

Group Work Three

Choose a company and analyze their performance review and rewards system. Example companies can be found on website.

Discuss these questions in your group, connecting ideas from the lecture:

1. **Evaluation Design:**

How does Google's new system or McKinsey's "people-first" approach (or whichever company chosen) reflect the address the principal-agent problem? Which elements might reduce or worsen "multitasking distortions" (when effort shifts toward measurable tasks only)?

2. **Motivation and Rewards:**

Which aspects of the new systems emphasize **intrinsic** versus **extrinsic** motivation?

Are there potential "crowding out" effects where monetary or evaluative incentives reduce intrinsic motivation?

3. **Fairness and Feedback:**

Based on the *Feedback Best Practices* from lecture, evaluate whether the firm's system encourages constructive feedback and continuous development, or still risks deficiency/contamination/distortion in evaluation.