Name: ROBERT ZANNEO

Thesis Title: The Negative Impact of Incentives on Human Behavior

Thesis Sub-Title: Understanding the Difference between Extrinsic and Intrinsic Motivation

Thesis Director: Br. Daniel Wisniewski, OSFS (Mathematics)

Year: 2012
Abstract

An incentive is introduced to a human being in order to motivate a person to increase or decrease a particular behavior. Some economists assume that the introduction of an incentive will correlate positively with performance because without any incentive, effort is put forth at the lowest possible level. Contrarily, some psychologists have found that the exact opposite is true, as a negative correlation arises between incentives and performance. Since the sole purpose of an incentive is to motivate, it is important to take into account the reasons behind a person’s initial behavior from both a mental and moral perspective. Also, morals, faith, and reason interact with incentives to persuade and manipulate decision making and performance. The stronger the temptation or incentive, the further away human beings are driven from their core belief system. Furthermore, Deci & Ryan (2000) explain that human beings are faced with various intrinsic and extrinsic motivators, and realizing the difference between the two is vital in order to understand the correlation between reactions and incentives. Brafman & Brafman (2008) note that biologically, one form of motivation is dominant at each moment of time, therefore as incentives are offered and modified, our neurological responses are also changing, causing certain positive or negative reactions. From an athlete’s perspective, depending on the type of motivation or incentive originally assigned to a task, incentives are capable of crowding perspectives or manipulating behavior, ultimately causing undesired and periodical, mediocre results. Management does not seem to realize that depending on the type of incentive or compensation offered, a player’s career and franchise can take an abrupt turn for the worse.
Introduction

The standard economic theory of incentives states that introducing an incentive, such as money, will correlate positively with the effort put forth (Gneezy & Rustichini, 2000b). This directly coincides with the common notion about incentives that people have: everything surrounding and involving incentives is generally positive. This positive correlation and notion surrounding incentives and their purpose arises because of the fact that effort is put forth at the lowest possible level without any influential incentive (Kreps, 1997). Under rational thinking, this theory would stand true; however, the flaw in the economic theory is caused by the fact that humans are not always rational beings. That being said, economists are focused more on the use of remunerative incentives rather than moral incentives in which psychologists are interested. For economists, it is all about the money and how it influences people rather than the moral and religious reasons for why people do things that psychologists focus on. Contrary to popular belief, the distinction between the two types of incentives that exist is vital in order to understand how to create an overall successful, influential incentive. Few people distinguish between intrinsic and extrinsic motivation and decide that the two coincide and work together rather than separately (Kohn, 1993). This ignorance to benevolent reasoning is what can influence and cause unexpected results when incentives are introduced and utilized.

In order to fully understand the dynamics of an incentive and its impact on human beings, psychologists must understand what motivates human beings in the first place. Motivation, in a psychological sense, can be defined as the process that initiates, guides and maintains goal-oriented behaviors (Kreps, 1997). Motivation becomes apparent in a variety of scenarios that can be as miniscule as getting a glass of water to reduce thirst, reading a book to gain knowledge, or
as large as studying human behavior for centuries in order to become a clinical psychologist. The reasons behind these basic scenarios are very different, but the point is that some sort of motivation exists, mainly with three components. The three components of motivation include activation, persistence, and intensity, and work together to encourage or discourage behavior (Gneezy & Rustichini, 2000b). Along with these three components, faith, morals and reason play a large role in determining why human beings choose to do what they do. Based around those three components along with faith, morals and reason, psychologists need to understand how human beings are motivated in order to understand how and why human beings will respond or shun away from a particular incentive (Kohn 1993). Psychologists study human behavior so closely to determine if people are extrinsically or intrinsically motivated, and this can lead to the ability to predict responses to certain incentives, whether positive or negative. Contrary to popular belief, not all incentives will have a positive impact, as it all depends on the fundamental motivation that lies beneath the skin of each and every human being.
Chapter 1: What Are Incentives?

An incentive is presented in order to increase or decrease effort depending on the activity. There are two types of incentives, positive and negative (Carver & Scheier, 1990). Positive incentives are focused more on rewards or benefits offered to promote or increase a particular action (Carver & Scheier, 1990), for example, offering money to students who participate in a survey. The positive correlation surrounding positive incentives is that those who offer the incentive of money hope that people will be motivated to complete the survey in exchange for that money. Initial participation may be undesirable for a number of reasons, including lack of time or interest, but when a monetary reward is associated with participation, desirability increases and more completed surveys are anticipated. At the other end of the spectrum, negative incentives are also used to produce a specific outcome; however, they can be viewed as a punishment rather than as a reward. This type of incentive is used to decrease or avoid a particular action, depending on the circumstances (Carver & Scheier, 1990). For instance, issuing a fine for leaving a campground or playground unclean would be an example of a negative incentive that is used to try and decrease the likelihood of an action. In this particular case, the intention of the fine is to try and decrease the amount of dirt left behind by somebody by punishing them with a monetary fine for their misbehavior. While it seems reasonable to expect each type of incentive to meet its goal of increasing or decreasing a particular action, studies have shown this is not always true and not all incentives work in this manner when presented to human beings (Frey & Oberholzer-Gee, 1997; Gneezy & Rusticini, 2000a).

A vital aspect of understanding the reason for an undesirable result to incentives is the knowledge of motivation. Since the sole purpose of an incentive is to motivate a person to
complete a task or enhance performance, the outcome of a particular incentive directly reflects
the motivation of each individual person. A common misconception about motivation is that it
works as a unitary phenomenon, which varies from very little motivation to a large amount of it
(Deci & Ryan, 2000). Contrary to popular belief, Deci and Ryan (2000) suggest that motivation
could never be a unitary phenomenon based on the fact that humans have different amounts and
types of motivation. No scientists or psychologists can accurately hypothesize that each and
every human being shares a unique type of motivation with one another. Having similar types of
motivation between human beings is something that is simply not feasible based on the chemical
makeup of each and every human being. Deci and Ryan’s stance implies that not only will the
measure of motivation change but also the reason or goal for being motivated. For example, a
child could be highly motivated to babysit a younger sibling either because he/she enjoys helping
his/her family or because an allowance is promised. Similarly, an employee can be motivated to
cover a shift for a coworker to genuinely help out his/her coworker or to gain additional hours
and pay. In each case, the amount of motivation is relatively similar, but the reason for being
motivated is obviously different depending on the circumstance of the individual.

Over the course of the mid-twentieth century, psychologists have concretely defined two
explanations for human motivation: biological needs, such as survival and reproduction; and,
outside rewards such as public recognition or trophies (Sansone & Harackiewicz, 2000). These
explanations suggest a theory that humans act to achieve a certain goal; however, some activities
in which we participate offer no biological or external gain, introducing a completely new type
of motivation (Sansone & Harackiewicz, 2000). A distinction between the orientations of
motivations, or the reasons that generate actions, can be found in the Self-Determination Theory
(Deci & Ryan, 1985). This theory states that the fundamental difference between the orientations
of motivations is directly related to intrinsic and extrinsic motivations. Intrinsic motivation involves rewards and pleasures that one gains from inside oneself. An example of intrinsic motivation involves receiving satisfaction for helping someone else or enjoying the playing of a particular game. In such cases there is no outside reward; fulfillment only occurs on a private, personal level. Contrarily, extrinsic motivation is concerned with external gratification from some sort of outside source. Two of the most popular examples of extrinsic motivation are receiving money or winning an award, both of which differ significantly from intrinsic motivation.

