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EXPLORING THE COMPLEXITIES OF HUMAN BEHAVIOUR: EFFORT, INCENTIVES, AND THE ROLE OF PERCEPTION, AN EXPERIMENTAL STUDY

¹Ravi and ²Ujjwal Katiyar

^{1&2}Independent Researchers

¹He Has Done His Masters In Geography From Jawaharlal Nehru University And Graduation From Panjab University.

His Interest Area Covers Social Geography, Behavioural Studies and Urban Planning.

²He Has Done His Masters In Geography From Jawaharlal Nehru University and Graduation From

Allahabad University. His Interest Area Covers Political Geography, Behavioural Studies and GIS.

Abstract

Human behaviour is an incredibly intricate and multifaceted phenomenon, influenced by a complex interplay of factors such as effort, incentives, and perception. Effort and incentives are closely interconnected, with incentives serving as powerful motivators that encourage individuals to exert effort and take action. However, it is crucial to recognize that not all incentives are equally effective for everyone. Individuals have unique needs, preferences, and values, which means that different forms of incentives will resonate differently with each person. For some individuals, financial rewards may be the primary driving force, while others may be motivated by social recognition, intrinsic satisfaction, or personal growth opportunities. Understanding this diversity of incentives is essential in order to design effective strategies that can inspire and sustain effort across a wide range of individuals. Furthermore, it is important to acknowledge that human motivation is not a static construct. The same incentive that initially sparks effort may lose its effectiveness over time. As individuals adapt and evolve, their motivations and priorities shift, and what once served as a strong incentive may no longer have the same impact. This necessitates a dynamic approach to incentives, where continuous evaluation and adaptation are required to maintain long-term motivation and engagement. The implications of this understanding extend to various domains and disciplines. In policy-making, for instance, a deep understanding of the diverse incentives that drive human behaviour can inform the design of effective interventions. By tailoring incentives to align with individual needs and motivations, policymakers can increase the likelihood of desired behavioural outcomes. In organizational management, recognizing the importance of individual preferences in incentivizing employees can contribute to higher levels of productivity and job satisfaction. Similarly, in behaviour change interventions, a nuanced understanding of incentives can help design interventions that resonate with target populations and facilitate lasting change. By dwelling into the complex dynamics of effort, incentives, and perception, researchers and practitioners can unlock new insights and strategies to effectively influence human behaviour. This requires an ongoing commitment to studying and understanding the individual differences and evolving motivations that shape human decision-making. Ultimately, by harnessing this knowledge, we can create environments and systems that inspire and sustain effort, leading to positive outcomes in various domains of human endeavour.

Keywords: Phenomenon, Perception, Behaviour, Endeavour.

INTRODUCTION

Efforts and incentives have been extensively studied and are a significant focus in the field of the capital economy. Incentivising effort has been terrorized to have productivity gain as has been established in efficiency wage theory (cite). For example, giving workers over and above the wage market clearing wage rate is expected to work as motivation booster for the workers to not shirk and be more responsible while working in the organization. Various stakeholders, including organizations, administrations, planners, and academicians, are greatly influenced by this relationship as they seek to motivate individuals to exert effort when necessary. However, existing literature has not adequately explored the impact of individual personality on this relationship, particularly in relation to task performance.

Previous research has predominantly focused on financial and non-financial incentives. However, through experimental studies, authors have proposed the idea that individual perception plays a crucial role in motivating effort. While it is widely acknowledged that finances play a significant role in the capital economy, individuals prioritize different forms of capital based on their own values and needs. These can include economic capital, social capital, political capital, intellectual capital, and others. The authors also shed light on the sustainability of effort. To maintain individuals' effort, incentives need to be updated or modified over time to keep motivation at levels high. The authors' three experiments clearly demonstrate that the meaning of incentives differs across various segments of people, depending on their perception, experiences, beliefs, and that the same incentive cannot consistently motivate individuals to exert effort indefinitely.



