

# **Competition and Prosociality: A Field Experiment in Ghana**

**By**

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## **Abstract**

Competitive payment mechanisms are commonly used to promote higher productivity in the workplace. Yet, these types of incentives could reduce workers' willingness to cooperate in subsequent tasks. In this paper, we explore this question by conducting a lab-in-the-field experiment with workers from an agrobusiness in Ghana where teamwork matters and a competitive but obscure bonus is in place. To investigate how prosociality towards a co-worker evolves, we use a between-subjects design where participants complete a real-effort task under a competitive, threshold, or random payment. We measure prosociality before and after this task through (1) a public goods and (2) a social-value orientation game. We find the effect of competition on changes in prosociality to be context-specific. Competition reduces prosociality when the dispersion of payments is high, an effect that is driven by high earners who win the competition. However, when there is less at stake, competition can increase cooperation. This effect seems to be driven by those who lose the competition. Effort/output appears to be similar across payment schemes. We combine our experimental data with survey and firm-administrative data in order to explore how experiences in and outside of the lab interact and derive some potential implications for workplace policy.

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