The previous examples mentioned represent both types of motivation as defined here. In the situation where the child acts to assist his/her parents, his/her actions are based on intrinsic motivation, since it involves a genuine favor. On the contrary, the child who accepts babysitting to gain an allowance is concerned with an outside reward and therefore is extrinsically motivated. Similarly, taking a shift for a coworker as a “random act of kindness” would be explained through intrinsic motivation, while a worker covering a shift to simply gain hours and the additional pay is an example of a person being motivated extrinsically. There has been an abundance of research involving simple cases similar to the situations mentioned above which shows a clear difference in the quality of effort when acting out of either intrinsic or extrinsic motivation (Frey, 1994; Frey & Oberholzer-Gee, 1997; Ryan & Deci, 2000).

This battle between intrinsic versus extrinsic motivation is one of the most influential aspects of how people react to incentives. To try and provide professional insight on this topic, Ori Brafman and Ron Brafman discuss the biological element of motivation in their book *Sway* (2008). The Brafmans identify two separate parts of the brain that are involved with intrinsic and extrinsic motivation, and focus on two studies directly related to brain activity. The first was a
study conducted by Knutson, Adams, Fong & Hommer in 2001. Their study consisted of participants playing a video game while being examined through an MRI machine. The video game consisted of different Atari levels where the participant was to strike certain blocks and ultimately clear the figures on the screen. Before each round, a shape would appear on the screen which would determine what prize the participant would be playing for during that particular round. A circle represented a personal monetary gain for completion, a square represented a personal monetary loss, and a triangle represented no money at stake. The object of the game remained the same; the difference was with a circle a player was rewarded for zapping figures and not punished for failing to do so, whereas with a square a player was only punished for poor play and nothing more. The triangle in this situation was the control group, and quality of play was essentially irrelevant and not taken into account in this situation.

As the participants gradually progressed through the levels, scientists monitored their brain activity very closely. An observation was made involving the circles and the squares. Every time one of those two shapes would be shown, a particular region of the brain would light up. Contrarily, when a triangle was shown, the brain remained remotely inactive. This implied that a gain or loss in money was the reason for brain stimulation, causing a specific focus in play. The region which was observed is called the nucleus accumbens. The Brafmans (2008) refer to the region as the “pleasure center” because it is involved with common, enjoyable thrills of everyday life such as sports, gambling, sex and drugs. The MRI results provided further insight into the nucleus accumbens, as they identified this part of the brain as very active when financial compensation is involved, while others remained rather stagnant or inactive. Overall, this study suggests that there is a direct connection that can be made between the nucleus accumbens and the concept of extrinsic motivation (Knutson et al., 2001).
The second study on brain activity discussed by the Brafmans used a similar video game, but in a different context and situation. In this study conducted by Tankersley, Stowe & Huettel (2007), money was rewarded or taken from charity instead of the actual participant involved. While monitoring brain activity, scientists found the nucleus accumbens to remain dormant. A completely separate region known as the posterior superior temporal sulcus was being activated through this activity and potential incentive. The Brafmans (2008) refer to this region, which is active when handling social interactions, as the “altruism center.” Since it is triggered by the way people react to others, the posterior superior temporal sulcus has a clear link to intrinsic motivation as opposed to extrinsic motivation (Tankersley et al., 2007). The Brafmans (2008) state an important conclusion that the regions are separate and unable to function together. During each moment of time, one of these two areas of the brain is more dominant than the other, which implies that we are constantly acting with either intrinsic or extrinsic motivation, not both simultaneously. As incentives are being offered and modified, our biological responses are also changing and adapting to what we intake.
Chapter 2: Do Incentives Increase Participation and Influence Positive Behavior?

The theory of incentives that there is a positive correlation between incentives and behavior has been described by economists as “flawed” not “incorrect.” The distinction is made because of the fact that there is no concrete research that exists to completely disprove this plausible theory. Regarding this theory, there is only research that provides specific exceptions to the theory, or proof that in certain cases an undesirable result can indeed be produced. This is where the battle between intrinsic and extrinsic motivation comes into play. Paralleling the common notion that incentives positively impact behavior, it can be said that using compensation when one is extrinsically motivated can be a successful strategy to produce a desired outcome or behavior (Frey & Oberholzer-Gee, 1997). On the contrary, most explanations of the production of unanticipated results are based on intrinsically motivated activities that produce unwarranted behaviors; however, arguments have been made that there exist “hidden costs of reward” which are linked to intrinsic motivation (Lepper and Greene, 1978). These “hidden costs” of rewards refer to the phenomenon of reduced intrinsic motivation due to the fact that a human being is acting in a manner to gain internal benefits. In these particular scenarios, being paid and compensated for some type of service or behavior is undermining his/her altruistic and innate feelings and thoughts (Frey, 1994).

Frey and Oberholzer-Gee (1997) further discuss the effects of monetary incentives on intrinsic motivation with their explanation of the Crowding-Out Theory. This particular theory, which supplements economic theory, in its broadest sense, causes interest rates to rise, which therefore reduces investment spending (Frey & Oberholzer-Gee, 1997). Basically, an increase in government spending within the money market will crowd out investment spending. These
economists applied their theory to a study which surveyed Swiss citizens concerning a toxic facility that was being built in their city.

In 1993, two cities located in central Switzerland were chosen as potential sites for building a toxic facility. Information on the reasoning behind the facility and the harm involved were given to the chosen respondents from the cities in advance to give everybody a forewarning of what was coming. When surveyed on willingness to build a nuclear waste repository in their community, more than half of the Swiss citizens (50.8 percent) voted in favor of the facility. On the other side of the vote, a large number of Swiss citizens (44.9 percent) opposed this effort, while 4.3 percent were indifferent. To test the economic theory, monetary incentives were introduced and offered to the citizens in hopes of increasing the number of people who supported the building of this facility. The amounts offered to the Swiss citizens varied in price from $2,175 to $4,350 to $6,525. These results were shocking because the number of respondents that agreed to have this facility built had dropped from 50.8 percent to an average of 24.6 percent when a monetary incentive was given.

This case is of interest because the amount of compensation given had no noteworthy effect on acceptance of building the facility. After five price increases were offered, only one respondent overall had changed his/her mind regarding this matter. Likewise, the second Swiss city yielded similar survey results: 41.0 percent were in favor initially of a radioactive waste repository, 56.4 percent voted against it and 2.6 percent were indifferent. Compensation was then offered to the second group, as it was to the group in the first city, and, again, there was a 29 percent decrease in acceptance. The common underlying factor was that the common notion of offering monetary incentives to persuade human beings to do something does not always work. It goes much deeper than offering some type of tangible incentive, and involves realizing why
people are motivated to accept or reject certain actions and situations (Frey & Oberholzer-Gee, 1997).

