

The sociology of groups and the economics of incentives



The article of Encinosa, Gaynor and Rebitzer highlight the connection of economic models with sociology particularly among groups. In here, they try to distinguish the avenues and factors that provide the necessary motivation and incentives applied by institutions and organizations towards their employees. Under this facet, the paper looked into the ways of how informal interactions shape doctors in creating the cost and benefits associated with incentives. It is through this that they provide an analysis of four factors that influence such idea.

They include (1) risk aversion, (2) income norms, (3) effort norms and (4) mutual help benefits. Seeing this, it can be argued that sociological analysis can be applied in this document. One way of devising this is looking into the patterns and behavior exhibited by individuals within groups. It can try to portray or outline relevant norm, rules, and standards that affect their perception and reactions to given situations. At the same time, statuses and roles can also be used as a gauge in determining their outlook and performance since they are driven by various expectations from a specific organizational culture. All these elements can be used as factors in creating and providing a sociological analysis for the issue.

Recognizing the relevance of these facets, I came to learn that economic factors such as benefits and incentives can be directly related towards sociological factors such as informal interactions and groups. I began to decipher and understand that in economic analyses, the elements can be aligned to actively to justify the occurrence of a particular idea or event. This then leads us to come up with new ideas and comprehension of addressing complex economic issues with a touch of sociological factors. Lastly, I began <https://assignbuster.com/the-sociology-of-groups-and-the-economics-of-incentives/>

to appreciate what norms and related activities can do to enhance and achieve economic goals and objectives.

By allowing oneself to be educated about this issue, it can contribute to maximization of potential benefits and lead towards growth and expansion. In addition, this article helped me change my beliefs towards the economic perspective. Initially, I thought that the field only catered on the analysis of measurable occurrences and practices to actively explain the situation and environment in such perspective. However, after reading this, my eyes were opened to the ability of economics to denote formulas and figures to actively measure some sociological concepts.

By having a specific standard for the computation of these elements, the researchers were able to correlate these factors towards enhancing economics of organizations. Critiquing the article, I will have to disagree with the researchers' notion surrounding the ability of groups to affect the economic model of incentives. In here, I will have to argue that this is not the sole determinant for creative the subject. There are other concepts such as organizational culture and statuses that affect the way these things are provided to doctors. Since this may seem difficult to measure because of its subjectivity and ability to vary accordingly to each person, it can prevent the article to actively measure and create active models for correlation and application.

Seeing this, the model outlines limited variations because of its lack of attention and application of elements that also contribute to the

development of motivation and improvement of employee incentives.

Reference <ftp://repec.iza.org/RePEc/Discussionpaper/dp1851.pdf>