

Social Comparison at the Workplace: Evidence from a Field Experiment in Kolkata, India

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Abstract : Unfair treatment at the workplace encourages workers to adjust their behavior in order to restore fairness and align monetary returns to costs. This adjustment of behavior, however, may differ depending on the reference group considered to evaluate equity. In this aspect two main questions are to be considered: How do workers respond to unfair treatment at the workplace? And how does this response change depending on the identity of the reference group? To answer the above research questions, this paper utilizes data from a randomized field experiment conducted in Kolkata, India where student assistants were hired to help in a data entry task. Recruited workers were working in a team of two and were offered a fixed wage per hour. Workers were randomly assigned to one of the following treatment groups: A control group not subjected (1) to wage cuts (2) A general wage cut (3) A unilateral wage cut in reference to colleagues with similar social identity (4) A unilateral wage cut in reference to colleagues with a different social identity, where social identity is defined in terms of gender. Results show a significant decrease in the quantity and quality of work following a general wage cut. A more severe drop in productivity was presented by men in the case of unilateral wage cut, while women experiencing unilateral wage cuts didn't exhibit a similar behavior regardless of the gender of the team member. To the contrary, women matched with a male colleague and experiencing unilateral wage cut show a slight increase in productivity, a result that contributes to the discussion regarding the paradox of the 'content female worker'. These findings highlight the necessity of a better understanding of the social comparison processes prevailing at the workplace, given the major role they play in determining the level of productivity supplied.

Keywords : effort supply, fairness, reference groups, social comparison

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