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The incentive-effort relationship encompasses several dimensions, including financial and non-financial incentives, the perceived value of incentives, the effort required to attain them, the timing of incentives, motivation levels, and individual differences. Understanding what motivates each employee is crucial for employers. Efforts and incentives should be balanced, ensuring that the required effort is neither excessive nor insufficient. The timing of incentives should be carefully considered, and motivation levels can vary depending on the type and magnitude of the offered incentives. Additionally, individual differences, such as personality traits, experience, and skill level, can influence the incentive-effort relationship. For example, risk-averse individuals may require higher levels of incentives to undertake tasks with higher risk levels.

LITERATURE REVIEW

The study related to the effort and incentive has been evolving and under covering various aspect of it. The impact of different incentives on students' effort and performance in online quizzes has been studied, and the findings reveal that tournament incentives and participation incentives do not effectively increase quiz participation. However, when quizzes are weighted towards the final grade, there is a significant boost in participation (Chevalier 2018).The incentive of image motivation, which refers to the desire to be liked and well-regarded by others, in driving pro-social behaviour (acts of kindness or altruism). The findings suggest that image motivation plays a vital role in driving pro-social behaviour, and the introduction of external monetary incentives can diminish the impact of image motivation. Consequently, monetary incentives may be less effective in promoting pro-social behaviour in public settings compared to private ones (Ariely 2009). It has been found that low physical activity rates is higher among U.S. adults, especially among older adults. As less than half of all adults meet public health recommendations for physical activity, the need for interventions to increase activity levels is crucial to prevent costly medical complications. The researchers aimed to test the effectiveness of financial incentives in promoting physical activity among sedentary older adults. The findings suggest that modest financial incentives tied to aerobic minutes are an effective strategy for increasing physical activity in this population (finkelstein 2008). therefore, showing the role of financial incentive in the generating the effort among targeted population. Another study was conducted to compare the impact of different interventions on performance. They first examined the effects of money administered through the organizational behaviour modification (O.B. Mod.) model and routine pay for performance. The results showed that the O.B. Mod.-administered money intervention outperformed routine pay for performance, resulting in a 37% increase in performance compared to an 11% increase. Furthermore, the researchers also compared the effects of O.B. Mod.-administered money with two other interventions: social recognition and performance feedback. The findings revealed that the O.B. Mod.-administered money intervention had stronger effects on performance than both social recognition (24% increase) and performance feedback (20% increase) (Stajkovic and luthans 2001).

METHODOLOGY

Through three experiments, this paper aim to explore the connection between effort and incentive which is responsible for distinct results in everyday life. The research conveys that the relationship between efforts and incentives is not static but rather dynamic, contingent upon individual perception and behaviour. The research findings further suggest that no singular incentive is capable of indefinitely sustaining motivation for individuals to consistently exert effort.

The rationale behind selecting specific sets of subjects for each experiment is as follows: In the first experiment, students from a Delhi school were chosen. The selection was based on the fact that these students mostly come from families with high per capita income. By doing so, the undue influence of money as an incentive could be isolated. Additionally, the author specifically selected the top-performing class to ensure that the students were predominantly focused on academic achievements and grades rather than other co-curricular activities. For the second experiment, workers from a factory with contractual labour were selected. The choice of this group was motivated by the understanding that individuals facing financial deficits are more likely to be motivated by financial incentives compared to other types. By studying this group, the author aimed to investigate the impact of monetary incentives on effort. In the third experiment, a group of elderly individuals/ sedentary old people was chosen. The selection of this group aimed to minimize the effects of financial and non-financial incentives, as older individuals may have different motivations and may be less influenced by external rewards. The focus was on studying individuals who primarily rely on their inner beliefs and motivations rather than external incentives. By carefully selecting these distinct groups of subjects, the author aimed to capture different aspects of the effort-incentive relationship and explore how individual perception, behaviour, and motivations come into play.

