

COMMENTARY

For the love of it: The overjustification effect and motivation crowding theory as the missing pieces in discussions of basic income's (a)motivating potential

Maura J. Mills

University of Alabama
Email: mjmills@cba.ua.edu

In their thorough discussion of basic income (BI), Hüffmeier and Zacher (2021) make a comprehensive and convincing case for its relevance to industrial and organizational (I-O) psychology. Yet, notably absent were discussions of the overjustification effect and motivation crowding theory, both of which are essential in understanding critics' pushback on BI and thoroughly understanding the nature of BI's likely influence on worker motivation.

As an important correlate to self-determination theory (Deci & Ryan, 2000), the overjustification effect suggests that the presence of extrinsic rewards can undermine intrinsic motivation (e.g., Deci, 1971; Deci et al., 1999). This is critically relevant to the primary concerns that have been raised by critics of BI and highlighted by Hüffmeier and Zacher (2021). Indeed, one of critics' most central concerns is that introduction of a BI would compromise workers' motivation. That charge, however, is overly general, and addressing the concern sufficiently requires a more nuanced look at the nature of worker motivation, as well as consideration of the motivation crowding theory from the field of economics. To that end, I suggest that unpacking the overjustification effect and motivation crowding theory as they relate to BI will provide a more comprehensive and nuanced understanding of BI's likely effect on worker motivation—and advance our understanding of BI's potential to *increase* individuals' intrinsic motivation toward work over time.

First things first: Motivation as a continuum

Cognitive evaluation theory (Deci & Ryan, 1980, 1985), a critically relevant subtheory of self-determination theory, makes explicit that the self-determination potential of motivation rests along a continuum, rather than the dichotomy that some of the research pitting intrinsic and extrinsic motivations against one another suggests. As such, some forms of extrinsic motivation—namely, integrated and identified regulation—evidence intrinsic characteristics, and vice versa. Thus, inflammatory claims that extrinsic motivations “can extinguish intrinsic motivation” (Pink, 2009, p. 9) entirely are unlikely, and feed into the misconception that the two forms of motivation are effectively dichotomized. Indeed, the mere existence of paid work—however enjoyable or otherwise—suggests that they cannot be. Rather, motivation to work becomes more or less internalized along the continuum depending upon a number of factors, including presence, nature, and extent of contingent (or noncontingent) rewards.

A financial cushion: The ability to pursue intrinsically motivating work

With the extrinsic motivating potential for work lessened (notably *not* absent entirely) as a result of the BI, individuals will be more able to pursue work that they inherently enjoy. Imagine the possibilities if people could ‘do what they always wanted to do’ for their entire career. Imagine what that could mean for constructs such as job satisfaction, turnover, organizational citizenship behaviors, engagement, hedonic and eudaimonic well-being, occupational (even organizational) commitment, and meaningfulness. With these constructs consistently shown to predict beneficial outcomes for employees and organizations (e.g., Harter et al., 2002), the power of enabling people’s passion to drive their work and their work-related choices as a matter of course would be transformative for both individuals and organizations alike.

Importantly, however, it is noteworthy that all jobs necessarily involve some level of extrinsic motivating potential. Thus, although the overjustification effect has been well-established in some instances (e.g., Deci et al., 1999), it has nonetheless not stopped workers from pursuing paid work that they enjoy, as shown by a preponderance of evidence regarding the employment of people who, financially, do not ‘need’ to work, including but not limited to the lottery examples offered by Hüffmeier and Zacher (2021). It does, however, allow those individuals to rely more on the intrinsic motivating potential of the work, valuing work for its other (latent) benefits. Notably, such benefits align with eudaimonic well-being (e.g., environmental mastery, personal growth, purpose in life, positive relations with others) and the fundamental needs put forth by cognitive evaluation theory (Deci & Ryan, 1980, 1985). These latent benefits of work range from purely intrinsic to internalized (e.g., identified) forms of extrinsic motivators. Indeed, some evidence suggests that when individuals are less in need of the remuneration provided to them by employment, they may be more likely to value the latent functions of employment (e.g., Paul & Batinic, 2010). In this way, the BI provides an interesting new contextual challenge to the overjustification effect such that *the power* of the effect may be weakened by the baseline financial provisions established by the BI.

Going a step further, however, it may even be that such financial provisions enable and *magnify* the role of intrinsic motivation. Although this is a consideration as yet given limited attention in I-O psychology, we can look to the motivation crowding theory (Frey & Jegen, 2001) from the field of economics to more thoroughly account for this. This theory suggests that external incentives or intervention may either undermine (“crowd out”) or engender (“crowd in”) intrinsic motivation. Which effect will manifest is dependent upon various factors, including the nature of the task, the nature of the external intervention or extrinsic incentive, and whether individuals feel controlled (undermines intrinsic motivation) or supported (facilitates intrinsic motivation) by the external factor. I argue that, in line with this theory, the BI serves as a quintessential example of an extrinsic factor that is likely to not only limit the power of the overjustification effect but, rather, to facilitate individuals’ intrinsic motivation to work over time.