The above mentioned nuclear waste facility was a part of a project known as “Not in My Back Yard” or NIMBY. Other projects in this program include building and constructing new incinerators, prisons, airports and clinics for the mentally ill in particular cities or regions around the world. The name of the project is derived from the opposition to having such an unpleasant or harmful facility built in one’s own close-knit community. These projects are often socially favorable undertakings because they increase communal well-being, but they require a large amount of undesirable costs on neighbors who live close to the actual project sites (Frey & Oberholzer-Gee, 1997). Since the detriments of these facilities are high, economic theory suggests that compensation will increase benefits and ultimately induce a higher acceptance rate, but as the facility example demonstrates, that this is not always going to hold true (O’Hare, 1977).

Within the context of these project situations, a mathematical equation can be formed to model exactly what is going on. The probability equation $p(S)= [B-C+E]$ where $S$ represents the probable level of support, $B$ represents the benefits gained, $E$ represents the compensation earned if the facility is built, and $C$ represents the negative externalities, can be applied to show how a human thinks about either supporting/neglecting a certain idea (Frey & Oberholzer-Gee, 1997). In terms of this equation, we can calculate a person’s probability of support for a project by subtracting the negative externalities that are associated with the situation, such as health risks or hazards, from the benefits gained, and then adding in the compensation received for supporting the project. This economic effect is not the only factor involved with the decision. If we interpret this mathematical equation, we can see how and why the common notion of always introducing
compensation to influence a particular action will not always directly work. There are more factors than we think weighing on the mind every human being outside of the incentive being presented. If the benefits gained, including employment and tax cuts, and negative externalities, including toxic waste, do not even out, one will be unlikely to support any questionable project idea. The higher the levels of support, the more likely it is that a noxious facility will ultimately be built.

Another factor that many psychologists and economists disregard when referencing the above-mentioned projects involves intrinsic motivation for regional benefits (Frey and Oberholzer-Gee, 1997). Hamilton (1993) found that there is a greater likelihood for toxic facilities to be built in communities with larger levels of support than in communities with little to no support. This seems rather obvious, but tends to be overlooked in cases where significant incentives and compensation are offered. In order to understand this clearly, recall the parts of the brain we mentioned in the discussion about the work of the Brafman brothers: the “altruistic center” which involves innate feelings and thoughts, and the “pleasure center” which encompasses abilities to accept compensation and reward. The basic idea is that these two parts of the brain cannot function simultaneously to influence thoughts and behavior and therefore, at all times, one part has to be more dominant than the other and motivate certain behavior and actions.

In the Swiss study, when a monetary incentive was given, the framing of the situation changed drastically, and caused human beings to think in a totally different manner, using predominantly their “altruistic center” and ignoring the money. Frey and Oberholzer-Gee (1997) note: “Monetary rewards undermine intrinsic motivation, and the marginal benefit of supporting the project is lowered” (p. 748). Their hypothesis is that the Crowding-Out Effect, defined
earlier, will override the relative price effect that is relevant in the Swiss study. The common notion that the general public has revolves around the fact that extrinsic incentive will be more prevalent and their intrinsic motivation will lessen, but cases like the Swiss project prove otherwise (Deci and Ryan, 1985). The citizens were more accepting of implementing a noxious waste facility when no compensation was offered because of the fact that they felt altruistically that they were fulfilling their civic duty as human beings. The question then is what is more important, intrinsic or extrinsic motivation?
Chapter 3: Positive Incentives vs. Negative Incentives

Many human beings tend to think that incentives can only be introduced to influence a particular behavior rather than prohibit or deter it (Deci and Ryan, 1985). The key is to understand that unexpected reactions are not linked only to positive incentives. The other side of this dilemma involves introducing negative incentives to ultimately deter or decrease the likelihood of a behavior or action. What most people do not realize, however, is that if an incentive is not severe or tantalizing enough, an action or behavior will not be deterred. That being said, the aforementioned economic theory can also be weakened when a negative incentive is presented. One of the most famous studies illustrating the effects of negative incentives was done by Gneezy and Rustichini in 2000. These psychologists created a study that involved analyzing eleven private day care centers in Israel. Within this study, the focus of the psychologists was on the frequency of parents being late to pick up their children, and the overall effects that introducing a fine would have on that frequency.

Over a twenty-week period, four of the eleven centers were used as control groups, while the other seven were periodically given different circumstances and penalties to introduce for parents arriving late. The cost of day care per child was about $380 every two weeks, and the center was open between 7:30 a.m. and 6:00 p.m. daily. In the initial contract, there were no specific penalties or limits outlined for parents who came late. The first four weeks were used to observe the initial number of parents that would pick up their children late in order to get a feel for how many parents were actually arriving after 6:00 p.m. After the fourth week, a small fine of $3 per child was introduced for parents who would arrive ten or more minutes late over a three
week period. At the beginning of the seventeenth week, the fine was removed to see how the behavior and tardiness changed.

Through their rigorous study, Gneezy and Rustichini (2000a) surprisingly found a sharp increase in the amount of tardy parents when the fine was imposed. These results can be interpreted as direct opposition to the economic theory. Such actions occurred because of another change in the mindset and framing of the parents who were arriving late. Before the fine was introduced, the parents were unable to scale the severity of their behavior or feel any guilt or remorse for what they did. This uncertainty caused a large number of parents to act cautiously because they feared what punishment could be issued and felt guilt for arriving late. When a fine was established however, that uncertainty was answered. The amount of the fine provided insight into how serious, or in this case, unserious the action of arriving late really was (Gneezy & Rusticini, 2000a).

The fact that parents are now paying for their actions leads to the release of any guilt they previously had. As mentioned earlier, only one center of the brain, either the pleasure or altruistic, can be functioning at any given time. In this study, a shift from the altruistic center (relating to the teachers and guilt for tardiness) to the pleasure center (payment for actions and benefits of extra time alone) was made, with the point being that the fine was not large enough to deter behavior.

The results from Gneezy and Rusticini’s study (2000a) also show a relatively constant number of parents arriving late after the fine was revoked in the last four weeks. Since the fine was used as an excuse for parents to consider their behavior acceptable, removing the fine should have theoretically erased that excuse; however, there was no significant change when the fine was removed. The parents were told that the fine was a limited time study and its removal was
for no specific reason. A decision concerning the severity of the behavior had already been made based on the amount of the fine and even as that fine was removed, parents’ perception of the whole situation remained constant. Gneezy and Rusticini explain, “We do not claim that every time a fine is introduced the effect is similar. It is easy to speculate that with a very large fine that no parent would have come late. What this field study teaches us, we believe, is that introducing fines changes the perception of people regarding the environment in which they operate” (2000a, p. 3).

An incentive is capable of producing the desired affects of an action. Frey and Oberholzer-Gee (1997) suggest that in areas where intrinsic motivation does not exist or has already been crowded out, the use of monetary rewards can be a successful approach. On the contrary, the possibility of undesirable results during extrinsically motivated behaviors can still exist. Desired results may appear to be produced, but a closer observation can sometimes reveal the exact opposite. Ferraro, Pfeffer & Sutton (2005) argue that the language and assumptions of economics have adversely influenced behavior. While individuals are focused on personal gain, the quality levels and amount of teamwork decrease (Kohn, 1993). Performance may appear to be increasing; however, the well-being of an organization or person can be in harm. The creation of a self-interested behavior provides acceptance of untruthful and poor management practices in order to receive a reward (Ferraro et al., 2005).

