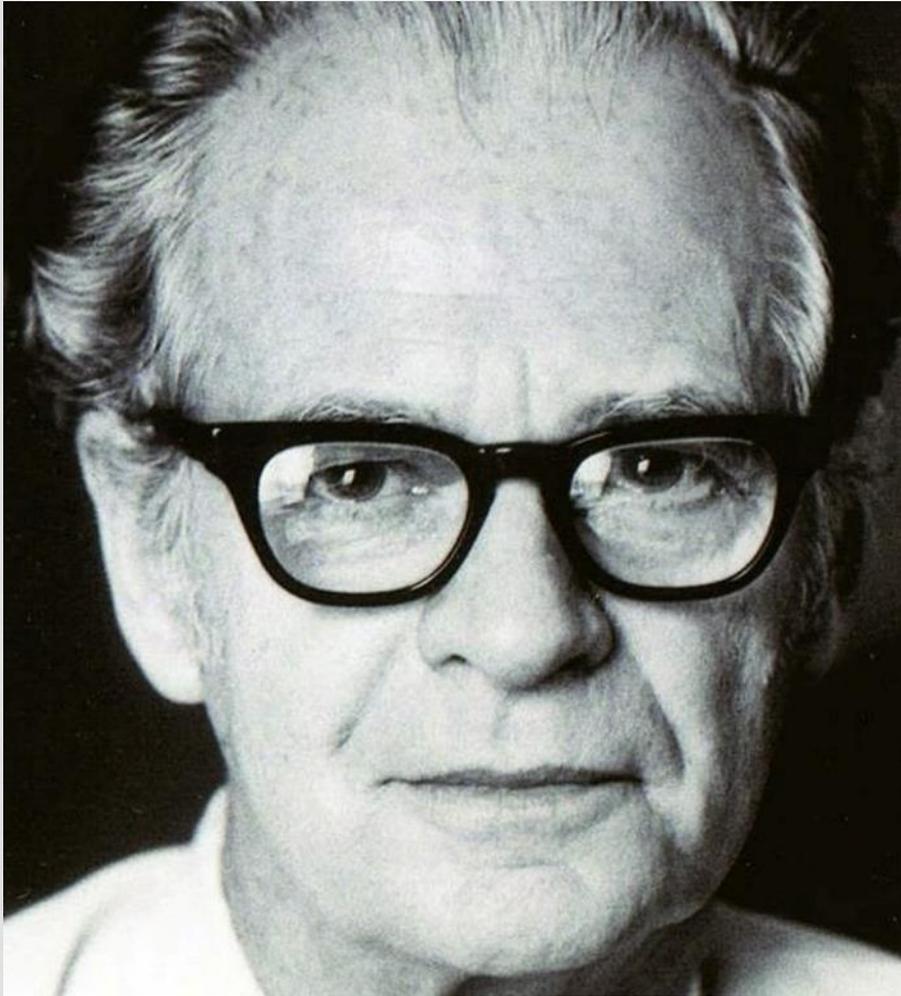


YOU GET WHAT YOU PAY FOR

BRANDON M. RING, M.A.



B.F. SKINNER ON PAY



“No one works on Monday morning because he is reinforced by a paycheck on Friday afternoon. The employee who is paid by the week works during the week to avoid losing a standard of living which depends upon a weekly wage.”

STANDARD PRACTICES

**Pay for
time**





**Mange through
negative reinforcement**



**Promote the wrong
employees**

A pair of black-rimmed glasses is positioned in the center of the frame, resting on a document. The document features a grid pattern and some text, which is slightly out of focus. The background is a blurred office setting with various papers and objects. The text "Lack of empirical studies" is overlaid in a bold, red font with a white outline.

