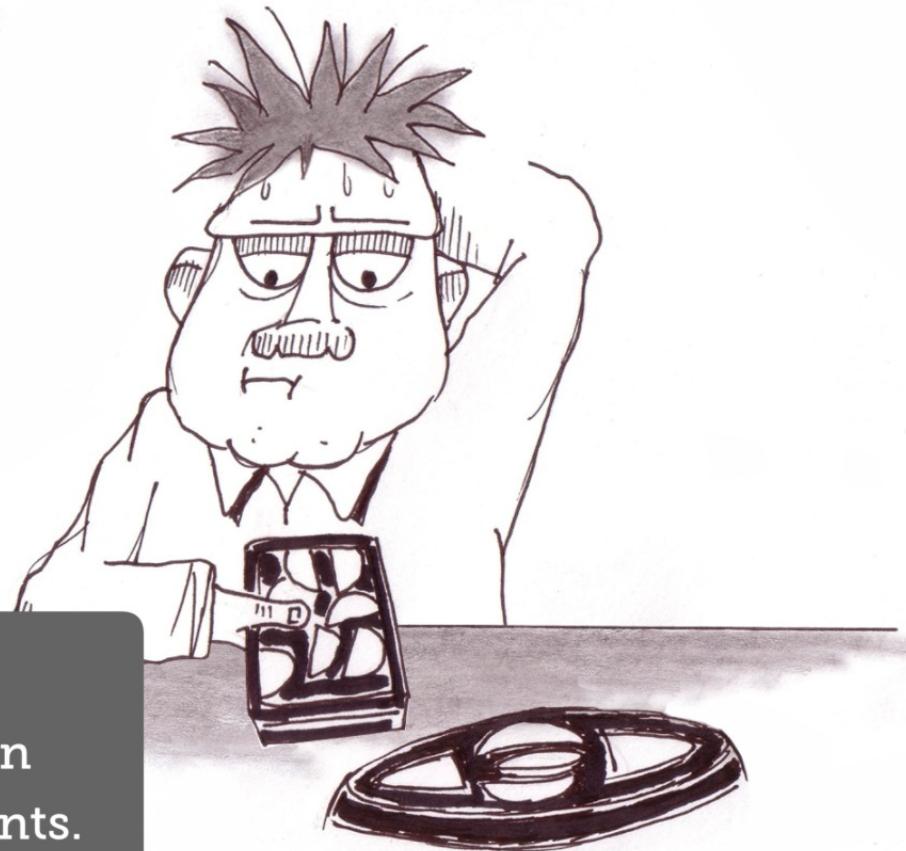








We tried to test the principle of loss aversion by pre-paying participants.



TED W.



The first participant
completely choked.

TED W.

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

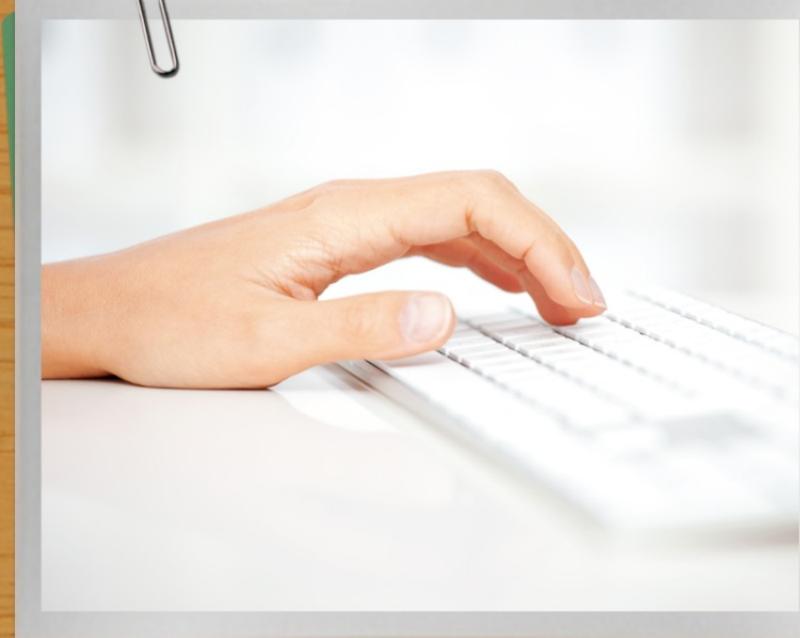


TED W.