The lack of contingency is key

An important note of emphasis is that BI, as the focal article admits, is explicitly *not* a performance-contingent reward, and thus, I argue, it is unlikely to suffer the negative impact of the overjustification effect in the same way as do extrinsic rewards that are directly associated with the work (e.g., pay). Yet, despite BI’s lack of explicit contingency, the fact that it nevertheless alters the extent to which a truly contingent extrinsic motivator (e.g., pay) will be motivating means that the overjustification effect is inherently relevant—indeed, essential—in any comprehensive discussion of BI’s (a)motivating potential. Yet, as aforementioned, we must draw from our economics colleagues (Frey & Jegen, 2001) and motivation crowding theory to further illuminate this.

Importantly, both cognitive evaluation theory and motivation crowding theory suggest that it is when people feel *controlled by* rewards that they become less intrinsically motivated (Frey & Jegen, 2001; Ryan et al., 1983). This is important to note such that, when BI is in place, employees,

though they would still receive extrinsic rewards (e.g., pay) as remuneration from their job, are inherently less *controlled by* them, owing to the fact that the BI provides a basic level of financial resources, thereby *limiting the power of* the overjustification effect, and possibly even engendering intrinsic motivation.

To this end, the BI may likewise increase the relevance of other challenges to the overjustification effect, which have suggested that extrinsic and intrinsic motivations can function in tandem (e.g., Gerhart & Fang, 2015) and that the former may even facilitate the latter (Cerasoli et al., 2014). In line with motivation crowding theory, the BI represents a specific instance wherein an extrinsic provision frees up resources, thereby allowing intrinsic motivations to play a greater role in driving behavior. Motivation crowding theory suggests that such instances are possible when external factors are perceived as supportive rather than as controlling. Indeed, one can reasonably assume that by its very nature, the provision of a basic income would likely be perceived by most to be supportive, thereby allowing “more freedom to act, thus enlarging self-determination” (Frey & Jegen, 2001, p. 595).

Boundary conditions and context

Thus far I have discussed the extent of contingency as an important factor impacting the power (or lack thereof) of the overjustification effect, and even BI’s potential for facilitating (“crowding in”) intrinsic motivation. Likewise, it is important to note, as Hüffmeier and Zacher (2021) call for, other relevant contextual and boundary conditions. Of course, the type of task or work is a critical factor insofar as how effective extrinsic rewards or provisions are likely to be in motivating performance without compromising intrinsic motivation. For instance, rote tasks remain effectively incentivized with extrinsic motivators (e.g., pay), whereas work requiring innovation or novelty is more likely to be beholden to intrinsic motivation (e.g., Ariely et al., 2009). This is relevant to Hüffmeier and Zacher’s contention that the introduction of BI would likely make some jobs difficult to fill. To this extent, BI is likely to spur a reckoning in some particularly unpalatable jobs in terms of compensable factors, and how to better compensate a job that most would not view as inherently enjoyable. Some industries have already recognized and accounted for this (e.g., many trash collectors are paid quite well), but most have not. Thus, this is likely to be a ramification of BI that will be at the heart of many critics’ pushback on the idea. Yet, we must consider what it is that is causing the pushback; I suggest that it is a likely disinterest in fairly compensating so-called dirty work. Importantly, and relevant to the overjustification effect and motivation crowding theory, the goal is not necessarily to make every job intrinsically enjoyable, as that may be unrealistic (though reasonable attempts via improved working conditions are undoubtedly warranted) but, rather, to fairly compensate those that are not, lest they be “underjustified.”

Finally, from a contextual standpoint, it is important to set reasonable expectations such that we step back to consider how the introduction of BI would likely influence employee behaviors over the short term as well as the long term. Specifically, despite the aforementioned benefits of the intrinsically motivating work afforded by BI, it is nonetheless reasonable to assume that the introduction of BI may result in an initial *spike in turnover*. However, it is important that such a spike not be misinterpreted as manifestation of the overjustification effect. Rather, it is to be expected as people renegotiate the conditions under which they are willing to work and live, and as they leave less intrinsically rewarding jobs in favor of jobs that are more aligned with their interests and values. Ultimately, we can reasonably expect that introduction of a BI would bring about less “job hopping” in the long-term and throughout the employee lifecycle as a whole, as individuals would be less likely to leave work they enjoy. Notably, this is not unlike the changes we are seeing as a result of the COVID19 pandemic and its influence on peoples’ working lives (Hsu, 2021)—and their lives in relation to work, as people are increasingly reevaluating what they want in a work life—and what they’re (not) willing to sacrifice to get it.

Conclusion

Herein, I answer Hüffmeier and Zacher's (2021) call for theory development regarding individuals' psychological, attitudinal, and behavioral reactions to BI (p. 47) as well as their call for more attention to relevant contextual factors (p. 48) surrounding workers' likely responses to the introduction of BI. I argue that introduction of BI is unlikely to disincentivize work; rather, it shifts the motivating potential of work from extrinsic to intrinsic, thereby internalizing motivation and opening the door for the many benefits brought about by work that aligns with employees' authentic interests and values. In so doing, I apply and extend the overjustification effect as it relates to critics' concerns about the BI, positing that the power of the effect may be weakened by the BI's baseline financial provisions. More radically, I also go a step further, drawing in motivation crowding theory from economics as a foundation from which to justify BI's potential to *increase*, or "crowd in," workers' intrinsic motivation over time.

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Cite this article: Mills, MJ. (2021). For the love of it: The overjustification effect and motivation crowding theory as the missing pieces in discussions of basic income's (a)motivating potential. *Industrial and Organizational Psychology* *14*, 586–589. <https://doi.org/10.1017/iop.2021.102>