Symbolic Awards at Work: A Regression Discontinuity Design

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Abstract

This paper studies the effects of a non-pecuniary symbolic award on winners, losers, and their peers, using a regression discontinuity design. We identify newly recruited insurance salespeople who barely won a quarterly "Best Rookie" award and their counterparts who barely missed it in a large insurance company. Our main finding is that barely winners earn less life insurance commission than barely losers in the quarter following the award designation. The performance difference is mainly driven by winners earning less rather than losers' earning more. Several mechanisms, such as signaling, effort reallocation, gaming, and strategic reallocation across teammates, are tested and ruled out. One mechanism, which we have empirical support for, is peer sabotage of winners due to within-team competition after the award. Finally, we examine spillover effects of the award and find no evidence that coworkers of winners and losers perform differently in any measurable aspects after the award.

Keywords: Symbolic award, Peer sabotage, Spillover effect

JEL classification: M52, J24

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1. INTRODUCTION

Non-pecuniary symbolic awards are prevalent in labor markets. A burgeoning literature has documented positive effects of symbolic awards on winners' subsequent performance in various organizational contexts.[1] Without monetary incentives, symbolic awards can still lead to recipients' performance increase for other reasons.[2] However, there can be downsides to symbolic awards. Papers on peer sabotage suggest that winners may decrease performance due to competitive peers (Lazear, 1989; Andiappan and Dufour, 2020).

This paper examines a symbolic award in a natural firm setting and presents some of the first causal evidence that symbolic awards can *decrease* winners' subsequent productivity. Empirical evidence is consistent with the notion that peer sabotage is a key underlying mechanism. In addition, there are no spillover effects of the award on winners' coworkers, indicating that the award reduces winners' subsequent performance without improving others' performance.

The symbolic award studied in this paper is the quarterly "Best Rookie" award given out in the largest branch of a leading insurance firm in China (*the company*). This award recognizes the top ten out of around 800 newly recruited salespeople (*rookies*) in a quarter, based on their commission from selling life insurance in their first quarter in the company (*first-quarter life insurance commission*). The award winners in a quarter are recognized at a company-wide meeting held at the beginning of the next quarter. Winners' ranking and their first-quarter life insurance commission are posted on the board during the meeting, while the information on non-winners is unknown to the public.

An ideal experiment to pin down the ex-post effects of the award requires observing two equally accomplished rookies, only one of whom gets the award. Our regression discontinuity (RD) design approximates this. We compare the subsequent performance of two rookies whose first-quarter life insurance commission is close to the award threshold — one narrowly winning (*barely winner*) and the other narrowly losing (*barely loser*).[3] Given the large number of rookies scattered across

[1] See Frey and Gallus (2017) for a review.

[2] First, winning an award facilitates one's access to resources (Chan, Frey, Gallus, and Torgler, 2014). Second, winners can use the award to signal their abilities and look for better career options (Spence, 1973; Dewatripont, Jewitt, and Tirole, 1999; Neckermann and Frey, 2013). Third, utility from positive self image can incentivize agents to work harder (Bénabou and Tirole, 2002; Kolstad, 2013; Breza et al., 2017). Fourth, desire to maintain good social image may incentivize agents to behave as expected or outperform expectations (Ariely, Bracha, Meier, 2009; Kosfeld and Neckermann, 2011; Dellavigna, List, and Malmendier, 2012; Neckermann et al., 2014). Finally, winners may feel a stronger identification with their firms (Akerlof and Kranton, 2005; Gallus, 2016) and reciprocate by working harder (Fehr and Schmidt, 1999; Kube et al., 2012).

[3] A working paper by Larkin (2011) uses a similar identification strategy to examine salespeople's trade off behavior between pulling sales forward to win an award and delaying sales to earn higher commission.

teams and the lack of real-time public rankings, rookies are unlikely to perfectly manipulate their performance to win the award. Supporting the validity of the RD design, we find that barely winners and barely losers are similar in demographics, attrition rate, baseline performance, as well as their teammates' baseline performance and characteristics. Since teammates are assigned *before* each award designation, we can also examine the spillover effects of the award by comparing the post-award performance of barely winners' and barely losers' non-rookie teammates.

Several features of this setting make it uniquely useful in estimating the effects of symbolic awards. First, the award is purely symbolic — winners receive no pecuniary prize or promotion.[4] Second, the award is non-repeated — each salesperson competes for the award only once. The ex-post effects of the award are not contaminated by salespeople's desire to win again. Third, the clearly-defined teams in the company form natural units which enable us to examine spillover effects of the award. Such natural units are usually unavailable in field data. Fourth, non-rookies are ineligible for the award, so the spillover effects on non-rookie teammates are not confounded by competition for the same award. Finally, the award was established years before our sample period. Analyzing it can shed light on how awards function in a well-established field setting.