Lack of empirical studies

THE BEHAVIORAL VIEWPOINT

- The most important aspect is the contingency between pay and performance
 - Bucklin & Dickinson, 2001



TYPES OF PAY

- Pay for Time
 - Fixed Time Schedule
- Profit Sharing/Gain Sharing
 - Monetary incentives for the profits the company makes
 - Small link between individual performance and pay
- Group Incentives
 - Monetary incentives for the work the group does
 - Moderate link between individual performance and pay
- Individual Incentives
 - Monetary incentives for the work you do
 - Best link between individual performance and pay

TYPES OF PAY

- **Pay for Time**

- **Fixed Time Schedule**

- Profit Sharing/Gain Sharing

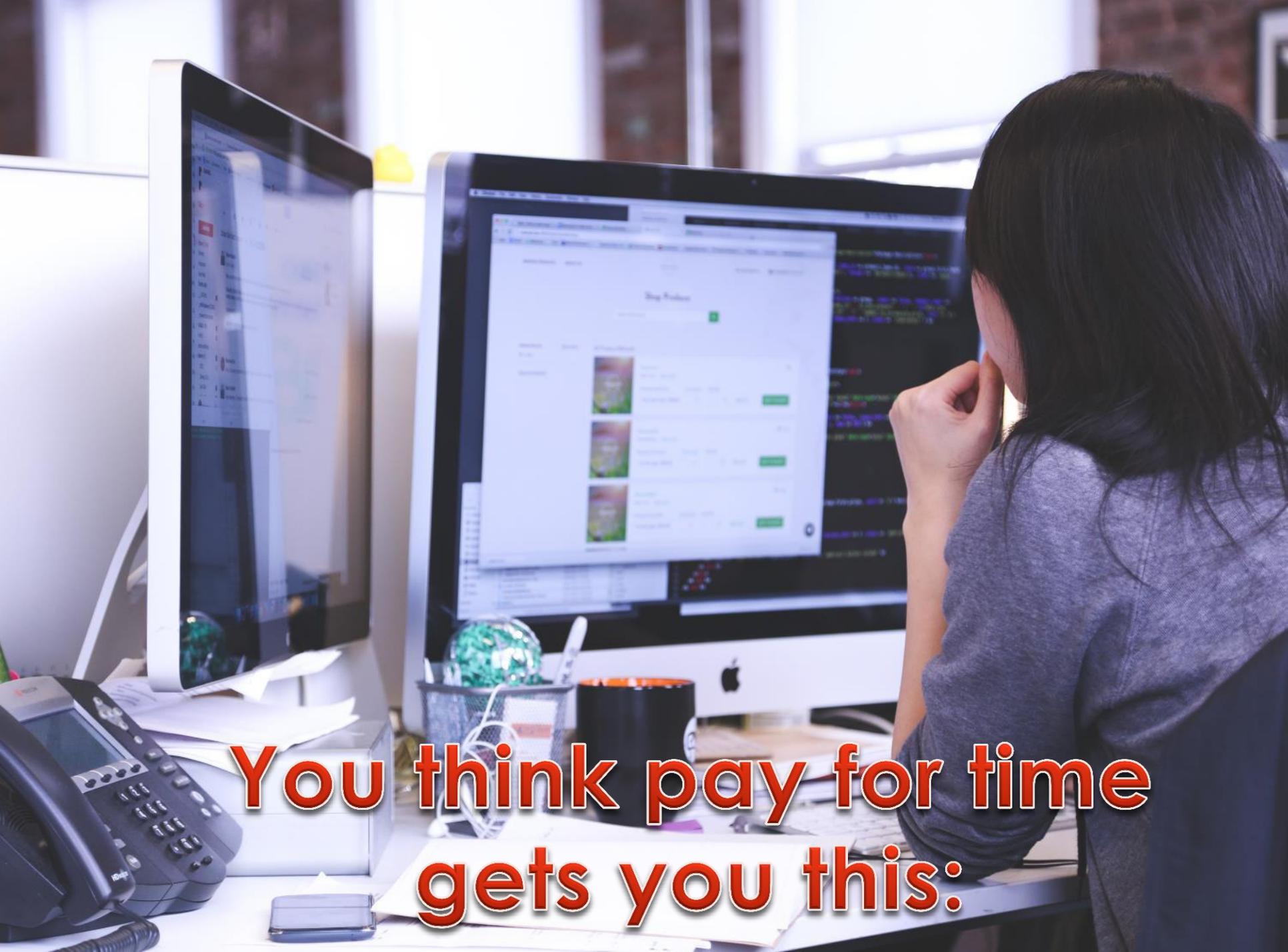
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**You think pay for time
gets you this:**