In the book Sway (2008), the Brafmans describe and outline a study done at a high school in Ann Arbor, Michigan that portrays another example of the negative side effects of using incentives (Eberts, Hollenbeck & Stone, 2002). Community High School is an alternative education school which means it acts in a nontraditional manner in order to educate students. The school itself has very few rules, and those that existed are hardly established or reinforced. The
school is aimed at encouraging and developing students’ unique strengths by providing opportunities to grow in all aspects both personally and intellectually. That being said, the starting salary for teachers in 1996 was $22,848. The comparison of workload to salary is extremely unequal which provides evidence that the teachers at Community High School have strong feelings of dedication and compassion to develop well-rounded students. A new state law was established which stated schools could operate independently if they created and tested an innovative program. The program chosen by teachers at Community High School was aimed at improving class attendance and, hopefully, improving student performance. To evaluate attendance there would be a random absence counting in the last week of the semester. Teachers with at least 80 percent of their students present would receive a bonus equal to 12 percent of their annual salary. It is important to recognize and note that teachers did not ask for an increase in compensation but were issued their bonuses to fulfill a state program requirement. After three years of the program, the statistics showed an increase in class completion from 51 percent to 72 percent (Eberts et al., 2002).

The results would lead one to believe that the program was working; however, after further inspection, that notion was shown to be untrue. Completion rate had improved, but attendance rate remained constant (59 percent to 58.6 percent), and the cumulative GPA for students dropped from 2.71 to 2.18. These results showed that the program had been a complete failure, contrary to popular belief based on the data observed and collected (Eberts et al., 2002). The researchers studied the figures and interviewed the teachers involved. The reason the program was unsuccessful was rooted in the teachers’ motivation. Regarding this study, the Brafmans state that, “Once the pilot study was introduced, in order to secure their bonuses the teachers began concentrating their efforts on enticing students to show up who would otherwise
have cut class” (2008, p. 146). The focus was no longer on expanding students’ intellect, but on expanding interesting activities to keep students interested in coming to class. This represents a crowding-out of intrinsic motivation, which as stated earlier, should theoretically be successful as it opens up the opportunity for the students to receive extrinsic rewards; however, the initial desired results of improving students’ performance were unmet because of the fact that teachers were acting only in their own self-interest.
Chapter 4: Incentive Factors in the Workplace

The studies discussed in Chapters Two and Three provide evidence that incentives can undermine the very processes they are intended to enhance. The same types of results can also be extended to employment in the workplace. Another potential problem is that incentives may create only a temporary successful result, rather than a longstanding behavior or outcome. Alfie Kohn notes, “When it comes to producing lasting change in attitudes and behavior, however, rewards, like punishment, are strikingly ineffective” (1993, p. 55). Due to the fact that incentives do not alter the attitudes underlying behavior, all they can do is produce a temporary change. When no reward is left, people relapse to their old ways due to pure habit. Studies have shown that not only are incentives less effective than other strategies, but in some instances, they can be worse than simply doing nothing to change certain behavior.

A common misconception made by companies is that payment is the ultimate motivator for all employees (Kohn, 1993). Money allows people to buy what they want and need, and provides the temporary, tangible solution to the problems of many people. On the contrary, losing money can be discouraging and cause concern for most people, but there is no statistical or empirical evidence that paying someone more will yield the desired effect of getting more out of them. Although not having enough money can make a person become unmotivated, providing someone with an increased payment does not necessarily influence motivation or the will to work at a higher level (Herzberg, 1968). It is logical to believe that cutting someone’s salary in half will cause his/her morale to suffer enough and undermine his/her performance, but it is not necessarily true that doubling a person’s salary will double his/her effort and work (Kohn, 1993).
Managers across the nation are aware of the detrimental effects of punishment, which include destroying motivation and creating defensiveness and defiance. What these managers fail to realize in the grand scheme of things is that rewards can produce similar, undesirable effects, whether intentionally or not. Rewards are similar to punishment because both are manipulative, but have differing effects depending on the individual human being involved (Kohn, 1993). Likewise, incentives are generally created to be desirable and intriguing for the people to whom they are offered. When that prize is tied with performance on a particular task, managers are ultimately manipulating workers into doing what they want. Working for a monetary incentive can send a message to employees that managers are trying to control them (Bloom & Michel, 2002). The lack of control which is experienced is likely to form a penalizing quality over time, which has a direct impact on the quality and amount of work that gets done by an employee.

Contrary to popular belief, a reward can also undermine intrinsic motivation just as a punishment can. As mentioned earlier in Chapter Two, rewards do not collaborate with intrinsic motivation. Kohn notes that “People who do exceptional work may be glad to be paid, and even more glad to be well paid, but they do not work to collect a paycheck” (1993, p. 62). Another way that incentives become manipulative weapons used by managers involves stressing what can potentially be earned through some type of work. The more managers stress what a person could potentially earn for an improved performance, the less that person will be interested in the work itself (Kohn, 1993). If the bar is set too high, employees will never work to reach it, and just settle for the above average work that they do. As the amount of an incentive increases, the more negative the view of the activity becomes (Freedman, Cunningham & Krismer, 1992). Also, being unable to obtain a reward that a hardworking woman/man expects can cause a large amount of negative effects similar to a punishment. The more attractive the reward, the more
disappointing it is when one is unable to reach it (Kohn, 1993). It is demoralizing when one does not receive a reward they worked for and only worsens when they are pinned against the quality and amount of work done by fellow coworkers.

A large body of research indicates that the distribution of rewards throughout a company is essential to workers’ attitudes, behaviors and ultimately job performance (Bloom & Michel, 2002; Freedman et al., 1992; Kohn, 1993). This research implies that people care more about comparing their rewards with one another than the actual amount/reward that they receive individually. What this type of reward distribution does is portray an individual’s relative performance to that of the coworkers in the surrounding area (Folger & Cropanzano, 1998). As cited in the article “Why Incentive Plans Cannot Work” (Kohn, 1993), the leaders of the Total Quality Management movement believe that instituting incentives reduces the opportunity to form relationships and improve cooperation. When incentives are used, individuals begin concentrating on their own personal gain and ignore the good of the company. The more particular awards are made public within companies, the worse the outcome.

Not only can incentives create a gap in teamwork and production, but they can also affect relationships of workers and managers. Workers may be hesitant to show any signs of struggle or approach a manager for help because they do not want to ruin their reputation or fog their perception. This fear of being perceived as inadequate hinders work performance and can be detrimental to the overall success of the company (Kohn, 1993). Although rewards and extrinsic motivators are often used in companies to increase productivity, Jone Pearce, author of “Why Merit Pay Doesn’t Work: Implications from Organization Theory”(1987), explains that using payment for bettering performance is substituting the duty of managers to actually manage his/her workers. Instead of delving into the problem and finding an appropriate solution,
incentives are used as a cover to show quick and adequate company progress. It is much easier to dangle the possibility of a monetary reward in front of someone than taking the time to give individual feedback and support.

