



Do people stand by their commitments? Evidence from a classroom experiment

Agnès Festré

CNRS GREDEG, 250 rue Albert Einstein, Sophia Antipolis Cedex 06905, France



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ABSTRACT

We test the fulfilment of commitments in terms of chosen effort that students intend to exert under an incentive contract in the absence of strategic interactions. We designed classroom experiments whereby students had to decide on whether to commit to their *ex ante* level of effort despite that they have no interest to do so *ex post*. The experiment consisted of three within-subject treatments that define different institutional contexts regarding information disclosure, evoking different levels of social visibility and commitment. In contrast to the theoretical predictions, a significant percentage of students tend to stand by their *ex ante* commitments regardless of the manipulation of the social context. Our findings corroborate the existence of a *freezing effect* by showing that promise keeping is sensitive to our manipulation of social visibility and self-commitment, with a stronger effect for public disclosure of the average level of effort than for public self-announcement of private choices. Our data also allows us to shed light on promise making behaviour. Contrary to promise keeping, there are order effects. However, the number of observations is too small to identify a difference between the baseline treatment and the one implying public self-announcement of level of effort.

1. Introduction

There has been a long tradition in economics that assumes that people adopt an opportunistic behaviour if this is in their own or self-interest. Recently, considerable attention has been focused on how the content of the notion of self-interest should be defined to include not only material interest but also moral sentiments (Bowles et al., 2005) or psychological states, emotions etc.

Non-opportunistic behaviours are indeed common in daily life, even in situations where there is next to no cost related to cheating or free riding, for instance, work contexts where pay is independent of performance or where effort is difficult to measure or costly to monitor. From this perspective, the overly-zealous civil servant can be seen as a caricature case. One possible reason for this observed behaviour is that the individual feels committed to his or her job. The idea underlying the present paper is testing this intuition by designing an experiment where the individual decision that is considered involves non-costly opportunistic behaviour from not honouring a commitment defined in terms

of a chosen level of effort.

The research question we investigate is in what circumstances the temptation not to honour one's commitment is more likely to occur. These circumstances include the regard of others (tested by manipulating the degree of social visibility applied to individual decisions) and conformity to an average behaviour.

Commitment is a key topic of interest in moral and political philosophy, which highlights the role of commitment in social interactions, as illustrated by Sen's (1977, 2002) influential contribution.¹ The notion of commitment is strongly associated, also, to developments in social psychology. For instance, Lewin (1947) introduced the idea of a *freezing effect* to describe the psychological tendency of individuals to be locked into public statements.

This notion is derived from two experimental attempts to make US consumers accept to buy cheaper cuts of meat during the Second World War. Levin's first strategy was to hold public meetings and to convince US citizens to buy cheap cuts of meat by demonstrating how they should be cooked. This strategy failed. The second strategy was to ask

E-mail address: festre@gredg.cnrs.fr.

¹ Interestingly, Amartya Sen distinguishes the case of commitment from other forms of pro-social behavior, pointing out that, unlike pro-social behaviours such as sympathy, for instance, these behaviours cannot be reconciled with the self-interest standard economic theory: "Commitment ... is concerned with breaking the tight link between individual welfare (with or without sympathy) and the choice of action." Sen takes as an illustration the example of "acting to help remove some misery even though one personally does not suffer from it." (Sen 2002, 177–178).

for people's commitment, at the end of such meetings, to consuming only cheaper cuts of meat. This proved to be the winning strategy. Moriarty (1975) conducted different experiments and found similar effects.² Building on these original insights, a large literature in social psychology has developed on the topic of various commitment devices: foot-in-the-door, door-in-the-face, low-ball technique, freezing effect etc. (see, e.g., Kiesler, 1971, Cialdini and Sagarin, 2005 or Joule and Beauvois, 2002).

The notion of commitment has attracted the attention recently of an increasing number of economists and management scientists. For economists, the idea of commitment is at odds: What microeconomic theory and principal-agents models teach us is that rational economic agents will systematically shirk in situations where they can take advantage of informational asymmetries. This idea is perfectly in line with incomplete contract theory (Grossman and Hart, 1986; Hart and Moore, 1998). However, we observe that, frequently, in daily life and in workplace settings, people stand by their commitments even if it would be rational not to do so. There is a vast principal-agent literature in economics that shows that such, apparently irrational, behaviour can be accommodated in standard economic theory if it is assumed that individuals are guided by the observance of social norms, self-reputation or the avoidance of guilt (e.g. Bénabou and Tirole, 2003, 2006, 2011).

Other contributions in experimental economics stress the idea that forms of communication, such as verbal commitments or non-binding promises, may be more efficient than sanctions in alleviating opportunistic behaviour and, therefore, promoting cooperation in a laboratory social dilemma setting (see, e.g., Ellingsen and Johannesson, 2004 and Bicchieri, 2002). Applied to the workplace and human resource management, Charness et al. (2013) find that designing labour contracts so that they appear to be proposed by the workers and include a non-binding promise, yields to a more efficient social payoff (higher profit and higher effectively chosen level of effort). In the context of environmental charity giving, Jacquemet et al. (2013) show that the swearing of a solemn oath is an institutional binding device that helps to mitigate the often observed gap between intended good deed and effective action.