Experiment 1: A set of 50 students in class have been given a assignment with varied level of incentive and the results are recorded. The author conducted an experiment with students, where they were given an assignment to read an article related to the topic taught in the class. There were three different incentives associated with this assignment:

Incentive A: The assignment had no extra incentive attached to it. It was solely for review purposes.

Incentive B: The assignment was accompanied by an incentive of receiving 100 Rupees upon completion.



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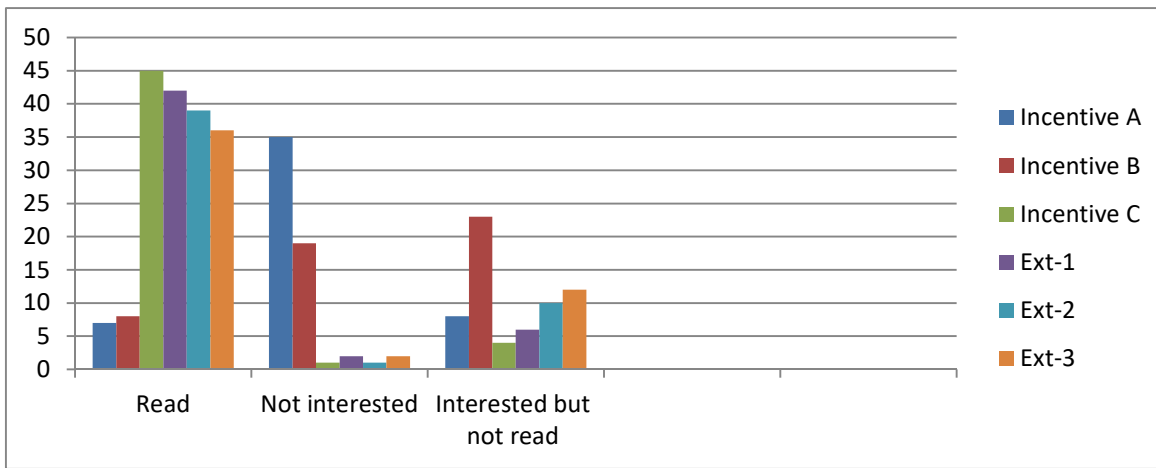


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Incentive C: The assignment carried a 20% weightage in the students' grades as an incentive.
Ext:1,2,3: Incentive C was extended for three additional iterations.

Efforts ▼	Incentive A	Incentive B	Incentive C	Ext-1	Ext-2	Ext-3
Read	7	8	45	42	39	36
Not interested	35	19	1	2	1	2
Interested but not read	8	23	4	6	10	12



Experiment 2: It was done at an industrial site involving 35 contract workers. The work was divided into units, i.e. the number of articles produced by the worker in a day, the reference point for each worker is taken from the average value of the articles produced by the individual worker in the past 7 days and three different incentives were tested:

Incentive A: The worker who completed the maximum number of units would receive an appreciation certificate.

Incentive B: The same task had an incentive where the best performer would be promoted to the role of a team representative for 2 months and represent the team in negotiations or other factory-related matters.

