Social Norms and Productivity*

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Abstract

Aggregate norms or institutions depend on individual behavior at a particular time, and on norms in prior periods. Individual actions in turn are a function both of contemporaneous aggregated actions and the historical path of norms or institutions. This paper disentangles these two phenomenon in a workplace setting, cashiers in a large grocery chain. In accord with a large literature on empirical social interactions, we confirm that contemporaneous effects of social influence are relevant. More notably, we find that social norms have a very large impact on productivity. A 10% change in worker productivity has a 7-9% impact on other workers as far as 30 days in the future. Because cashiering would not be expected to exhibit such long-run impacts, we imagine that the longevitiy of norms in other, more complex, processes may be much longer. This points to the need to incorporate historical patterns in future work on production processes.

JEL Classification Codes:
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