**But pay for time
usually gets you this:**

Or this:



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Profit sharing is based on the performance of the entire company



12.84	+3.56%	▲	120.34	300,000
23.90	+12.3%	▲	543.23	120,000
15.89	+5.34%	▲	254.23	320,000
5.34	-7.89%	▼	321.56	430,000
7.34	+5.97%	▲	100.08	120,000
4.89	+2.13%	▲	564.23	900,000
1.45	+6.43%	▲	765.90	600,000
67	-11.6%	▼	120.34	380,000
64	+23.1%	▲	893.23	120,000
79	+5.56%	▲	120.98	320,000
8	-3.67%	▼	432.12	750,000
7	+11.3%	▲	765.23	150,000
	+2.54%	▲	432.24	120,000

Bonuses are paid in stock options

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Group incentives are effective if the group works together

**But one poor performer
can lower the entire
group's performance**



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**Best link
between pay
and
performance**



INDIVIDUAL INCENTIVES

- As long as the pay is linked to performance, the details do not matter as much
- 3% of salary is enough to increase performance
- Be sure to make goals attainable, affordable, and of course linked to performance

A PAY FOR PERFORMANCE EXAMPLE

CENTER FOR LEARNING AND HEALTH

DRUG ADDICTION IN PEOPLE WHO LIVE IN POVERTY

- Develop interventions that promote drug abstinence in people who live in poverty
- Develop interventions to reduce poverty in low-income adults who have long histories of drug addiction