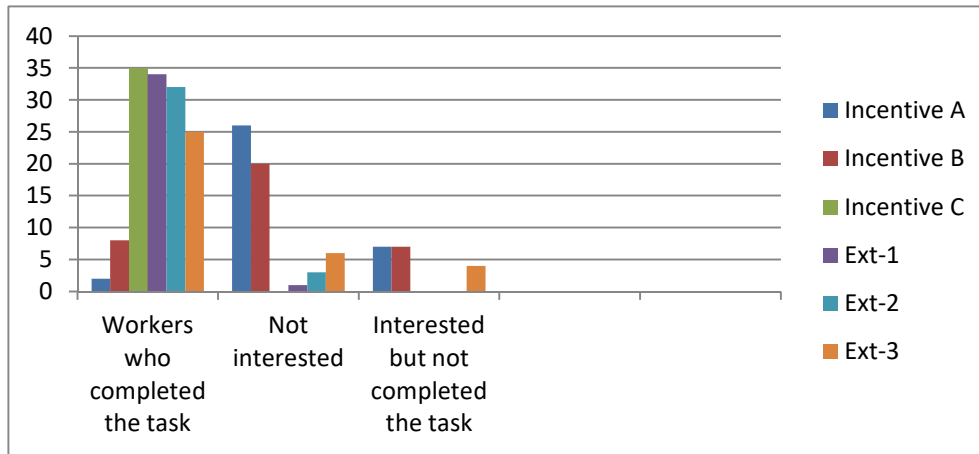
Incentive C: The same task now had the monetary incentive, and the workers would receive extra salary bonus based on their performance.

Ext:1,2,3: Incentive C was extended for three more iterations to observe its sustained impact on worker performance.

Efforts ▼	Incentive A	Incentive B	Incentive C	Ext-1	Ext-2	Ext-3
Workers who completed the task	2	8	35	34	32	25
Not interested	26	20	0	1	3	6
Interested but not completed the task	7	7	0	0	0	4



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Experiment 3 The third experiment involved a group of 30 retired individuals who typically spent their time in social gatherings without engaging in any specific activities. The subjects were selected from a community location where they would often gather during the day. Given the nature of this group and to ensure their participation in the experiment, efforts and incentives were introduced in a non-conventional manner. In this experiment, the task assigned to the subjects was to convince them to visit a nearby location. The act of persuading them to move from their usual gathering place was considered the effort required in this context. The incentives provided to the participants were also tailored in a different form, as previously stated. By designing the experiment in this manner, the author aimed to explore the dynamics of effort and incentives within a unique setting involving retired individuals. The unconventional approach allowed for a deeper understanding of how different factors, such as social interactions and motivations, can influence their willingness to make a change or undertake a particular task.

- Incentive A: The subjects were asked to visit a community center in the next village, and they would be compensated for the travel arrangement and provided with a meal.
- Incentive B: The subjects were now asked to visit the community center, and they would be given money to participate in the program, in addition to the travel arrangement and meal.
- Incentive C: The religious gathering was organized at the community center, of the same religious belief as the subjects, travel charges, or meal were provided but no monetary incentive..
- Ext:1,2,3: Incentive C was extended for three more iterations to observe its sustained impact of emotional incentive (religious gathering) on the efforts.

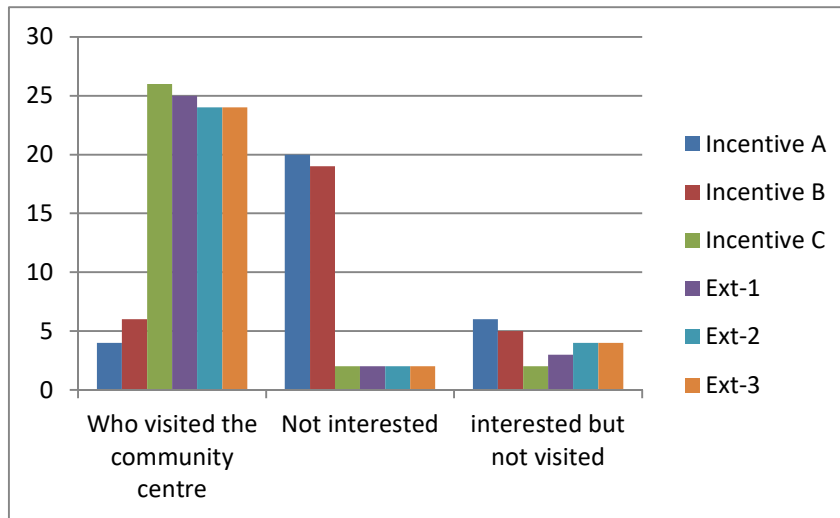
Efforts ▼	Incentive A	Incentive B	Incentive C	Ext-1	Ext-2	Ext-3
Who visited the community centre	4	6	26	25	24	24
Not interested	20	19	2	2	2	2
interested but not visited	6	5	2	3	4	4



