



# Numeracy and the Strength of Monetary versus Non-Monetary Incentives on Task Performance

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## INTRODUCTION

Monetary incentives are historically used by companies to reward their employees. Past research has found:

- Money tends to result in higher performance than non-monetary, tangible incentives (e.g., a meal, gift, etc.)

More recent research on incentives has found:

- In some settings, monetary incentives are less motivating to workers' effort than non-monetary incentives of equal value

The proposed study will examine the effects of the following factors on effort exerted to perform a clerical-like task:

- Objective numeracy
- Incentive level (low or high)
- Incentive type (monetary or non-monetary)

## HYPOTHESES

- Monetary incentives will be more effective in motivating those higher in numeracy than non-monetary incentives
- This effect will be more apparent in the monetary conditions than in the non-monetary conditions

## INCENTIVES

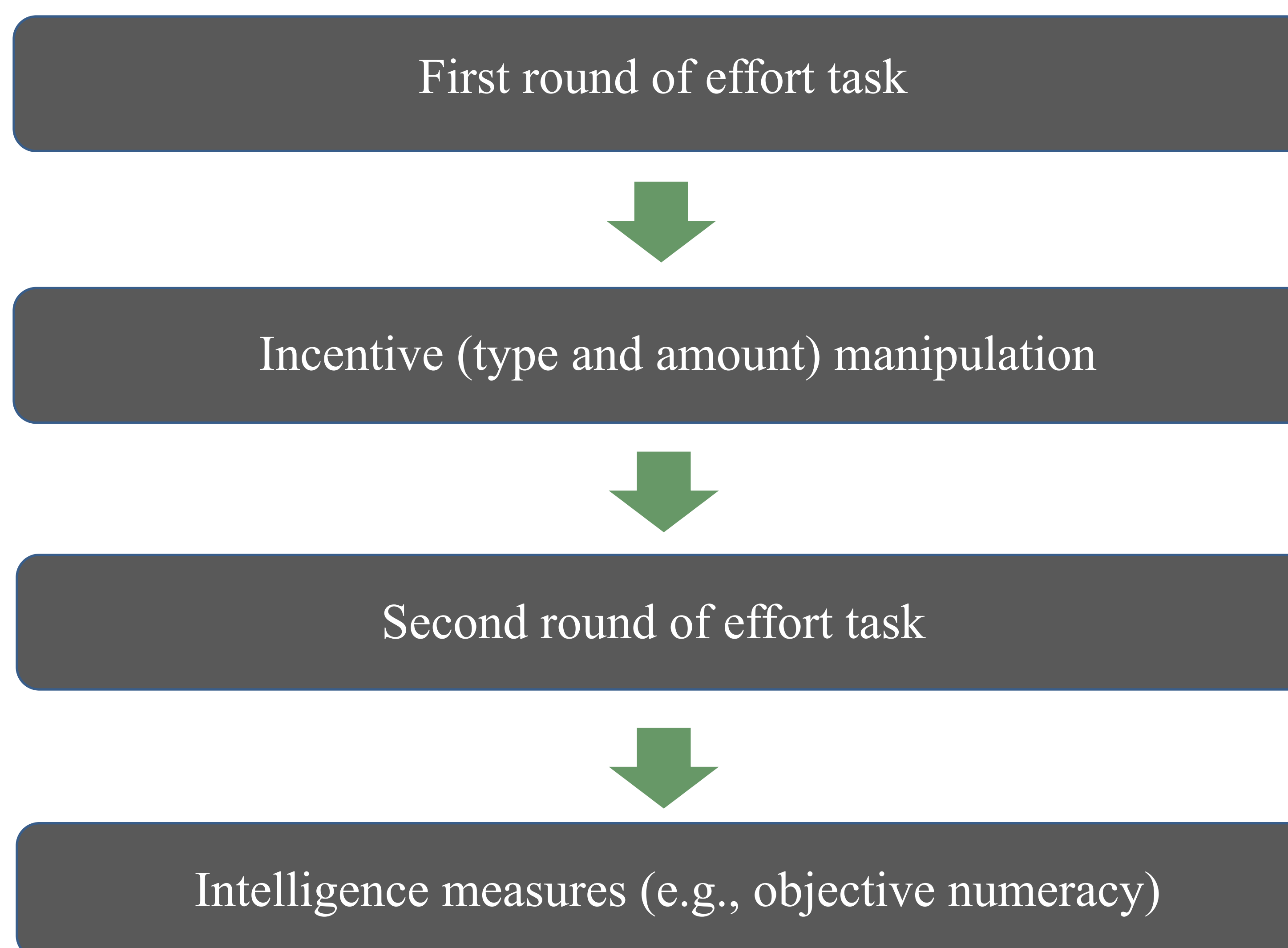
	Monetary	Non-Monetary
Low		
High		

## METHOD



### Design:

Incentive Type (monetary vs. non-monetary)  
 × Incentive Amount (high vs. low)  
 × Objective Numeracy (high vs. low)



## EFFORT TASK SAMPLE

*Below is a sample of the type of question participants will see while completing the effort task.*

Below is a list of research assistants and their work availability. Due to the nature of the schedule, no two research assistants can work on the same day. According to the list of availability, choose the most optimal day for each research assistant to work.

