

To kickstart creativity, offer money, not plaudits, study finds

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The best way to reward creativity is not with social-recognition awards such as plaques or other plaudits. According to published research co-written by Ravi Mehta, a professor of business administration at Illinois, it's all about the money. Credit: College of Business

How should employers reward creative types for turning in fresh,

inventive work: with a plaque or a party recognizing their achievement, or with cold, hard cash? According to new research co-written by a University of Illinois expert in product development and marketing, it's all about the money, honey.

In contexts where a premium is placed on being original, social recognition as a reward for an especially imaginative piece of work doesn't necessarily enhance creativity, says published research co-written by Ravi Mehta, a professor of business administration at Illinois.

"The general consensus in the research literature on creativity is that [money](#) hurts creativity," Mehta said. "But most of that prior research was conducted with children as the test subjects, and the participants were not specifically told that the reward was for being creative. So what is it about the contingency of rewards that impacts creativity, and would adults respond to all types of creativity-contingent rewards the same way?"

Across five experiments, Mehta and his co-authors examined the role of creativity-contingent monetary rewards versus creativity-contingent social-recognition rewards on creative performance, providing new insights into the underlying motivational processes through which these rewards affect creativity.

The experiments demonstrated that, within the context of creativity contingency, monetary rewards induce "a performance focus," while social-recognition rewards induce "a normative focus," according to the paper. The researchers found that the former enhances one's motivation to be original, thereby leading to more inventiveness in a creative task, while the latter hurts it.

"We found that if you tell people to be creative and then give them [monetary rewards](#), they will be more creative," Mehta said. "But

wouldn't the same be true of all rewards? If you tell people to be creative and then give them a social-recognition reward instead of money, then they'll be just as creative as those you reward with money, right? We found no empirical evidence for that."

Mehta said social recognition is "all about people knowing about you and your work, and thereby influencing one to act more in accordance with [social norms](#)," whereas creativity means "coming up with something different, something novel, something that is not the norm."

"As adults, we don't want to come up with something that's too radical, too out-there, especially when we know that our peers will be judging us," he said. "Most of our daily activities as working adults are about adhering to social norms. We don't want to stand out too much."

But when a monetary reward is dangled, people amp up their performance and consciously try to "blow the doors off the competition" in terms of creativity, Mehta said.

"When you ask someone to be creative, you're asking them to be transgressive, to think beyond social norms and thought processes that are not automatic," he said. "That's why a social-recognition [reward](#) kills creativity, because it makes creators more risk-averse. It appeals to conformity, to not standing out, which drives you to the middle, not the edge. It compels you to fall in line with social norms, and there's less motivation to be creative.

"People who value creativity value the bizarre, the stuff that's out there. Therefore, they're less likely to care about the approval of others, or a sense of belonging with their peers."

The research has practical applications for how people generate creative ideas, and how to motivate creative-class employees.

"There's a trend among companies for crowdsourcing ideas or user-generated content," Mehta said. "Virtually all social media is user- or consumer-driven. This ought to point them in the right direction: Money talks, but social recognition doesn't."

The research also is applicable to people who work at ad agencies or in creative fields.

"A little caveat, though: People in those fields are expected to be creative, so social recognition also would work for them," Mehta said. "But more money certainly wouldn't hurt them, either. In that case, both rewards would lead to more [creativity](#)."

The paper will be published in the *Journal of Consumer Research*.

More information: Ravi Mehta et al. Social-Recognition versus Financial Incentives? Exploring the Effects of Creativity-Contingent External Rewards on Creative Performance, *Journal of Consumer Research* (2017). [DOI: 10.1093/jcr/ucx062](https://doi.org/10.1093/jcr/ucx062)

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