

Are workers motivated by the greater good?

Workers care about employers' social causes, but the public sector does not attract particularly motivated employees

Keywords: corporate philanthropy, employee motivation, public sector, recruitment

ELEVATOR PITCH

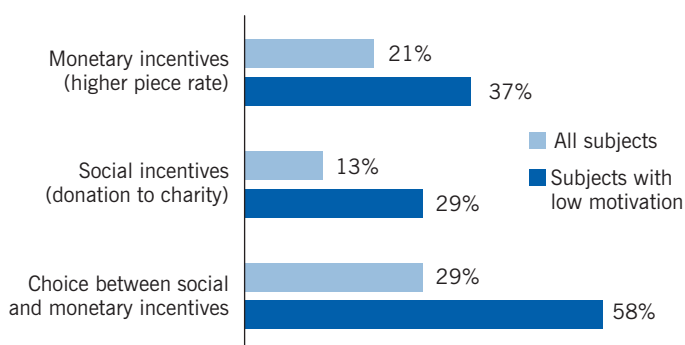
Employees are more willing to work and put effort in for an employer that genuinely promotes the greater good. Some are also willing to give up part of their compensation to contribute to a social cause they share. Being able to attract a motivated workforce is particularly important for the public sector, where performance is usually more difficult to measure, but this goal remains elusive. Paying people more or underlining the career opportunities (as opposed to the social aspects) associated with public sector jobs is instrumental in attracting a more productive workforce, while a proper selection process may mitigate the negative impact on intrinsic motivation.

KEY FINDINGS

Pros

- ⊕ Employees work harder and are more motivated when their job is associated with a genuine social cause.
- ⊕ Some people are willing to give up part of their private compensation to contribute to the greater good.
- ⊕ Socially responsible firms are also more attractive to jobseekers.
- ⊕ Attracting a motivated workforce is particularly important for the public sector, where performance is more difficult to incentivize directly due to multiple objectives and an output that is usually harder to measure.
- ⊕ In the public sector, randomized controlled trials suggest that extrinsic incentives (pay, career options) can be useful to attract a productive workforce and do not necessarily crowd out intrinsic motivation to serve the public interest.

People work harder when a higher financial reward or a social cause is introduced, especially when initial motivation is low



Source: [1].

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Cons

- ⊖ What represents a good cause may be subjective, and a good match in terms of mission between workers and their firm is crucial.
- ⊖ Corporate social responsibility can backfire if perceived as instrumental.
- ⊖ Attracting a motivated workforce can be challenging, and the public sector appears to have had limited success.
- ⊖ Highlighting the social aspects of a job in the public sector may not be an effective way to recruit motivated workers.
- ⊖ The evidence on workers' motivation is growing but still limited, affecting the generalizability of study findings.

AUTHOR'S MAIN MESSAGE

Organizations that support a social cause in a genuine way have an advantage in motivating employee effort. Jobseekers, customers, and investors view such companies as more attractive. The public sector, however, is generally not very successful in attracting motivated workers. Experimental studies show that using extrinsic incentives (better pay and career prospects) can be useful to recruit more productive workers in the public sector without necessarily having a negative effect on the intrinsic motivation to serve the public interest. This suggests that human resources practices from the private sector may also be useful in the public sector.