Our analysis yields three main findings. First, barely winners earn 1,720 CNY (about 250 USD) less in life insurance commission than barely losers in the quarter after the award designation. The difference amounts to over 27 percent of the average first-quarter life insurance commission among top 20 rookies. Interestingly, the difference is almost entirely driven by winners earning less rather than losers earning more. Given the average commission rate of 15 percent, the above results imply a loss of 11,400 CNY (about 1,650 USD) in insurance sales per winner per quarter.

Second, the data allow us to explore the underlying mechanisms of the performance decrease. We find little evidence for mechanisms including signaling, effort reallocation, gaming, and strategic reallocation across teammates. One mechanism which is consistent with our findings and cannot be ruled out is peer sabotage of winners due to within-team competition after the award. Teammates may sabotage winners if the award designation prompts them to update belief on winners' likelihood to outcompete them for limited resources (Lazear, 1989; Andiappan and Dufour, 2020).

We provide two pieces of empirical evidence for peer sabotage. First, surveys among award winners and their teammates indicate that peer sabotage of winners in the form of reduced help or deliberate sabotage is present after the award designation, especially when certain teammates

[4]The award does not enter the promotion algorithm or alter salespeople's incentive schemes. We also find little evidence that barely winners receive better promotion or exit the firm earlier than barely losers.

compete with the winners for limited resources, such as referrals and internal training. Consistent with survey results, we find that the difference in subsequent performance between barely winners and barely losers is indeed larger among rookies in teams with more intense competition. Second, we exploit the fact that performance observability among peers is a necessary condition for any peer effects to take place (Kandel and Lazear, 1992; Mas and Moretti, 2009; Bursztyn and Jensen, 2015). We expect the performance reduction to be more pronounced among barely winners who have lower pre-award performance observability because the increase in their performance observability due to winning the award and hence peer sabotage should be larger. Consistent with this conjecture, we find that the difference in subsequent performance between barely winners and barely losers is larger among rookies who initially have lower performance observability in their team. Importantly, the above findings cannot be explained by the pre-existing difference in the observables of rookies or their teammates between sub-samples.

Finally, we find no evidence that the award has any spillover effects on the peers of winners and losers. The non-rookie teammates of barely winners and those of barely losers do not perform differently in any measurable aspects in the quarter after the award designation. In other words, the award designation reduces winners' own performance without improving others' work performance.

This paper makes several contributions. First, we present some of the first causal evidence on the existence and the mechanisms of *negative ex-post* effects of symbolic awards on winners' productivity in the workplace. Most papers have documented *positive ex-ante* effects of awards or *positive ex-post* effects on workers' productivity and retention rate.[5] To our knowledge, Gubler et al. (2016) is the only paper that documents negative *ex-ante* effects of symbolic awards in the workplace. They find that a symbolic attendance award crowds out intrinsic motivation and lowers performance in tasks *not* directly incentivized, despite having positive effects on directly incentivized tasks among employees who had punctuality problems to begin with. By contrast, our paper provides evidence that winning a symbolic award lowers one's ex-post productivity due to *peer sabotage* without improving others' performance. More importantly, we demonstrate that competition intensity is an important mediator of peer sabotage. This finding also speaks to the literature studying how competition leads to inefficiency in organizations.[6]

In settings other than ordinary workplace, several papers also find negative effects of awards

[5]For instance, Kosfeld and Neckermann (2011), Ashraf, Bandiera, and Lee (2014), Neckermann et al. (2014), Bradler et al. (2016), Chen and Lu (2020), and Gallus (2016).

[6]For example, competition may result in inefficiency by discouraging workers (Fang, Noe and Strack, 2020) and creating psychological burdens on participants (Smith, 2013).

on winners' subsequent performance. Borjas and Doran (2015) study winners of Fields Medal and suggest that winners' publication performance worsens because they reallocate effort from writing papers to exploring new topics. Malmendier and Tate (2009) find that CEOs who win prestigious awards subsequently participate in more activities outside their firms at the expense of their firms' performance. In both papers, the main culprit for performance decrease is effort reallocation. Our paper adds to theirs by presenting a new mechanism, peer sabotage, through which awards lead to negative effects on winners. In a school setting, Robinson et al. (2019) finds that a retrospective attendance award provides moral license to receiving students and worsens their subsequent attendance, while Bursztyn and Jensen (2015) shows that higher-performing students reduce their effort to avoid being listed on an academic leaderboard due to peer pressure. Although the two papers provide valuable evidence that symbolic awards can affect performance negatively, they focus on student population, who are less mature and whose cost of not properly investing in human capital will not materialize until years later. By contrast, our paper shows that symbolic awards can negatively affect the productivity of *adult* workers who are the main bread-earners in their households and whose productivity reduction takes an *immediate* toll on income.

