

How can we know if awards work?

What does "work" mean here?

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TOWARDS AN ECONOMICS OF AWARDS

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# Compare

- Hidden Brain presentation
- Academic article

### Which is more

- Accessible
- Allows you to critique the evidence
- Leads to firm conclusions
- Better to assign to undergraduate students

Motivate before award

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Recognize top performers

Motivate after award

- Nobel Prize
- Stanley Cup
- Faculty tenure
- Academy Award
- SURG grant
- Phi Beta Kappa
- Best booth
- Summa cum laude

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## Reasons why awards might not motivate behavior

Why not just use a monetary incentive?

- · Hard to titrate to behavior level
  - · Money is better for that
- · Just recognizes past success
  - E.g., posthumous awards
- · No real (aka monetary) value to recipient

## Benefits of Awards

- Boosts intrinsic motivation
  - · Unlike monetary rewards that may "crowd out" intrinsic motivation
- Social aspects (awards made in public)
- · Prestige/glory
- · Creates bond of loyalty between giver and awardee

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## How to devalue an award

- · Give it out too often
- · Give it to people who don't deserve it
- Awardee declines/ignores the award (Bob Dylan)

## Effects of awards on ....

Before awardee is selected After awardee is selected

Winners

People working toward the award

Recognition

Motivation

· Future work

Losers

· Resentment, jealousy

Prospective award

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Retrospective award

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# Types of Awards

- Confirmatory Awards
  - · Given automatically based on pre-defined criteria
  - · Induces decision makers to achieve the criteria but neglect other aspects of their work
    - Cheat or fake to make criteria
- · Discretionary Awards
  - Giver has leeway in selecting recipient
  - · Giver motivated to give award to cronies
  - But value of award erodes if it is not given to high merit recipients

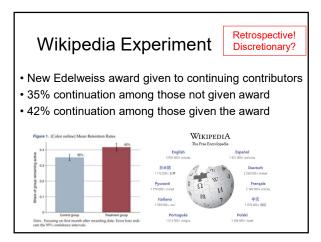
MANAGEMENT SCIENCE



Fostering Public Good Contributions with Symbolic Awards: A Large-Scale Natural Field Experiment at Wikipedia

65: economics; behavior and behavioral decision making; public good provision; awards and ration; natural field experiment; Wikipedia; online community management Received October 31, 2014; accepted April 11, 2016, by John List, behavioral economics. Published in Article in Advance September 30, 2016.

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Organizational Behavior and Human Decision Processes

journal homepage: www.elsevier.com/locate/olhldp

The demotivating effect (and unintended message) of awards

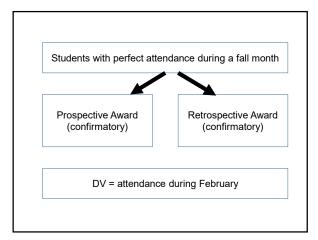
Carly D. Robinson\*\*\*, Jana Gallus\*, Monica G. Lee\*, Todd Rogers\*

\*\*Remotivating deflect (and unintended message) of awards

Carly D. Robinson\*\*\*, Jana Gallus\*, Monica G. Lee\*, Todd Rogers\*

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A) Prospective Award Letter

Dear Sammy.
You can earn an award if you have perfect attendance in February!

If you have zero absences\* in February, you will receive the Perfect Attendance Award (like the one below). The award will be sent to you in the mail, and it will not be offered again this school year.

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Retrospective award backfires

Low Achieving Students

High Achieving Students

High Achieving Students

Control Prospective Retrospective

Control Prospective Retrospective

Fig. 2. Heterogeneous treatment effects on student absences in February (Prospective vs. Control and Retrospective vs. Control by median split of academic performance. Predictions from OLS regression with strata fixed effects and student covariates as controls (Table 5, Column 1).

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# Why the Backfire?

- Signaled that perfect attendance is above and beyond normal expectations.
- · Prospective award had no effect either way

### **Prizes and Productivity**

How Winning the Fields Medal Affects Scientific Output

### Award is

George J. Borjas Kirk B. Doran Prospective: contenders know about it in advance Is it also retrospective? Does it motivate performance post-award among winners?

#### ABSTRACT

Knowledge generation is key to economic growth, and scientific prizes are designed to encourage it. But how does winning a prestigious prize affect future output? We compare the productivity of Flesh Medal recipients (winners of the top mathematics prize) to that of similarly brilliant contenders. The two groups have similar publication rates until the award year, after which the winners productivity declines. The medalists begin to "play the field," studying unfamiliar topics at the expense of writing papers. It appears that tournaments can have large postprize effects on the effort allocation of knowledge producers.

"I look forward to proving more theorems. I hope the weight of this prize doesn't slow me down."  $\label{eq:constraint}$ 

—Stanislav Smirnov, Fields Medal recipient, 2010

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