ABSTINENCE REINFORCEMENT INTERVENTIONS

Target

Drug-
Free
Urine

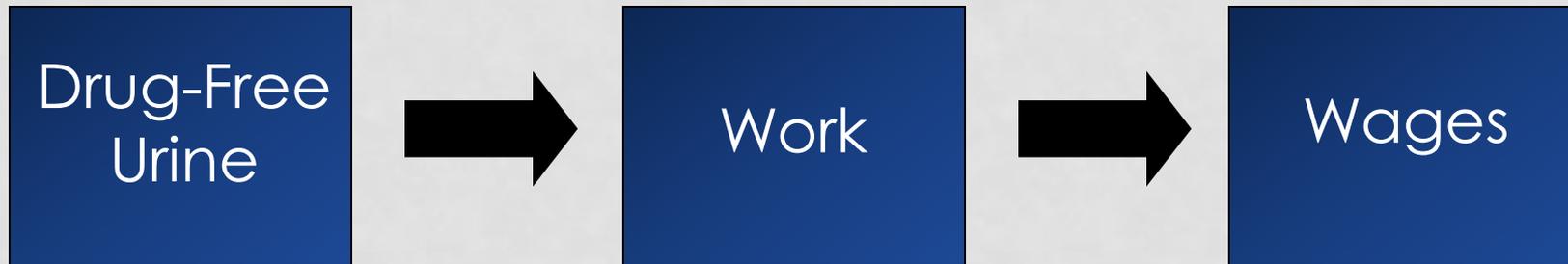


Consequence

Money
or
Privilege

A LABORATORY MODEL OF A THERAPEUTIC WORKPLACE

Employment-Based Abstinence Reinforcement



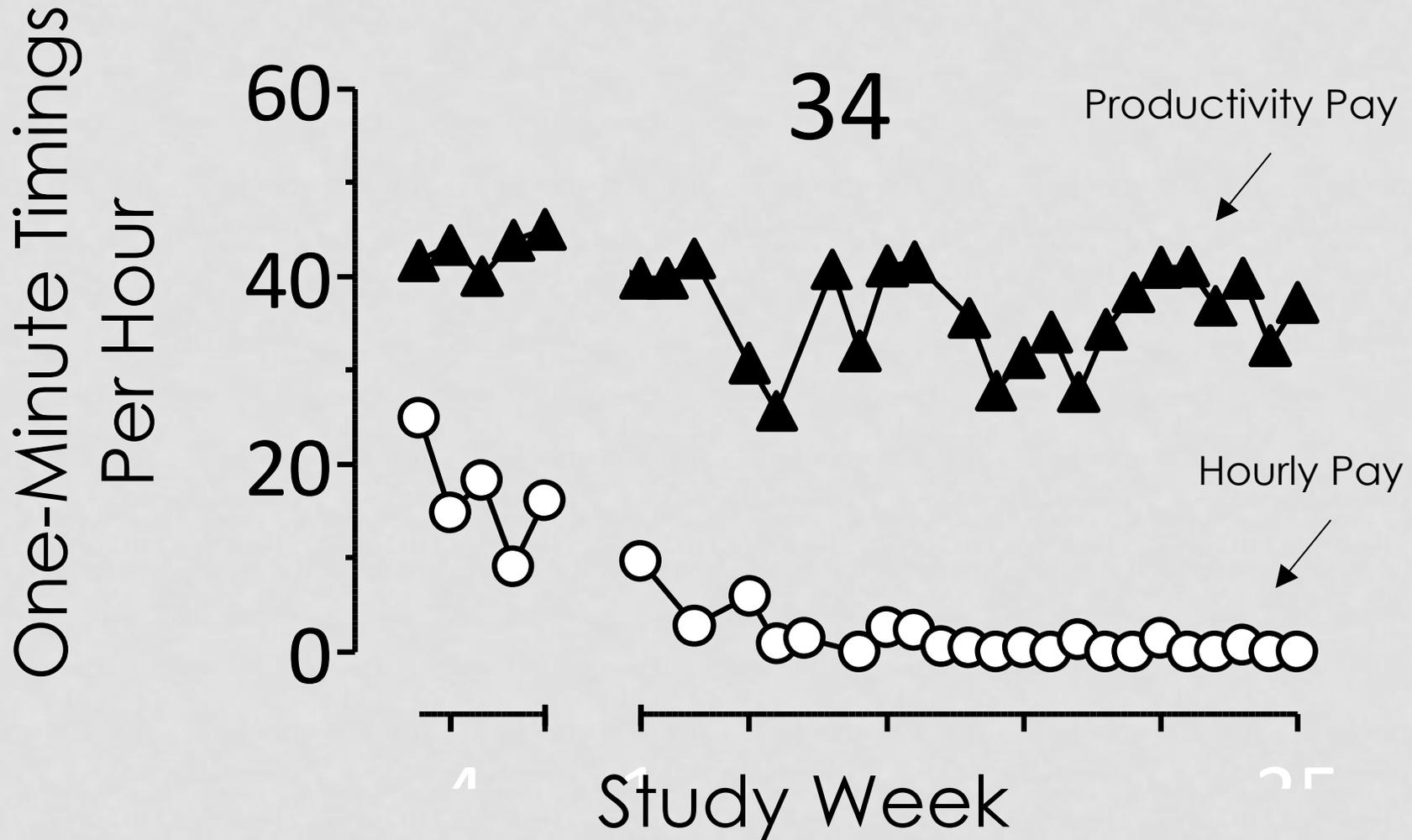
Effect of Monetary Incentives on Performance