The major goal of incentives is to induce a particular performance. If someone knows that income is connected with productivity or the completion of a task, the only concern is the overall result. When an employee is focused on what will be received for a certain task, they become less likely to take risks and explore different possibilities (Kohn, 1993). Supporters of pay-for-performance argue that if a reward is desirable enough, workers will do whatever they are asked by any means necessary (Haegele, 1991). This is exactly where the problem occurs. Incentives diminish creativity and ultimately drive the workplace apart, causing more undesirable results than positive outcomes (Kohn, 1993). Pittman, Emery, & Boggiano (1982) explain that “features such as predictability and simplicity are desirable, since the primary focus associated with this orientation is to get through the task expeditiously in order to reach the desired goal.” As pay becomes linked to work, people tend to engage in easier tasks to increase their success rate (Locke, 1968). Motivation may appear to be occurring in these cases, but in reality, people are only working to meet minimal production.

An introduction of incentives into the workplace is not the only concern with performance that managers face. Before incentives are given, a quality system of pay dispersion is needed. In fact, it is this dispersion that is responsible for creating the opportunity of being eligible for particular incentive pay such as bonuses (Milkovich & Newman, 1999). The term “pay distribution” refers to the different compensation amounts paid to employees at different levels of work and performance (Milkovich & Newmann, 1999). Pay distribution has had significant effects on employee attitude and performance, which makes it a vital aspect of
organizations. To put it simply, an organization’s overall profit depends on the quality of its particular pay system (Bloom & Michel 2002). In general, most companies fall under one of two types of pay distribution. In a hierarchical system, much of the compensation given is toward a small group of people in higher level jobs with little money going to most of the employees. Pay is distributed across many different levels, but it is not equal among them. The other system is known as a compressed pay distribution, where there are fewer levels and therefore compensation can be given more equally among them (Bloom & Michel, 2002). In cases of greater distribution, there have been negative results related to performance outcomes such as poor product quality and lower productivity (Cowherd & Levine, 1992).

The common notion that the average, hardworking man/woman has is that certain incentives and compensation only apply to them. To disprove that notion, a study was conducted in order to understand not only the difference in pay distribution, but the influence this difference has on individuals as well as organizational performance in a professional sport. Bloom (1999) studied a major league baseball team, observing the performance of pitchers, non-pitchers and the team as a whole. Non-pitchers were measured based on adjusted batting runs, fielding runs, and total player rating whereas pitchers were measured based on adjusted earned run average, pitching runs, and total pitcher rating. Bloom mentions that all of the measures have been commonly used by professional baseball teams for judging player performance. As for the team, measures were based on on-field performance and financial performance, how well the team played and how much profit they made. Bloom measured players’ annual salary and found that “across almost all measures, player performance was negatively related to more hierarchical pay dispersion as were all measures of organizational performance” (p. 33). When people see money
being spread unevenly among their coworkers, or in this case teammates, motivation decreases, teamwork suffers and overall performance is hindered (Bloom, 1999).

Incentives are an important tool in our society, but using them effectively, as we have seen, can be a challenge. Because each and every action a person makes is derived from an orientation of motivation, it is not a guarantee that the offer of an extrinsic reward will provide the desired results. Many people fail to recognize the types of motivations as separate. It is commonly believed that extrinsic and intrinsic motivation together must be more powerful than one by itself (Kohn, 1993). However, as we have seen through various studies in this chapter, it is impossible to have the two work together in a positive manner. One must be more dominant, either in crowding out or replacing the other. Undesirable results occur because of a change from either intrinsic to extrinsic or vice versa. This realization is vital for the success of managers and their organizations. Whether it involves a nuclear waste facility in Switzerland, a day care in Israel, an alternative high school or a professional baseball team, no individual or organization is completely safe from falling under the realm of changed perception due to incentives.
Chapter 5: The Impact of Incentives on Professional Athletes

Other than the Bloom study on a Major League Baseball (MLB) team, our discussion in the first four chapters has pertained to the average employee progressing through their respective daily lives. What society tends to forget is the portion of the working world that involves the millions and millions of dollars that professional athletes make year in and year out. Now, although the lifestyles of these human beings are a bit different than the average human being, the impact of incentives and bonuses is very similar and is even more significant, particularly in Major League Baseball. The general public believes that professional baseball players go through their daily lives rather routinely; they make their daily work appear quite easy and stress-free in order to earn millions of dollars. What the general public does not realize is the intense amount of pressure that these professional athletes are under by management and the incentive/bonus clauses instituted within their contracts which are directly related to player performance (Link and Yosifov, 2011). On the other hand, what management does not realize is that these incentive and bonus clauses either make or break a player; such incentives can be directly related to an athlete’s positive or negative performance, particularly during “contract years.”

Within professional baseball, there are two common explanations for the dramatic decline of a player’s performance during his career. The first explanation surrounds the fact that players only have a small window of ten to twelve years when they are actually at the peak of their athletic ability (Link and Yosifov, 2011). After this time frame elapses, players cannot simply handle the daily rigors of putting their bodies through intense physical activity at a level high enough to be as successful as they were when they were younger. Recent examples of this type
of decline are evident in the performances of MLB players Jim Thome and Derek Jeter. These two respectable professionals have had long-term careers with a plethora of success and monetary compensation at a high level. Thome, currently 41, has enjoyed tenure with the Indians, Phillies, White Sox, Dodgers, and Twins, in which he has become the most well-respected, active power hitter in the game of baseball (Associated Press, 2011). Jeter, currently 38, has enjoyed seventeen successful seasons with the Yankees, in which he has built a renowned resume of one of the best shortstops to ever play the game of baseball (Passan, 2011).

That being said, over the past two years the success and consistency of these two players has dropped for one reason: they are aging and gradually falling away from the peak of their performance. That ten to twelve year window of peak ability is over, and these players are falling away from the consistency and success that they once had in their prime years.

Jim Thome has struggled to find a new, solidified organization ever since he left the Chicago White Sox in 2009 after a four-year working relationship. From the beginning of his career in 1991 with the Cleveland Indians up until this departure, Thome was one of the best first basemen in the game that hit for both high average and homerun totals. It was almost a given that this man would hit over 30 homeruns and have over 100 runs-batted in each and every year that he stepped foot on the baseball field. Since that 2009 campaign in which Thome hit for an average .250 (90 hits in 262 at-bats), with 23 homeruns and 77 runs-batted-in, his numbers have been on the decline due to his aging body (Lauber, 2012). In the past three seasons after 2009, Thome has not come close to the 30 homerun mark that he eclipsed multiple times throughout his earlier career (1996-2004, 2006-2008), nor has he reached the 100 runs-batted in mark that he also eclipsed multiple times throughout his career (1996-1997, 1999-2004, 2006) (Associated Press, 2011). Due to the fact that he has been receiving the veteran’s minimum as a contract in
these later years with very few incentives implemented into it, we can only attribute his dramatic decline to the fact that he has passed the peak of his top tier athletic performance that he enjoyed throughout the earlier part of this decade. It is no longer a money issue for Thome, but rather staying healthy and trying to adapt his talents, strengths, and attributes to the current 2012 game of baseball at the age of 41. Although he may be an older veteran, the fact that Thome has over 600 homeruns and is a Hall of Fame candidate has kept him around the game of baseball, recently attracting the attention of the Philadelphia Phillies (Associated Press, 2011).