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

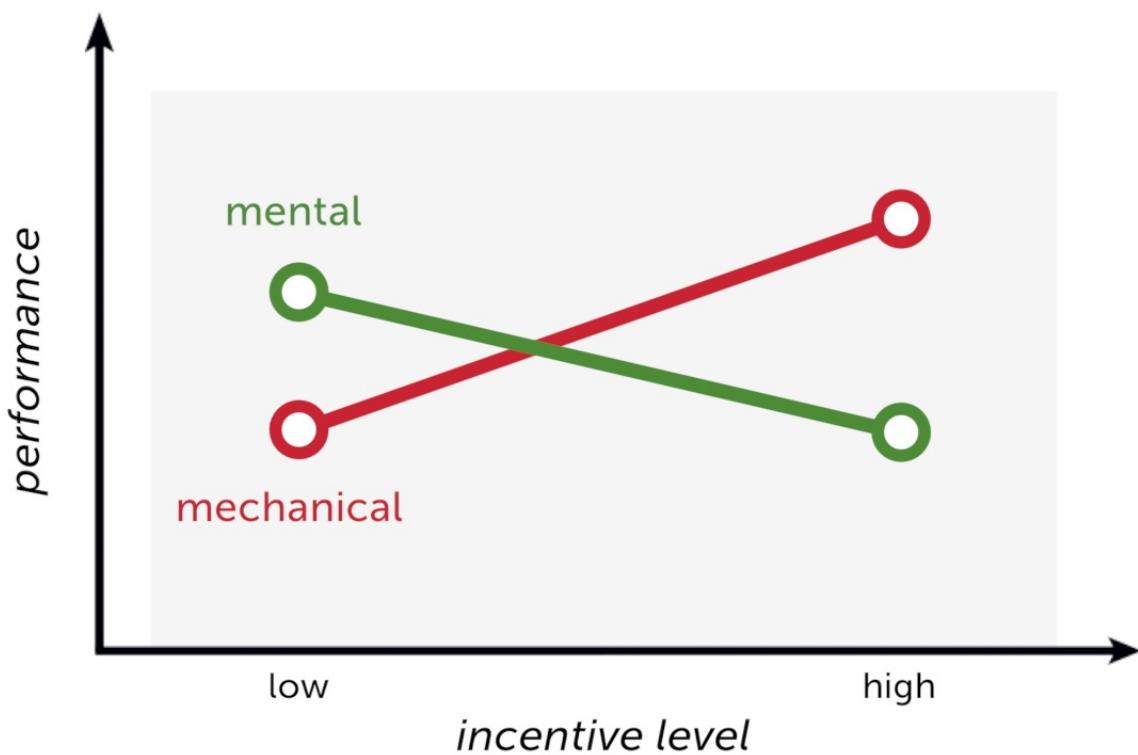


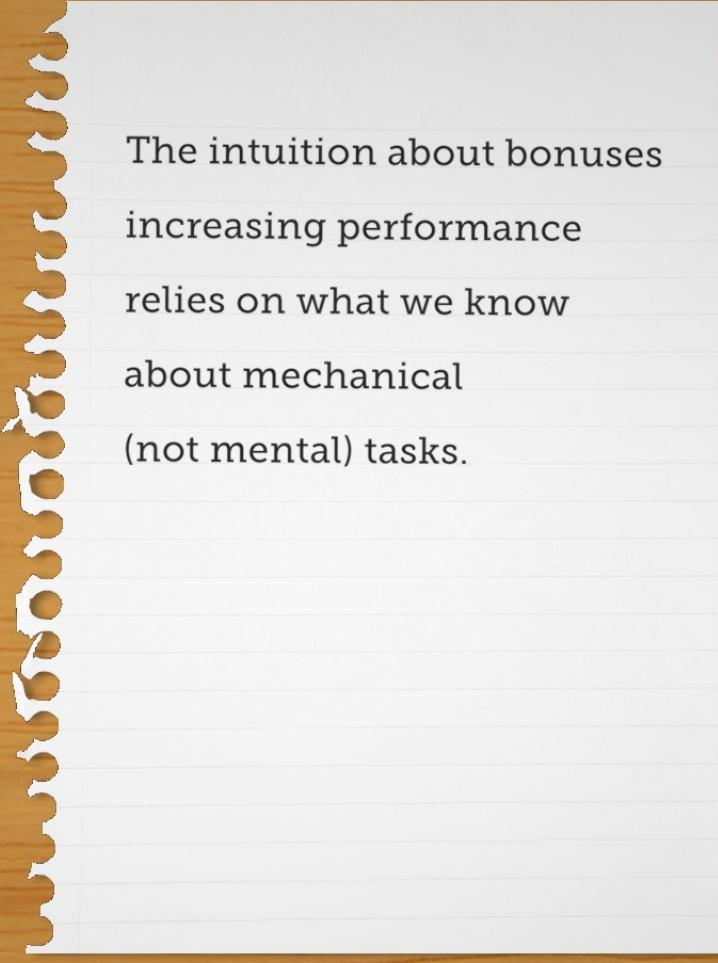
Do mechanical tasks
work differently
than mental tasks?



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

Mechanical and Mental Task Results