Typing
Program

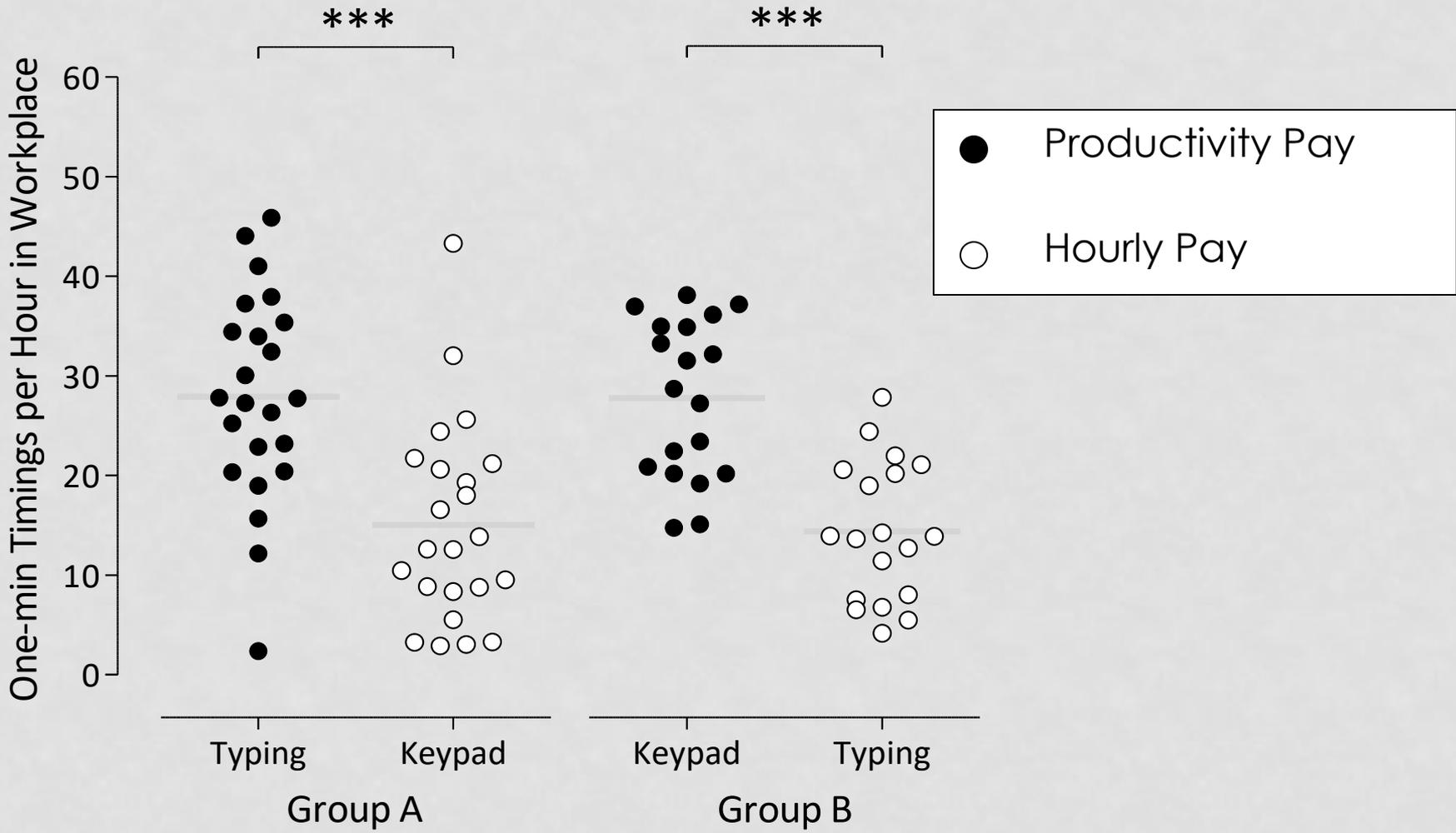
Keypad
Program



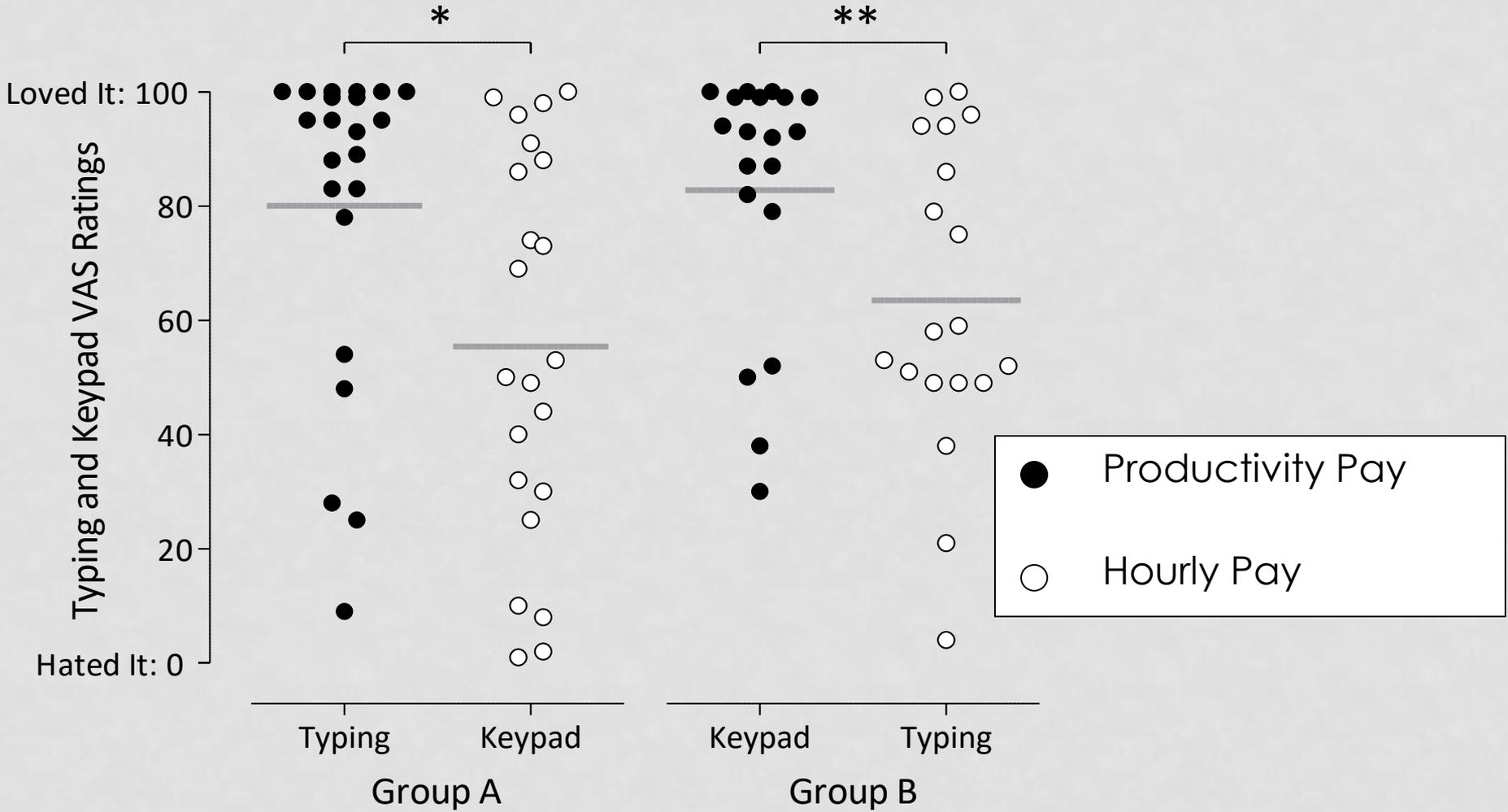
Effects of Performance Pay on Work Output



Effects of Performance Pay on Work Output



Liking Ratings of Performance Pay and Hourly Pay



Thank You