Although Derek Jeter is more of an elite Major League Baseball player than Jim Thome, the same type of decline is occurring to one of the greatest shortstops to ever play the game of baseball. This long-tenured Yankee of seventeen years, although under more scrutiny than most players, has been a renowned shortstop that is known for his dexterity in the infield, and clutch, consistent performance hitting the baseball. That being said, over the past few seasons, Jeter has struggled to play for a full season, to make plays in the field that he has routinely made throughout his career, and to hit for a high average (Passan, 2011). The sole reason behind some of these declines can be directly attributed to the fact that Jeter is approaching the age of 38, and is trying to play the most difficult and agile fielding position in all of baseball. Over the past three seasons, Jeter, a career .313 hitter, has failed to come close to the .300 average mark, including a career low .270 average in 2010. As his average is dropping, he is not getting as many hits as he was accustomed to in 1996-2009, which directly relates to the fact that his homerun and runs-batted in numbers have also dropped during this time period. He has failed to reach the 10 homerun and 70 runs-batted-in mark that he has been accustomed to reaching throughout his career and the past three seasons (1996-2007), which shows that he is steadily declining (Passan, 2011). Jeter has been consistently paid as one of the top shortstops in the
game at around $14 million a year, and has performed at high levels each and every year from 1996 until 2010. That being said, we can conclude that this man is not crumbling based upon the pressure that he feels due to the harsh Yankee fan base or the money and incentives being offered to him. The fact of the matter is evident: Jeter is declining because he cannot handle the rigors of playing the hardest position on the field at the age of 38 (Rosenthal, 2011).

To visit the other side of the spectrum, there are some MLB athletes, such as Jason Werth and Carl Crawford, who have hit abrupt, rough declines due to the apparent fact that they cannot handle the pressure of being offered big money with numerous incentives. While playing on small market teams like the Dodgers and Devil Rays respectively, these two athletes were able to produce steady career numbers while being paid like every other average MLB player. Due to their numerous successes, Crawford and Werth were offered enormous contracts in 2011 from teams that desperately wanted their talents. Obviously Crawford and Werth took advantage of this opportunity and did what every other athlete would do in this situation: chase the team that offered them the most money. This would seem to make the most sense for both athletes since they had earned the right to choose where they wanted to play, but little did they know that their performance would take a turn for the worse based on this monetary, career-changing decision. Each would find out the hard way that sometimes it is not all about the money.

In December of 2010, Jason Werth decided to take the money that the Nationals were offering and signed a seven-year $126 million contract (Kilgore, 2010b). A man who has a career average of .264 with 140 homeruns and 464 runs-batted in signed a deal that made him the thirteenth richest player in baseball (Kilgore, 2010b). Annually, Werth, 32, will be making an average of $18 million, but the unexplainable part of the contract involves the fact that he will make more money, $21 million, when he will be 38, as opposed to the $10 million that he makes
at the age of 32 (Kilgore, 2010a). It simply does not make sense that this man will be getting paid more as he gets older, when it is expected that he will gradually fall away from the peak of his career. That being said, Jason Werth had earned the right to test the waters of free agency after having a stellar three-year period with the Philadelphia Phillies, where he was one of the top players at his position, right field, in all statistical categories. The man was simply the best right-fielder in the game from 2008 to 2010 with the Phillies, which raised the eyebrows of many teams that were in need of a player of his caliber. The Nationals saw how well Werth was doing during this time period with the Phillies, especially during 2009 when Werth hit for an average of .268, with a career-high 36 homeruns and 99 runs-batted in. The Nationals saw these numbers, pursued Werth, and would be in for a surprise in 2011, the beginning of Jason Werth’s new seven-year contract.

For the Washington Nationals, 2011 came and went as another bad season. Although they were an average team in terms of their record, the catalyst of all of their problems involved one man: Jason Werth (Anonymous, 2011). In 2011, under the first year of his new contract, Jason Werth managed to produce the following numbers: a .232 average with 20 homeruns and 58 runs-batted in (Anonymous, 2011). After receiving a new, big, seven-year contract worth millions of dollars, Werth managed to produce career-low numbers in almost all statistical categories. Now, although MLB tries to keep the details of players contracts private, it is known that Werth earned $4 million for just signing the dotted line to put on a Nationals uniform, and has a few incentive bonuses built into his contract that involve receiving money for playing a specified amount of games, being selected to an all-star game, and reaching certain average, homerun, and runs-batted in numbers (Kilgore, 2010a). While, the monetary numbers are not given for these specific incentives, the fact is that they are built into his contract to inspire his
play, in hopes that he will achieve these numbers in exchange for some recognition/monetary compensation. What we witnessed in 2011 is Jason Werth crumbling under these new incentives. Whether Werth was unmotivated to work or not, the money he obtained had a negative impact on how he played the game of baseball. Management figured that building these incentives into his contract would inspire Werth to play at an even higher level than previous years. However in reality, these incentives had the exact opposite, negative impact. Werth’s response to these incentives on the field was not what the fans, his teammates, or management expected. Rightfully so, the fan-base and organization had high expectations for Werth, but he continued to let them down day after day. This scenario revealed to the Nationals that all incentives do not have the impact that they are originally intended to have on player performance.

To cite a similar case, Carl Crawford, formerly of the Tampa Bay Rays, decided to take similar steps that Jason Werth took. In December of 2010, Carl Crawford decided to accept the money that the Boston Red Sox were proposing him, and signed a seven-year $142 million contract. Crawford, who has a career average of .293 with 115 homeruns, 648 runs-batted in and 427 stolen bases signed a deal that made him one of the top five paid players in the game today (Phillips, 2011). Now, his numbers compared to Werth are a bit more appealing, but still they do not seem to garner the money and attention that the Boston Red Sox were giving Crawford. Annually, Crawford, 30, will make about $20 million, but the debatable part of his contract involves the fact that he will make more money at the age of 35, $20.5 million, than the $14 million he made during year one at a younger age of 29 (Phillips, 2011). Again, similar to Werth, it simply does not make sense that this man will be getting paid more as he gets older, gradually fading away from the prime years of his athletic career. That being said, Carl Crawford had earned the right to see what teams were seeking his talents after having a stellar three-year period
with the Tampa Bay Rays (2007-2009) when he was the top player at his position, right field, in all statistical and fielding categories. The Red Sox saw how well Crawford was doing during this time period, especially during 2010 when Crawford hit for an average of .307, with a career-high 19 homeruns and 90 runs-batted in, and jumped at the opportunity to obtain his skill-set. Although this may have seemed like a franchise-changing deal for the Red Sox in 2010, they would find out quickly that their potential cornerstone, Crawford, would succumb to the pressure that came with signing a seven-year $142 million contract.

For the Boston Red Sox, 2011 came and went as another above-average season. Although they made a late surge, the team missed the playoffs during the 2011 campaign. Everyone tried pointing the figure at somebody, but the source of all of their problems was Carl Crawford (Phillips, 2011). In 2011, under the first year of his new contract, Carl Crawford managed to produce the following numbers in 130 out of a possible 162 games played: a career low .255 average with 11 homeruns and 56 runs-batted in (Phillips, 2011). After receiving a new big contract worth millions of dollars, Crawford managed to produce career low numbers in almost all statistical categories across the board. Now, although MLB tries to keep the details of player contracts private, the media stated that Crawford earned $6 million for just signing the dotted line to put on a Red Sox uniform, and has a few incentive bonuses built into his contract that involve receiving money for playing a required amount of games, being selected to an all-star game, and reaching high-quality average, homerun, and runs-batted in numbers (Rotoworld, 2010). The monetary numbers are not given for these above incentives, but their sole purpose is to motivate Crawford to be the best player that he can be, in hopes that he will surpass these milestones in exchange for some recognition/monetary compensation. What we witnessed in 2011 is Carl Crawford succumbing to the demands of a new, loaded contract. Whether Crawford
was nervous or injured, the money he acquired had a negative impact on how he played the game of baseball. Management figured that building these incentives into his contract would inspire Crawford to play at the highest possible level for a right-fielder, but, in reality, they had the exact opposite, negative impact. Crawford’s, like Werth’s, response to these incentives, was not what anybody surrounding the Red Sox organization expected. Fans and management were in uproar, while teammates were simply baffled on what was holding Carl Crawford back from playing at a high level (Phillips, 2011). Crawford was expected to carry the Red Sox to new heights, including a World Series Championship, but he crumbled under the monetary and public pressure placed upon him under his new seven-year contract.