Type the name of the research assistant next to the appropriate day.

Research Assistant	Available Days
Sara	Monday, Tuesday
Donna	Wednesday, Friday
Abby	Tuesday, Thursday
Adam	Monday, Thursday
Tom	Wednesday, Friday

Monday

Tuesday

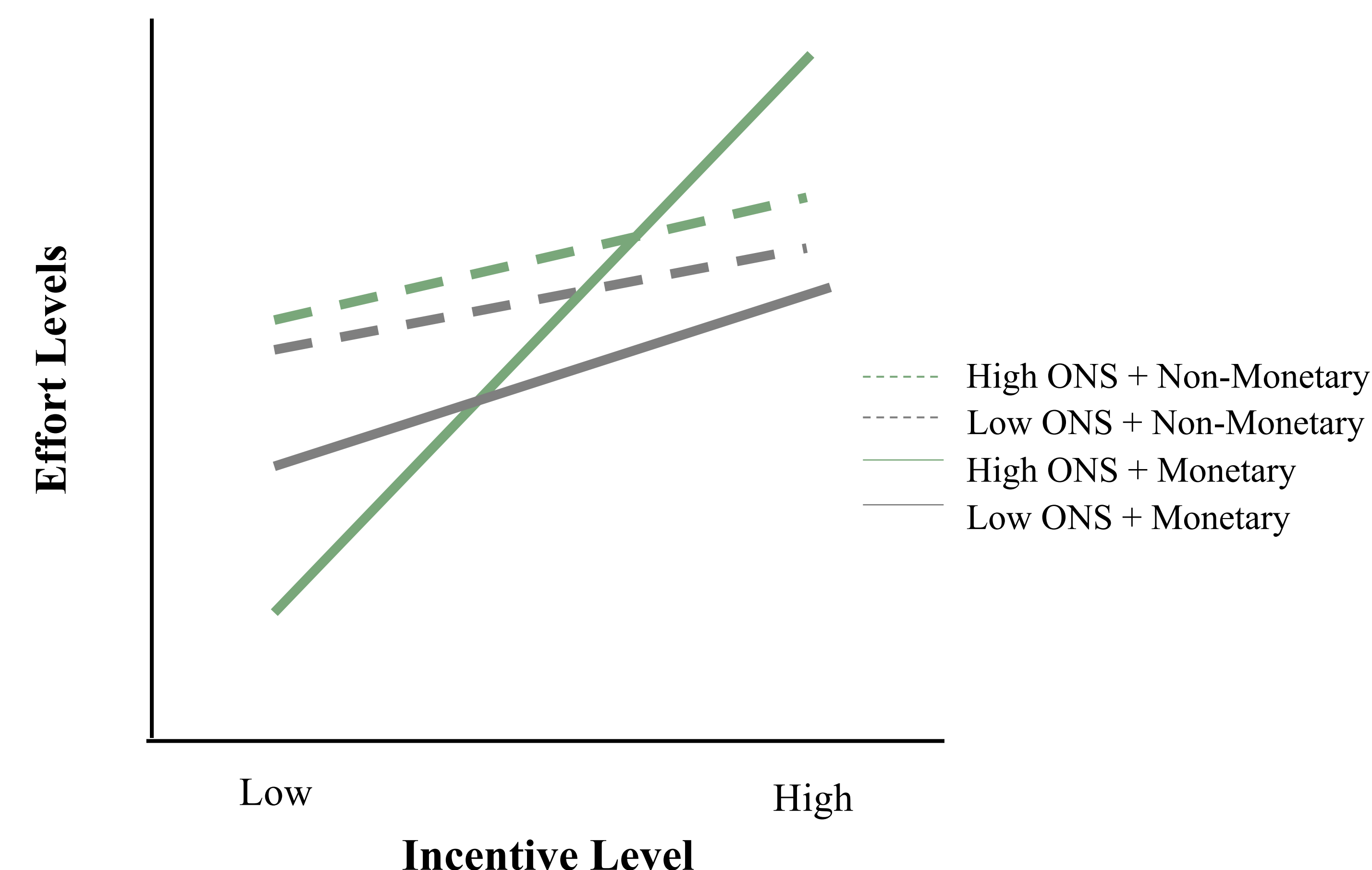
Wednesday

Thursday

Friday

## EXPECTED RESULTS

### Effects of Incentive Level, Type, and Objective Numeracy on Effort Levels



- The largest variation in effort levels due to the level of the incentive will be present in those high in ONS who receive a monetary incentive
  - Those high in ONS who receive the monetary incentive will exert the most effort
- There will be slightly more variation between the incentive levels for those low in ONS who receive the monetary incentive compared to the non-monetary conditions
- Regardless of the level of ONS or level of incentive, those who receive the non-monetary incentive will all exert roughly the same amount of effort

## ACKNOWLEDGEMENTS

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**FOR THE BIBLIOGRAPHY, SEE HANDOUT**