There is a strand of the literature in human resources management and psychology literature that emphasizes the roles of organizational commitment, affective commitment and loyalty in the maintenance of effort and in the avoidance of opportunistic behaviour in work organizations (Green, 2008).³ Also, Akerlof and Kranton (2005: 11) recognize that instilling in employees “a sense of identity and attachment to an organization is critical to well-functioning enterprises”. Brown et al. (2011) provide a survey analysis, which suggests that employee commitment and loyalty are positively associated with higher levels of performance at both the employee and the workplace levels.

In this paper, we conduct an economic experiment in order to test whether students are likely to stand by their commitments. The students may commit or not to a level of effort intended to be exerted under an incentive contract designed to provide material benefit for those not committing to their intentions, at the expense of no one else. In terms of material benefit students therefore have an incentive to promise high effort and then break their promise.

² Two experiments were conducted involving a theft context (i.e. theft is an expected behaviour in the simulated settings). The first experiment involved a bystander of the ‘experimenter’, keeping an eye on a portable radio, on a beach, and the second involved the bystander keeping an eye on a piece of luggage, in a bar. The manipulated variables were: 1) the occurrence (or not) of the bystander's prior commitment; and 2) the gender of the potential thief. The results showed the dramatic effect of commitment for preventing theft.

³ The term ‘organizational commitment’ is due to Buchanan (1974). It defines organizational commitment as dedicated to the purposes and values of an organization. The term ‘affective commitment’ is due to Meyer and Allen (1991) and is defined as “the employee's emotional attachment to, identification with, and involvement in the organization” (Meyer and Allen 1991: 67).

Our results show important deviations from the theoretical prediction. A substantial number of students announce a low effort although they have an incentive to announce a high effort. A substantial number of students also keep their promises even when they have an incentive to break their promise of high effort. We interpret this as consistent with a *freezing effect*, which reflects the tendency of students to keep to their previous intentions.

2. Experimental design and procedures

2.1. Experimental design

The experiment we implemented is a classroom experiment where students are incentivized by the award of grade points. Although (laboratory) experimental economists might not favour this methodological choice, in our view, it is justified on several grounds.

The first relates to the psychology and economics literature on the limits to and the crowding-out effect of monetary incentives, on effort and performance (see Etchard-Vincent, 2006; Festré and Garrouste, 2015). One of the main lessons from this literature is that the psychological and cognitive salience of the incentive combined with its feasibility, matter more than its nature (monetary vs. non-monetary) or whether it is real or hypothetical. This leads us to a more pragmatic attitude towards incentives. Since we employ classroom experiments, we have good reasons to believe that grade points are as salient and realistic (if not more so) than monetary incentives in this context, and should not impair students' ability to concentrate. Moreover, since reputation concerns are more significant in a classroom than in a lab, we would suggest that monetary incentives would be more likely to produce crowding out effects.

Second, several studies compare the relative effects of monetary and non-monetary incentives in classrooms experiments, which show mixed results and a high level of sensitivity to the task involved. A survey by Camerer and Hogarth (1999) compares monetary incentives and non-monetary incentives and concludes that monetized incentives matter if effort affects performance, such as in the case of memory recall tasks. Grossman and Komai (2006), in the context of a three-person investment game under different informational structures, find that subjects more closely follow theoretical predictions if they are rewarded by extra credits. However, Kruse and Thompson (2001) find significant differences by gender in the willingness to pay for a risk-mitigating investment in an experiment with cash versus class points incentives.

Third, besides their pedagogical benefit, classroom experiments can be considered to be an interesting type of extra-laboratory experiments that provide increased robustness and generalizability of economic experiments as long as some methodological controls (using a student as the experimenter who distributes and collects the material, ensuring participants' anonymity, garnering the close attention of the students, avoiding spillovers between neighbours, etc.) are guaranteed (see Charness et al., 2013).

Another characteristic of our experimental design is that students are concerned with a chosen effort task implying different costs and benefits according to the level of effort effectively chosen compared to a promised one. Contrary to what is usually argued by experimental economists, in particular those specialized in labour economics, we do not consider that it is a main drawback not to deal with a real-effort task. First, our experimental environment may also apply to decisions other than those involving labour-market settings (e.g., contributions to charity). Second, as argued by the psychologist Kühberger (2001: 420): “decision making (...) is hypothetical (as opposed to real) at its very core. When making a decision, we anticipate hypothetical states of the world, we consider events that could or could not obtain, we consider feelings that we do not have yet. At the time of decision, none of these outcomes, events, or feelings, is real, but all are hypothetical.”

Finally, we opted for a within design in order to investigate the dynamics of pairs of choices (announced vs. effective) of level of efforts

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