Some papers on public performance ranking also find evidence for negative effects.[7] Blader et al. (2020) document that a public performance ranking among truck drivers improves or worsens the drivers' performance depending on whether the work site culture is competitive or collaborative. Ashraf (2017) demonstrates that sweater factory workers who outperform their friends in a public performance ranking decrease performance due to conformity preference. Our paper differs from theirs in that the main mechanism is different and that the award adds an extra layer of public recognition above and beyond the public ranking. For example, Medvec et al. (1995) show that athletes who are in the middle of the podium feel differently from those who barely make the podium. Kaniel and Parham (2017) show that mutual funds which barely make it to the "WSJ Category Kings" lists receive more fund flows than those which barely miss it, even when the *full* rankings are published. The heightened public attention associated with the award could exacerbate its negative effects on performance and incur higher costs for firms.[8]

Finally, this paper is the first to examine spillover effects of symbolic awards in firms, although past papers have studied such effects in non-firm environments (Guryan et al. 2009; Ager, Bursztyn,

[7] See Ashraf (2017) for a review on recent papers about public performance ranking.

[8] In addition, the information set is also different — only top rankings are published in our setting while the full rankings are published in the public performance rankings. Therefore, workers below the cutoff face fewer confounding incentives in our setting than under public performance rankings.

and Voth, 2016; Bradler et al., 2016; Moreira, 2016; Sequeira et al., 2016; Corelissen et al. 2017). Empirical evidence in firms is scarce for the following two reasons. First, data on hierarchical relationships and peer groups in firms are hard to obtain (Warzynski, Smeets, and Waldman, 2017). Second, spillover effects can be confounded by direct effects of peers losing the award themselves, since most awards do not have eligibility criteria irrelevant to performance. In this paper, we overcome both issues and find no spillover effects of the award designation on non-competing peers.

The remainder of the paper is as follows. Section 2 describes the organizational background and data structure. Section 3 outlines the empirical strategy. Section 4 presents the effects of the symbolic award on winners and losers and explores various mechanisms. Section 5 presents the spillover effects of the award. Section 6 concludes.

2. ORGANIZATION BACKGROUND AND DATA

2.1. Organization Background

The organization. Our testing ground is the largest branch of a leading insurance firm in China. Hereafter, we refer to this branch as "the company". The company is located in a city in Eastern China. The city covers an area over 10,000 km^2 and has a population of about 7 million in 2013. The company has 12 sub-branches in the city, each consisting of about 30 teams and 400 salespeople on average. Between January 2013 and December 2016, our sample period, the company made a total of 1.78 billion CNY in insurance premium and employed a total of more than 20,000 salespeople (at least 4,000 salespeople in a single quarter).

There are two main job levels in the company: salesperson and manager. There are three sub-levels for salesperson ranging from 1 to 3 and three sub-levels for manager ranging from 4 to 6. Salespeople are responsible for selling insurance and referring new employees to the company. Besides these job tasks, managers are also responsible for managing salespeople in their teams and lower-level managers (e.g., level 5 and 6 managers oversee level 4). A team in the company is defined as a group of salespeople overseen by one manager. The team is formed by existing team members recruiting new salespeople to the team or by being assigned new salespeople centrally recruited in company job fairs.[9] Since managers' income partly depends on the performance of salespeople in their teams, managers hold regular team meetings to monitor and motivate the salespeople.

[9]The non-random team assignment does not invalidate our RD design based on the award designation because teammates are determined *before* each award designation.

According to interviews with salespeople, in a typical team meeting, a manager will praise the salespeople who performed well in selling insurance in the previous day or week and ask them to share experience with the team. There is no public performance ranking in the company, and many salespeople told us that they only know the performance of top performers in their teams via team meetings.

Salespeople have zero base salary and earn income from insurance commission and bonuses. They sell two types of insurance products: life insurance and short-term insurance. Life insurance covers the insured person for the whole of life and pays out to the beneficiary upon the death of the insured. The premium for life insurance is paid annually according to a prearranged schedule; the responsible salesperson earns commission, an insurance-type-specific percentage of the annual premium, at the time of each payment. In the rest of the paper, "life insurance commission" refers to the commission from the *first* annual premium payment rather than the commission from later payments. Short-term insurance covers only for a short period of time and pays out for various prearranged contingencies. The premium for short-term insurance is paid in a lump sum when the contract is signed; the responsible salesperson earns a one-time commission as a predetermined percentage of the premium (*other insurance commission*).