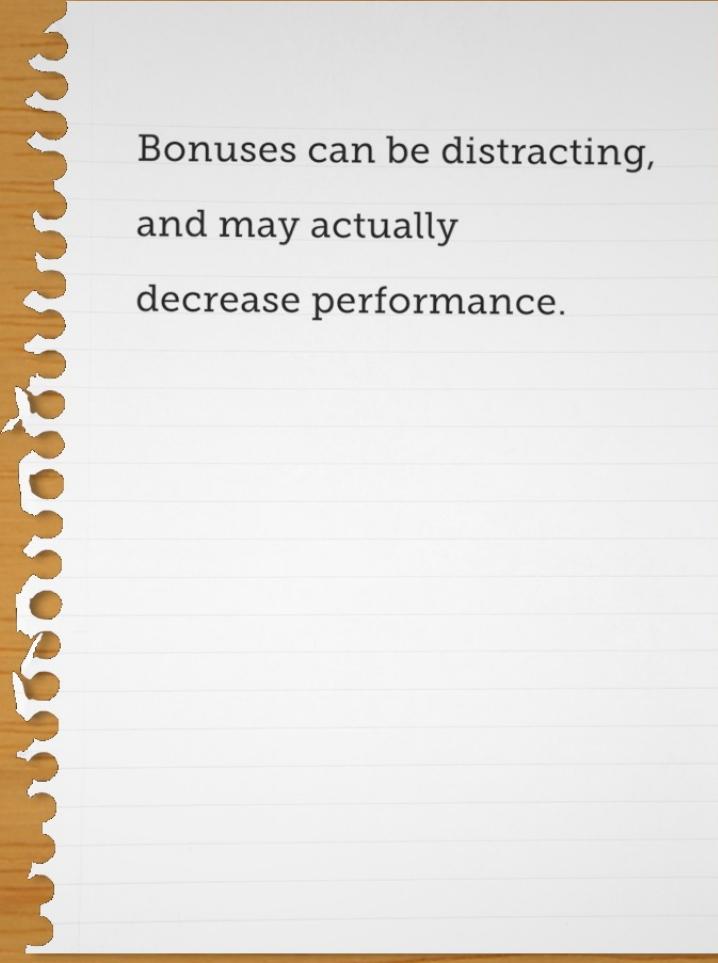




The intuition about bonuses
increasing performance
relies on what we know
about mechanical
(not mental) tasks.

A state of “flow” drives the highest quality performance.





Bonuses can be distracting,
and may actually
decrease performance.