

## Transcript

So, we think we know how to motivate people, right? Offer them a reward. Do this and you'll get this. Do this faster, earn more money. Do this better than everyone else, here's a promotion. We offer incentives when we want people to do things. We do it at work, at school, even at home with our kids. Tidy your room and you can watch TV.

But when social psychologists test whether incentives work, they get surprising results. Sam Glucksberg, from Princeton University, America, set people a problem to solve and told them he was going to time them to see how long they took. Then he put them in two groups. He offered one group a reward for finishing fast. Five dollars for anyone finishing in the top 25 per cent and 20 dollars for the person who finished the fastest of all. To the other group he offered no incentive, but he told them he was going to use their times to calculate an average time.

The first group, the ones with the reward, solved the problem faster, you'd think, right? Well, no, they actually took three and a half minutes longer than the group who just thought they were being timed. Incentive didn't work. In fact, it made them slower. This experiment has been repeated, with the same results, many times. But in business we still offer bonuses, promotions and rewards to staff.

That's fine if we want them to do something simple, like chop wood. We'll pay you more if you chop the wood faster. An incentive works then. But if we want someone to do something complex, something creative, something where they have to think, rewards don't work. They might even have the opposite result, and make people perform worse. Another study, by Dan Ariely, showed that the bigger the reward, the worse the subjects performed on a complex task. The reward made them focus so hard on the result that they couldn't think creatively any more.

And this all matters because more and more simple jobs will become automated. We'll be left with creative, problem-solving jobs that computers will never do. And we need to find a way to motivate people to do those jobs when we've proved the traditional incentives don't work.

So what does work? Giving your workers freedom; freedom to work on the things they want to work on, freedom to choose when, where and how they work. Want to work from home three days a week, get up late and work into the night instead? Fine. Just do the job well. And evidence shows people who choose the way they work get results. Companies that give employees time during the week to work on things that interest them and are not part of their regular job achieve amazing things. Some of the big tech companies are good examples of this, with ping-pong tables and areas to relax in...