What Crawford and Werth have exemplified is an extension of what was mentioned earlier regarding motivation, specifically intrinsic and extrinsic motivation. What the managers that offered these contracts did not seem to understand or realize was how both Crawford and Werth were motivated through their daily work ethic. Nobody but Werth or Crawford could answer the question of how they are motivated, but the common notion would be that certain players are motivated more by money as opposed to sheer love for the game. What was clearly seen during the years before Crawford and Werth signed their new contracts was a true intrinsic motivation that involved trying to become the best players that they each respectively could, given their talents and gifts. While these players had long-term contracts with both the Devil Rays and Phillies, Crawford and Werth exemplified what it means to be a professional baseball player: coming daily to play hard with a positive, dedicated work ethic to try and get better. These men were intrinsically motivated to succeed in hopes of one day becoming dominant superstars at their position. The money, at the time before free agency, was never an issue for
either player. These men were more focused on becoming better hitters and fielders to help their teams win than anything else.

In 2010, both Jason Werth and Carl Crawford were entering “contract years” when they would be under scrutiny for the entire year by other teams that wanted their talent at year’s end. Since these players were going to be free agents at the end of the 2010 season, they began to think about the money that could have potentially been acquired at season’s end. Not that these two players underachieved in years prior 2010, but the numbers for Werth and Crawford were very average during their earlier careers. That being said, it is not a coincidence that in 2010, when the money would be on the table, they would have the best years of their respective careers. In this particular case, these men shifted from being intrinsically motivated by the love and dedication that they had for the game of baseball, to being extrinsically motivated by the contract that would be available to them at year’s end. It was no longer about just going about a day’s work in an average fashion; it was about doing everything possible to become better for one reason: monetary gain. At no particular time were these two types of motivation working together for either player; at an earlier point in their careers it was all about the innate, intrinsic motivation, while in 2010 it was all about the extrinsic motivation due to the large cash amounts that were being offered. Little did these men know that being inspired by their extrinsic motivation would only lead them down a road to mediocrity. These men, due to their lack of high-quality performance, let down their coaches, teammates, management, families, fans, and most importantly, themselves. Sometimes, it is not all about the money.
Chapter 6: How Faith, Morals and Reason Inspire Incentive Decisions

At the core of understanding motivation and incentives is understanding the personal morals and beliefs of human beings (Behrend, 1959). The information discussed to this point has been very factual and scientific, but there are other intangible factors that persuade how people respond to or neglect certain ideas and incentives based on their own morals and beliefs. More so than any type of incentive or compensation, person choses to do something based on what he/she believes from a religious and moral standpoint. Benefits, compensation, and incentives are all fine and good in the workplace, but if they are not compatible with a person’s own religious and moral beliefs, the incentives are going to be ineffective and ignored (Behrend, 1959). Moral beliefs are anchored in the specific religious practices in which a human being engages. Whether it be Catholic, Muslim, Protestant, Jewish or any other faith, people are going to act in a way that reflects what their specific religion preaches. No incentive or compensation will ever morally overpower a person’s religious beliefs; otherwise, that person is not fulfilling a moral, ethical obligation to their religion. Likewise, if a person has a strong moral belief about some aspect of life (ranging from being honest to not having sex before marriage), then this belief will most likely overpower the manipulative nature of an incentive or compensation (Behrend, 1959).

Whether humans like it or not, there will always be a subconscious voice swaying an individual away from incentives and compensations that are in direct opposition to one’s moral and religious beliefs.

The first component of the faith, moral and reason aspects that impact incentives that we need to understand involves the reasoning aspect. Focusing on reasoning, it is important to understand that every human being has a different sense of logic and thought process behind
what he/she says and does in daily life. Based on innate, personal reason, what makes sense to one person may not make perfect sense to another. That being said, it is important to apply reason, particularly in the workplace, to every situation that involves some type of incentive or compensation. Situations involving incentives and contracts are designed to be very persuasive to entice a person to fulfill a duty that is in the particular interest of those offering the incentive (Prendergast, 1999). In response to these situations, the human person needs to use his/her innate reasoning to really see if an incentive, or a contract in its entirety, makes perfect sense. The common problem in these situations is that people, specifically employees, tend to be overwhelmed and overjoyed with the thought of obtaining a bonus or new incentive that they tend to accept it without actually giving the matter more thought, reasoning through all options and consequences (Prendergast, 1999). Very few employees in these situations take the opportunity to fully read a new contract loaded with incentives to see if these details actually make sense and are aligned with their own beliefs and work ethic (Prendergast, 1999). For most people in these situations, the gain, award, or recognition may outweigh standing up for what they actually believe in and think is right.

To look for some guidance on how to apply faith and morals to incentive-based situations, we can apply the practical spiritual advice of Saint Francis de Sales (1567-1622), as exemplified throughout his life and writings including his *Introduction to the Devout Life* (1609), *Treatise on the Love of God* (1616), and his various letters of spiritual direction. In their introduction to the *Letters of Spiritual Direction* of Francis de Sales and Jane de Chantal, Salesian scholars Wright and Power outline six themes that the spirituality of these two saints offer for an individual to lead a moral, religious life. In a broad sense, the six highlighted themes involve appreciating all that is human, living out the will of God, fulfilling the spirituality of
everyday life, investing in the spirit, prioritizing decisions with the heart, and seeing the significance of little things (Wright & Power, 1988). These six themes at the heart of Salesian spirituality can help an individual focus on how to act in situations that involve making moral and faith-based decisions. In order to be morally devout and upstanding, people have to practice virtues, including honesty and patience, be committed to their religious beliefs through prayer, stand up for what they believe in, and take pride in aligning the human will with the divine will (de Sales, 1609/1989). To highlight exactly what a devout individual looks like, in his *Introduction*, de Sales says, “Since devotion consists in a certain degree of eminent charity, it not only makes us prompt, active, and faithful in observance of God’s commands, but in addition it arouses us to do quickly and lovingly as many good works as possible, both those commanded and those merely counseled or inspired” (de Sales, 1609/1989, [Part I, Ch. 1]). At some point or another, every human being is going to be tempted or persuaded to do something bad and immoral. Likewise, Saint Francis de Sales encountered similar situations many times throughout his life, including when his father wanted him to pursue a law degree instead of becoming a priest. In response, de Sales consulted God through prayer, and practiced the virtues of patience and humility to align his human will with the divine will.

