

What motivates participants in real-effort tasks: Is it the journey or the destination?

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Abstract

Real-effort tasks are used frequently in economics experiments for various purposes. One example is to study the behavior of agents in contests. In this paper, we study the effort choices of subjects in real-effort tasks within a contest environment. Subjects participate in pairs in a tournament with two equal prizes. Despite the absence of monetary incentives, we find that subjects exert a positive amount of effort in real-effort tasks in the laboratory. This result is robust to the type of task considered (Encryption versus Slider) and the length of the task (10 minutes versus 20 minutes). We conjecture that, in addition to money, other contributing factors to subjects' effort choices may be curiosity/enjoyment, experimenter demand effect, and competitiveness. We find clear evidence for the curiosity/enjoyment effect by comparing the real-effort treatment with an effort-choice treatment. Introducing a minimum threshold on the effort level required for payment reduces effort, suggesting that experimental demand effects may also be motivating participants' effort choices. We do not find strong evidence for competitiveness since behavior is similar in a flat payment treatment. Increasing the opportunity cost of effort, e.g., by allowing participants to leave early or by providing them with a small payment for taking a time-out, significantly reduces participation in the real-effort task. Providing participants with an alternative activity that pays piece-rate for effort is the most effective of our treatments in reducing the effect of non-monetary incentives. In contrast to recent evidence, we find that participants do respond to changes in monetary incentives once the effects of non-monetary incentives are reduced. Our results suggest that motivations underlying performance in real-effort tasks, particularly in a contest environment, should be interpreted with caution.

Keywords: real-effort task, laboratory experiments, contests, non-monetary incentives, monetary incentives.