

[IZA News](#)[About IZA](#)[Organization Chart](#)[People](#)[Research](#)[Labor Policy](#)[Publications](#)[Discussion Papers](#)[Policy Papers](#)[Standpunkte](#)[Books](#)[Research Reports](#)[IZA Compact](#)[IZA in the Press](#)[Publication Record](#)[Journals](#)[Events](#)[IZA Prize / YLE Award](#)[Teaching](#)[Links / Resources](#)[Press](#)

IZA



Cheating in the Workplace: An Experimental Study of the Impact of Bonuses and Productivity

by David Gill, Victoria L. Prowse, Michael Vlassopoulos
(July 2012)

Abstract:

We use an online real-effort experiment to investigate how bonus-based pay and worker productivity interact with workplace cheating. Firms often use bonus-based compensation plans, such as group bonuses and firm-wide profit sharing, that induce considerable uncertainty in how much workers are paid. Exposing workers to a compensation scheme based on random bonuses makes them cheat more but has no effect on their productivity. We also find that more productive workers behave more dishonestly. We explain how these results suggest that workers' cheating behavior responds to the perceived fairness of their employer's compensation scheme.

Text: See [Discussion Paper No. 6725](#)



[Back](#)