Rewards Produce Temporary Compliance

Alfie Kohn

Kohn's most recent book is Punished by Rewards: The Trouble with Gold Stars, Incentive Plans, A's, Praise, and Other Bribes *(Houghton Mifflin). This article is adapted from an excerpt which first appeared in the* New York Times. *Kohn is also author of* No Contest: The Case Against Competition.

The basic strategy by which American managers try to improve quality in the workplace can be summarized in six words: Do this and you'll get that. Surveys suggest that at least three out of every four U.S. corporations rely on some sort of pay-for-performance program to "motivate" employees.

Piece-work pay for factory workers, stock options for top executives, commissions for salespeople, banquets and plaques and bonuses -- the variations go on and on, all of them reflecting an uncritical acceptance of a single, simple, outdated view of psychology that derives from work with lab animals. Indeed, the average U.S. company now resembles nothing so much as a television game show: "Tell our employees about the fabulous prizes we have for them if their productivity improves!"

Do incentives work? The answer depends on what we mean by "work." Rewards, like punishments, are extremely effective at producing one thing, and only one thing: temporary compliance. But carrots and sticks are strikingly ineffective at producing lasting change in attitudes or even in behaviors. They do not create an enduring commitment to any value or action; they merely, and temporarily, change what we do.

What's more, some two dozen studies from the field of social psychology have shown conclusively that people who expect to receive a reward for completing a task (or for doing it successfully) simply do not perform as well as those who don't expect to receive anything. This result, which has sometimes surprised the researchers themselves, has been found with all sorts of rewards, all sorts of people, and all sorts of tasks (with the most destructive effect found when the task involves creativity.)

In the workplace, not one controlled study, to the best of my knowledge, has ever demonstrated a long-term improvement in the quality of performance as a result of rewards. Short-term boosts in the quantity of production, maybe. But the sort of changes most of us want simply can't be achieved by dangling goodies in front of workers.

There is plenty of anecdotal evidence that managers are dissatisfied with the "motivational" programs in their organizations. A veritable herd of consultants awaits with new gimmicks for manipulating people, new variations on the same old theme. Unfortunately, the problems aren't really due to the way a given program has been implemented so much as to the simplistic premise of all pay-for-performance programs. Here are four reasons why incentive plans cannot succeed.

Rewards punish
Even those managers who understand that coercion and threats destroy motivation may fail to recognize that the same is true of rewards. Punishments and rewards are not really opposites; they are two sides of the same coin -- and the coin does not buy very much.

"Do this and you'll get that" is not very different from "Do this or here's what will happen to you." Both are ways of doing things to employees rather than working with them. The bonus itself may be highly desired -- who wouldn't want more money? -- but the experience of being controlled that results from someone's having made that bonus contingent on certain behavior is likely to feel punitive over the long run. No wonder one researcher refers to rewards as "control by seduction."

Reward systems are punitive for another reason, too: some people do not get the rewards they were hoping for, and the effect of this is, in practice, indistinguishable from being punished. The more desirable the reward, the more demoralizing it will be to miss out.

Rewards rupture relationships
Research and experience increasingly show that excellence depends on effective teamwork, both because of the exchange of ideas that occurs and the climate of social support that is created. But the scramble for rewards -- particularly when they are made scarce, creating competition -- destroys cooperation.

Relationships between supervisors and subordinates, too, can collapse under the weight of incentives. If a supervisor wields sanctions, chances are employees will be approximately as glad to see that person coming as they would be to glimpse a police car in their rearview mirror. But even if he or she is seen as a rewarder, the effect is essentially the same. Employees will be tempted to conceal any problems they might be having, to present themselves as infinitely competent. Rather than asking for help, they may try to flatter that person and convince him or her that everything is under control. Very few things are as dangerous to an organization as a collection of incentive-driven individuals trying to reassure (and curry favor with) the incentive dispenser.

Rewards discourage risk-taking
Whenever people are led to think about what they will get for doing something, they will be less inclined to take risks or explore possibilities, to play hunches that might not pay off or attend to anything whose relevance to the problem at hand

isn't immediately evident. In a word, the number one casualty of rewards is creativity.

Excellence pulls in one direction; encouraging employees to think about how well they are doing (and what they will earn as a result) pulls in another. The proof: a dozen psychological studies showing that the more people are led to think about rewards, the more they prefer easy tasks. Challenge is typically avoided not because of laziness but because incentive systems encourage concern about what one is going to get.

"Do this and you'll get that" makes people focus on the "that," not the "this" which means that prompting employees to focus on how much will be in their pay envelopes is about the last strategy we ought to use if we care about innovation. In short, if the question is, Do rewards motivate people? the answer is, Absolutely. They motivate people to get rewards.

Rewards undermine interest
Artificial incentives are not only less effective than intrinsic motivation -- they tend to undermine it. The more a manager gets employees to think about what they will earn for doing their jobs well, the less interested they will be in what they are doing. Rewards turn play into work and work into drudgery.

The first studies to establish this effect were conducted in the early 1970s by Edward Deci at the University of Rochester. By now, scores of experiments across the country have replicated the finding that people who are promised rewards for doing something are less likely to continue doing it when they have a choice as compared with people who aren't promised anything.

Several practical conclusions follow from this analysis:

- It is not enough to change the type of bribe we're offering (t-shirts versus trips versus cash), or the criteria for getting it, or the level at which it's offered (e.g., for teams instead of individuals). The problem is that we rely on bribes at all. Of the four explanations offered here to account for how incentives impede performance, not one will disappear just because we manipulate people a little differently.
- The problem is not with compensation, per se, but with turning compensation into a reward -- that is, pushing money into people's faces by offering more of it if they do what they're told. The more closely compensation is conditioned on achievement, the more damage is done.
- We have to stop asking how motivated employees are, and start asking how employees are motivated. Motivation isn't a single entity, such that rewards can create more of "it." Rather, intrinsic motivation (loving what you do) is completely different from extrinsic motivation (doing something to get a goody) -- and more of the latter often means less of the former.

- If "recognition" of employees is intended to control their future behavior, it will backfire as surely as programs involving tangible rewards. If recognition is intended only as a respectful acknowledgment of a job well done, then it should be done privately, non-competitively, and in the context of a two-way conversion rather than as a patronizing pat on the head.

My recommendation is that business owners pay employees well and fairly ... and then do everything possible to help them forget about money. Attempts to improve an organization by fiddling with the compensation system are doomed to failure, as the late W. Edwards Deming and others have shown.

So what should replace carrot-and-stick psychology?

The quick answer is that there are no quick answers. But three C's offer a good framework: choice, collaboration, and content. Choice means that employees should be able to participate in making decisions about what they do every day. Collaboration concerns the need to structure effective teams. Content refers to the tasks on which people work; as Frederick Herzberg put it, "If you want people motivated to do a good job, give them a good job to do."

Successfully attending to these three factors is much more difficult than offering doggie biscuits to people for jumping through your hoops. But manipulating behavior by offering reinforcements, while a sound approach for training the family pet, can never bring quality to the workplace.

Reprinted with permission from the Small Business Forum, Winter 1994/1995 issue. For more information on the Small Business Forum, please see the Wisconsin SBDC Home Page

---