Learning and Earning: The Role of Incentives in Educational Achievement

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Can external rewards develop intrinsic motivation? Based on the research projects conducted by the Center for Literacy Studies with adult basic education programs for recipients of public assistance, this roundtable will examine how incentives influence participation in educational activities and achievement of educational outcomes.

Do incentives influence educational outcomes for welfare recipients and other adults who have minimal formal education? For the last three years, the Center for Literacy Studies at The University of Tennessee has conducted research and demonstration projects as a part of Tennessee’s welfare reform initiative. Several ongoing projects identify factors that influence the educational achievement of welfare recipients. One factor, incentives for learning, raises multiple issues that can be particularly sensitive when applied to disadvantaged populations. The purpose of this Roundtable discussion is to examine how incentives influence participation in educational activities and achievement of educational outcomes.

Tennessee legislation enacted in 1996 created Families First, a program designed to assist welfare recipients obtain and retain employment and move toward career advancement. In addition to cash grants, the Families First program provides job training, childcare, transportation, assistance to find employment, and transitional benefits for adults who are preparing for work. Those Families First participants who scored below the ninth grade on standardized achievement tests could choose basic skills education for 20 hours a week and not be subject to time limitation for benefits. Those who score above ninth grade could continue to pursue a General Education Development (GED) credential while working part-time.

The use of incentives in education as a way to improve performance or increase achievement is common across all levels of the educational spectrum. The Families First program recently initiated cash incentives, or the Completion Bonus, for reaching education, training and employment outcomes. Those Families First participants who were enrolled in adult basic education became entitled to a cash bonus when they advanced a literacy level (levels begin at the second, sixth, and ninth grade of literacy functioning), passed the GED / received a high school diploma, or completed a job skills training class. The achievement is reported and after a period of time, a check is mailed to the participant.

At this point, little is known about the consequences of using incentives for performance. An earlier study (Ziegler & Ebert, 1999) compared the length of time Families First and voluntary adult basic education participants needed to achieve learning gains and pass the GED test. This study, completed before the initiation of the completion bonus, showed that the former tend to take a longer time than the latter to make progress in adult basic education. This study is currently being replicated in order to determine whether Completion Bonus given by the state welfare office affects the length of time it takes welfare recipients to achieve learning gains and pass the GED test. Does the promise of a reward motivate the participants to learn faster?

The findings up to date (based on quantitative attendance and achievement data, as well as interviews with Families First participants and Adult Education program administrators) suggest that the initiative has produced mixed results. Imperfections in the way the cash bonus program has been implemented may explain these mixed results. First, it is unclear whether the Completion Bonus impacts the rate at which a person learns. The bonus may prove to be an incentive for people to stay in the program, but it may not
prove to be an incentive for people to decrease the amount of time it takes for them to advance a level. Second, when a participant accomplishes the task that earns them a bonus, the paperwork flows through a variety of channels until, at some later point, a check is sent to the participant. Because of the time lapse between the achievement and the reward, the participants may not connect their accomplishments and the check they receive. An implication of this investigation may be the importance of selecting appropriate and effective processes for awarding monetary incentives to an adult population who are economically disadvantaged. This is a challenge when multiple public agencies and different layers of paperwork have a role in the process.

The issue of intrinsic versus extrinsic motivation has been a hotly debated topic in educational settings. In order to understand more about the ways that incentives influence participation and achievement in adult basic education, the Center for Literacy Studies conducted a review of the literature on motivation and incentives. Researchers that have studied incentive and reward programs report contradictory and inconsistent findings about the role of incentives in developing intrinsic motivation. Cameron and Pierce (1994) examined reward contingencies and found no reason to resist implementing incentive systems. Kohn (1999) claims that people do inferior work when enticed with rewards. Others say that the effectiveness of incentives depends on numerous factors and enumerate specific conditions that must be present for an incentive system to produced desired results.

Research during the 1990’s suggested that important factors to consider in the design and administration of reward, incentive, and bonus programs include:

- Building credibility of an incentive program by making it realistic, achievable, and sincere;
- Using positive recognition in conjunction with a monetary incentive (rather than using a monetary incentive alone);
- Demonstrating a clear link between performance outcomes and the bonus;
- Administering rewards that are scaled and weighted based on varying degrees of accomplishment;
- Recognizing individual differences and giving recipients and participants a choice of rewards;
- Recognizing and minimizing bureaucratic organizational practices and processes that frustrate participants and detract from the motivational effectiveness of the reward; and
- Giving a bonuses and rewards promptly and as soon as possible after the successful outcome has been achieved.

These studies raise interesting questions about how incentives enhance or deter participation, persistence and performance in adult education. The following questions may lead to discussion among Roundtable participants: (a) Will the promise of a monetary reward be effective if other variables are not in place, such as high quality instruction? (b) Are adults who have been out of an educational setting for many years motivated to participate in educational activities when promised an external reward? (c) Does the promise of an incentive influence performance, persistence, or achievement? (d) After adults have successful experiences in an educational setting, does the original promise of an extrinsic reward lessen in importance to the value of the educational experience itself? (e) Can external rewards develop intrinsic motivation? These questions about the use of incentives have important implications for the theory and practice of adult education.

References