From an incentives point of view, we can apply the beliefs and principles of Saint Francis de Sales to ultimately help put incentives and compensation into perspective. For situations involving a discernment, including moral-based decisions, de Sales recommends in his *Treatise*, “After we have implored the light of the Holy Spirit, applied our thought to search for his [God’s] good pleasure, taken counsel with our director and perhaps with two to three other spiritual persons, we must come to a resolution and decision in the name of God. After that we must not call our choice in doubt, but devoutly, peacefully, and firmly keep it and sustain it” (de
This statement by de Sales is directly related to how human beings have to align their human will and beliefs with the divine will. When presented with incentives, human beings should first and foremost stand up for what they believe as part of their human will. By first outlining what they believe from a religious and moral standpoint, human beings will allow themselves to fully evaluate a decision involving incentives. If a dilemma arises because this decision contradicts an individual’s own will or the divine will of God, then that particular decision should not be made. In order to balance the human will and divine will, a “person makes life choices based on the discerned knowledge of this will of God, relying on his or her powers of judgment and movements of heart to detect what that will might be” (Wright & Power, 1988, p. 41). If human beings can seek the assistance of God and utilize their judgment, the appropriate decisions will be made regarding accepting or rejecting incentives.

In addition to utilizing reason and aligning their wills, human beings have to respond to incentives by communicating with God. With regard to a situation involving some sort of decision, de Sales states, “Since prayer places our intellect in the brilliance of God’s light and exposes our will to the warmth of his heavenly love, nothing else so effectively purifies our intellect of ignorance and our will of depraved affections” (de Sales, 1609/1989, [Part II, Ch. 2]). If human beings can respond to an incentive by actually taking the time to talk and discern what God is saying, it will most likely lead them to the right choice, as opposed to an undesired outcome that most incentives lead to. In order to discern the true meaning of God’s words, de Sales advises, “Always listen to it [God’s word] with attention and reverence; make good use of it; do not let it fall to earth but take it into your heart like a precious balm” (de Sales, 1609/1989, [Part II, Ch. 17]). In order to do this effectively, human beings have to enter all situations with open minds, always realizing that there is a good possibility of rejecting an incentive due to
conflicting moral and religious beliefs. Next, human beings have to try and act in a spiritual manner by putting the entire situation into context. In order to do this effectively, de Sales states, “If it should happen through pressure of business or for some other reason your whole day has passed by without the exercise of prayer [talking to God], you must try to repair the loss” (de Sales, 1609/1989, [Part II, Ch. 1]). Whether a person is spiritually strong or not, they have to take a step back from the situation and act with a clear conscience through the guidance of the Lord. Instead of leading with their initial reaction or acting out of pure greed, human beings have to communicate with God and act in accordance with their core belief system to become successful.

It may be concluded that in order to respond effectively to an incentive, human beings have to act in a manner that reflects true spiritual and moral belief. In order to act in this manner, de Sales suggests that one turn to the “little” virtues to influence our actions and behavior. These “little” virtues include meekness, humility, patience, obedience, chastity, and should be exercised daily to guide human beings in the right direction. In Part III, Chapter 1 of his Introduction, de Sales states, “Occasions do not often present themselves for the exercise of fortitude, magnanimity, and great generosity, but meekness, temperance, integrity, and humility are virtues that must mark all our actions in life” (de Sales, 1609/1989). Using these virtues as guidance, human beings will be inspired to act in a manner that is most pleasing to God and morally upstanding. Likewise, we do not have to go above and beyond our daily duties to be recognized and honored in this world. As de Sales advises us for our daily living, “We must not fret over our own imperfections. Although reason requires that we must be displeased and sorry whenever we commit a fault, we must refrain from bitter, gloomy, spiteful, and emotional displeasure” (de Sales, 1609/1989, [Part III, Ch. 9]). Periodic and occasional incentives should not be enough to
persuade a person from pursuing an interest in something that he/she truly wants and believes in from their personal religious and moral standpoints (de Sales, 1609/1989).

Whether human beings like it or not, success will always be measured with materialistic gains and luxurious lifestyles. For many, there are not many faith- or moral-based decisions made in order to obtain a luxurious, wealthy lifestyle; it is mainly about a selfish, monetary gain and nothing more. Based on the evidence of their lifestyles, individual examples from contemporary society such as Donald Trump, Paris Hilton, and Kim Kardashian, have seemed to jump at the first opportunity they could to obtain an incentive and receive some compensation for their work without even thinking about their faith, morals, or reason. What these public figures and many other people do not realize is that faith, morals and reason define who people truly are, and anchor relationships to others, oneself, and God. Without these three components of faith, morals and reason, relationships cannot be built and sustained, and a true, personal identity cannot be defined. Money and incentives will only lead an individual such as Trump and Kardashian so far. The pleasure side of life can only provide temporary happiness and relief, whereas the altruistic side will lead to weighing all the benefits and consequences or a particular situation. The real winners in the world are those that can sit back, accept situations, evaluate them based on faith, morals and reason, and make a clear decision. Human beings should act and evaluate themselves in the words of a true gentleman, Saint Francis de Sales: “Be who you are, and be that well.”
Conclusion

Incentives are around us throughout every single moment of daily life. Incentives inspire decisions of employees worldwide, ranging from health professionals, to farmers, to truck drivers, to professional baseball players. No matter what profession an individual pursues or masters, one will encounter multiple situations that involve deciding whether or not to accept or reject an incentive or some form of compensation. On the surface, for some individuals it may seem easy to do so quickly or rashly, but it goes much deeper that, as revealed by the religious and moral advice offered by Saint Francis de Sales. As we have discussed throughout this paper, the key is to understand the psychological nature of human beings. Humans are going to oscillate between being extrinsically and intrinsically motivated, at times being more concerned with their pleasure center as opposed to their altruistic center. That being said, accepting or rejecting an incentive requires deep thought over an extended period of time in order to fully think about and weigh all the positive outcomes and negative consequences. As Salesian spirituality suggests, this involves aligning the human will with the divine will, communicating with God, and living out a virtuous lifestyle in order to determine what is morally acceptable. If we really want to decipher what type of impact, either positive or negative, an incentive will have on human behavior, then we must determine how and why a person is motivated and what makes up their religious, moral belief system.

The common notion that the general public adopts regarding incentives and compensation is that these motivations are positive. If additional money is offered and accepted, the natural assumption is that work productivity will go up. On the surface, that may seem apparent for a brief time, but over an extended period of time, the quality of work has a high probability of deteriorating. Incentives impact each person in many different ways, and can
include a negative impact depending on how they are structured and applied in the workplace. In this world, there exist both positive and negative incentives, which result in either desirable or undesirable outcomes. Human beings naturally think that accepting some type of incentive or recognition will ultimately lead to a desired outcome, but we have seen throughout this study that undesirable outcomes do indeed exist, and quite frankly, are just as prevalent. Carl Crawford, Jason Werth and Kim Kardashian demonstrate this above mentioned statement, as they are prime examples of professionals who jumped at an incentive only to see it have a negative impact on their productivity, performance, and reputation. In any situation, human beings need to revert back to their morals, beliefs, and religious practices to really ponder what will come of accepting or rejecting an incentive. Until this day comes, incentives and money will continue to be offered in the wrong context, causing undesirable results. Money will never overpower faith, morals and reason.

References


