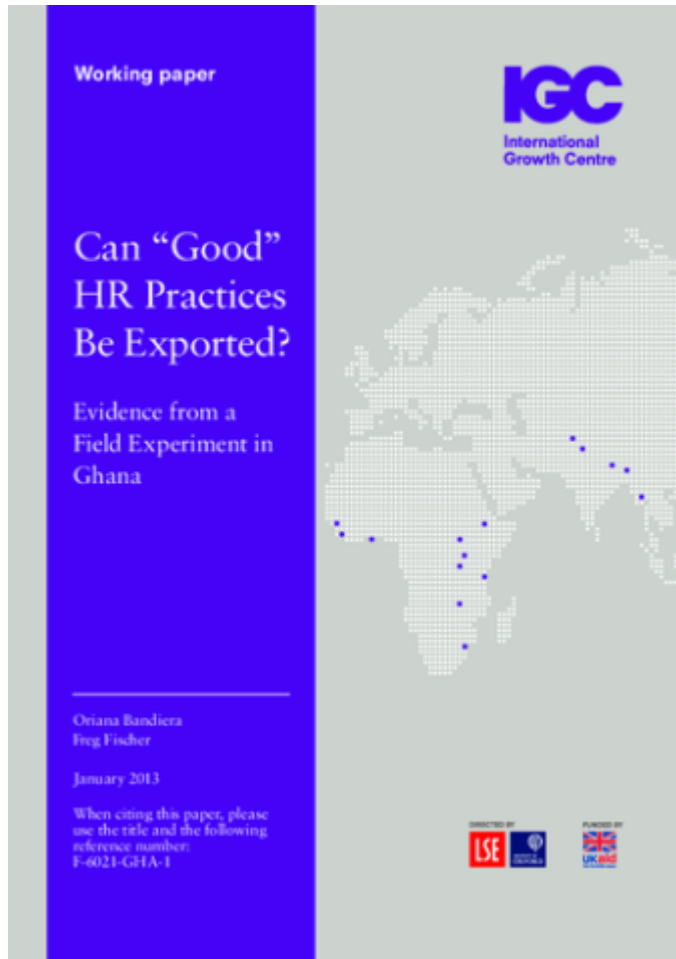


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Can “Good” HR Practices Be Exported?

Incentive pay is a key component of management strategy, and yet field evidence on the impacts of both individual and team incentives is limited to studies carried out in high-income countries. The mechanisms that lie behind individual responses to incentives go far beyond rational considerations of wage maximization, and encompass concerns for social visibility, preferences for collective work and other behavioral norms. These norms tend to vary by culture, potentially creating considerable heterogeneity in responses to incentives across countries. We present evidence from a field experiment designed to evaluate the impact of individual and group monetary incentives and individual and group rank incentives in Accra, Ghana. We precisely estimate that, contrary to earlier findings in other settings, these incentives have no impact on productivity, work quality and firm profitability. The findings indicate that more research is needed to shed light on the cultural characteristics of

the setting that determines whether performance pay is effective.

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