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DISCUSSION

The authors conducted series of experiments under different conditions to examine the relationship between effort and incentives. Here is a summary of the findings from each experiment:

Experiment 1 involved 50 students who were evaluated based on assigned assignments and the incentives associated with them. The results showed that incentives had a positive effect on the students, with the incentive attached to grades having the greatest impact. The participation of students significantly increased when the incentive of grades was introduced. However, when the incentive was extended, there was a gradual decline in participation. This decline was attributed to increased workload, the option to perform in later evaluations, and the interference with their daily life, such as cutting into their leisure time. This suggests that no single incentive can ensure sustained effort by students indefinitely. Instead, a combination of incentives may be needed to maintain effort over a longer period.

Experiment 2 involved workers at a factory site. The results indicated that the perception of money as an incentive had a significant influence, resulting in a marked increase in effort from the workers for a certain period of time. However, as the same monetary incentive was extended for three more iterations, there was a gradual decline in effort due to associated health issues. Workers expressed satisfaction with the incentive but stated that they would utilize it when they were ready to put in the same level of effort. Under compulsory conditions, their interest waned, and tasks that impacted their health did not motivate them to sustain effort endlessly.

Experiment 3 focused on a group of 30 elderly individuals. The results revealed that financial capital, social capital, and political capital had minimal impact on this population set. However, the beliefs and emotions related to religion had a substantial effect on their effort. When the incentive of religious gathering (emotional capital) was introduced, 26 out of 30 participants showed positive efforts and were willing to travel to the community place in the next village, whereas other incentives had limited impact. This highlights the significance of perception in influencing the effort put forth by individuals. The maintenance of a positive effort level when the religious incentive was extended indicates its continued effectiveness. The presence of a few individuals with in not interested and interested but not visited category, attributed to their atheistic beliefs or lack of interest in religion. Additionally, the increase in interested but not visited stance was influenced by the participants' health issues or their regular routine of visiting religious places.

Overall, the experiments demonstrate that the relationship between effort and incentives is influenced by various factors, including perception, belief systems, and individual circumstances. No single incentive can guarantee sustained effort indefinitely, and different individuals respond differently to incentives based on their unique characteristics and motivations.

CONCLUSIONS

The authors' experimental studies in the paper demonstrate that different sets of people, including students, workers, and the elderly, require different incentives to motivate their efforts. Traditional studies on the relationship between effort and incentives have primarily focused on the effects of financial and non-financial incentives on individuals' willingness to exert effort. Some studies have also explored the dimensions of effort that can be induced in individuals. While these research efforts have been beneficial for organizational needs, they are also relevant for government initiatives that rely on people's participation and aim to promote positive behaviours among citizens. However, a major limitation of traditional studies is that they often overlook the role of individual perception



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in determining the effectiveness of incentives in motivating effort. This gap in previous research is addressed by the authors through a series of experiments. Their findings demonstrate that while incentives do have an impact on individuals' effort levels, the same incentive cannot be universally effective for all individuals or subjects. Therefore, it is crucial to offer varied and multidimensional incentives to ensure maximum participation in government policies and to induce effort in individuals. Furthermore, the study highlights that the effectiveness of an incentive in motivating effort is not everlasting. It is recommended to periodically change or upgrade the incentives provided to individuals to sustain their motivation and continued effort. Overall, the authors' research emphasizes the need for a comprehensive evaluation of the relationship between effort and incentives, taking into account individual perception and employing multidimensional approaches. This understanding is vital for designing effective policies and programs that can successfully induce effort and encourage active participation from individuals.

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