

Do confident individuals generally work harder?*

ELENA PIKULINA[†], LUC RENNEBOOG[‡] and PHILIPPE N. TOBLER[§]

Abstract

Predicting worker's effort is important in many different areas, but is often difficult. Using a laboratory experiment, we test the hypothesis that confidence, i.e. person-specific beliefs about her abilities, can be used as a generic proxy to predict effort provision. We measure confidence in the domain of financial knowledge in three different ways (self-assessed knowledge, probability-based confidence, and incentive-compatible confidence) and find a positive relation with the actual provision of effort in an unrelated domain. Additional analysis shows that the findings are independent of personal traits such as gender, age, and nationality.

JEL Classification G11, J22

Keywords: Confidence, real-effort task, financial literacy, overconfidence

**Acknowledgments:* We are grateful to Elena Asparouhova, Colin Camerer, Peter de Goeij, Alberto Manconi, Charles Noussair and Stefan Trautmann for useful comments and suggestions. We also acknowledge the contribution of the participants in the TIBER XI Conference, Florence Workshop on Behavioral and Experimental Economics, Experimental Finance Conference and seminar presentations at Caltech, UCSD, and Tilburg University. All remaining errors are our own. We gratefully acknowledge financial support from the CentER Fund for Experimental Research, the AXA foundation (Elena Pikulina), Inquire Europe (Luc Renneboog), and the Swiss National Science Foundation (Philippe Tobler).

[†]Department of Finance, Sauder School of Business, University of British Columbia, 2053 Main Mall, Vancouver, BC V6T 1Z2, Canada. E-mail: elena.pikulina@sauder.ubc.ca.

[‡]Department of Finance, Tilburg University, PO Box 90153, 5000 LE Tilburg, the Netherlands. E-mail: luc.renneboog@uvt.nl.

[§]Department of Economics, University of Zürich, Blumlisalpstrasse 10, 8006 Zürich, Switzerland. E-mail: phil.tobler@econ.uzh.ch.

Download English Version:

<https://daneshyari.com/en/article/7368872>

Download Persian Version:

<https://daneshyari.com/article/7368872>

[Daneshyari.com](https://daneshyari.com)