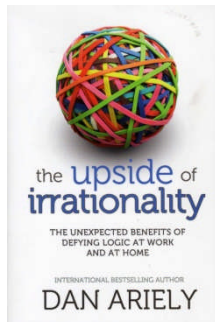


the one page book review



Title: The Upside of Irrationality
Author: Dan Ariely
Publisher: Harper Collins
Price: £14.99

This is a follow up to '*Predictably Irrational*' and it attempts to explain why we make the kind of decisions where a seemingly more logical alternative would be a better option, yet we are somehow compelled to take a different path. For example, why do we put things off to the last minute, even though we know we would do a better job and have a less stressful time if we started in good time?

It's a great book because it's one of those where the author has used an informal and often humorous style, yet his arguments are supported with research studies. It's part personal experience and part experimental research, but no point is made without supporting evidence. The book is based around the principle of behavioural economics which assumes that we are not always the sensible and logical-thinking beings that we think we are. Sometimes we will behave in ways that seem irrational but what might seem as irrational behaviour may be giving us pay-offs of which we are only partly aware. Read the chapter on 'revenge' if you want some great examples!

There are two main sections, how we act irrationally at work and how we do so at home, including in our relationships. In the first chapter Ariely shows how the bonus culture so prevalent in business today, can actually be detrimental to performance. Size of bonus and complexity of task influence how effective an incentive can be to increasing performance. Surprisingly, offering too big an incentive for the completion of a demanding task will adversely affect performance. Fear of failure, 'choking' and social apprehension all begin to take their toll on the performer when the stakes are high. In the second chapter, the author extends this basic idea beyond the realm of tangible bonuses and examines the effect that the meaning we attribute to the tasks we are doing can affect how well we do that task and for how long. Perhaps not too surprisingly, if we think our work doesn't matter, then we are unlikely to carry it out with as much enthusiasm compared with when we know that we are doing something that has a productive output. What is surprising is just how easily it is to separate an individual's efforts from his/her sense of accomplishment, and just how quickly this results in reductions in performance. A simple Lego building task was used with two sets of individuals. The first group were required to build Lego robots and were informed that at the end of the production period, their 'products' would be dismantled. The second group were given the same task, but after each construction, the 'product' was immediately dismantled in front of the builders. This obvious demonstration of the implied 'pointlessness' of the task had an immediate effect on output, despite the fact that the workers could still receive payments for working. An oversimplistic experiment? Maybe, but think of just how many (often unintended) ways we can remove meaning from employees in large and complex organisations. Other chapters cover topics such as the 'Not invented here syndrome' and the pros and cons of our ability to adapt to changing circumstances.

A great read, presented in a highly interesting and entertaining manner, but with some powerful conclusions that make you think about how we treat employees, co-workers and ourselves. If you like quirky solutions to long-standing problems, you'll like this book.