Besides insurance commission, salespeople can earn various small bonuses. For example, managers earn bonuses based on the number and the performance of subordinates overseen by them, and salespeople earn bonuses based on the number and the performance of their referrals, i.e., salespeople that they directly refer or are assigned to them by their managers. They do not receive bonuses based on the performance of salespeople who are neither their subordinates nor their referrals. For an average salesperson, 65 percent of income is from life insurance commission, 10 percent from other insurance commission, and 25 percent from bonuses.

The company's promotion algorithm is based on two metrics: life insurance commission and the number of referrals. Salespeople are assessed at the beginning of each quarter based on their performance in the last quarter. For example, performance in January through March is evaluated at the beginning of April. Salespeople will be promoted to the next level if their performance in selling insurance and recruiting new employees in the last quarter is above the level-specific threshold, and they will be demoted if their quarterly performance is below certain basic requirements.[10]

[10] More specifically, a salesperson will be promoted from level 1 to 3 if their life insurance commission in a quarter reaches 1,500 CNY. At level 3, there are three possible career paths going forward. First, the salesperson will be promoted to the manager level (level 4) and start their own team if their quarterly life insurance commission is over 4,500 CNY and has at least two referrals. Second, the salesperson will remain at level 3 if their quarterly life

All salespeople are eager to be promoted. For one thing, salespeople at higher job level receive higher bonuses from the insurance sales of their subordinates and referrals, even though the commission from their own sales is fixed across job levels. For another, when their subordinates or referrals reach higher job levels than themselves, they lose the bonuses from the subordinates or referrals. Salespeople make every effort to understand the promotion algorithm. Around 85 percent of salespeople surveyed said they knew the exact requirement for promotion to the next job level.[11] Out-of-algorithm promotion is strongly discouraged and rarely occurs in the company. In our sample period, only 37 out of 6,707 promotions involving rookies are inconsistent with the promotion algorithm.

In this company, salespeople sell insurance alone. However, since managers' income depends on the performance of their subordinates, they often ask senior team members to help rookies out, e.g., explaining details of insurance products and contracts and sharing experience in dealing with customers. All surveyed salespeople said their teammates' help was very or somewhat important in selling insurance when they were rookies. Salespeople are responsible for developing their own selling regions and are allowed to sell to any customers. Given the large base of potential customers, it is uncommon for two salespeople to compete for customers unless there is deliberate sabotage. Although salespeople do not compete for customers, they do compete for internal resources such as referral assignment, as shown by the survey detailed in appendix C. Referral assignment of rookies recruited via company job fairs (i.e., not referred by anyone) often makes or breaks a promotion because recruiting salespeople on one's own is not easy.[12] Managers have the sole discretion in this referral assignment and often assign unassigned rookies to their most promising subordinates who satisfy all criteria of promotion except for the number of referrals.[13]

The "Best-Rookie" award. Starting from the early 2000s, the company implements a quarterly award program to recognize top-performing rookies. Only rookies entering the company in a specific quarter can compete for the award for that quarter.[14] Rookies in each quarter are ranked

insurance commission is at least 1,500 CNY but has not qualified for promotion to level 4. Third, the salesperson will be demoted to level 2 if their quarterly life insurance commission is below 1,500 CNY.

[11] Please refer to appendix C for details of the survey.

[12] On average, it takes eight quarters before one refers their first salesperson.

[13] In order to be promoted to a higher level, managers need to oversee at least two lower-level managers. Therefore, many managers are better off assigning the unassigned new recruits to their promising subordinates than to themselves.

[14] As long as a rookie's contract starts in quarter t, they compete for *that* quarter's award, regardless of the exact entry date. Rookies who enter earlier in a quarter will have an advantage because they have more time to sell insurance. However, rookies do not seem to strategically select the entry dates, as more rookies enter later rather than earlier in a quarter — 30 percent rookies enter in the first month of a quarter, 32 percent in the second, and 38

according to their first-quarter life insurance commission. At the beginning of the following quarter, the top ten rookies are presented with the "Best Rookie" award at a company-wide meeting. During the meeting, the rank of award winners and their life insurance commission are posted on the board, while the information on other rookies is unknown to the public. Given the high bar of winning, award winners are scattered across various teams — over 90 percent of managers with winners in their teams experience no more than two winners in the sample period. The award is purely symbolic. It does not come with monetary prizes and does not factor into the promotion algorithm. Salespeople face the same incentive scheme regardless of their award status.

In the rest of the paper, quarter t represents the first quarter when a rookie joins the company, and quarter $t{+}\tau$ represents the τth quarter after the rookie's first quarter in the company. Since the award is based on the performance in quarter t, we assign t to variables associated with the award designation, even though the award is physically handed out at the beginning of quarter $t + 1$.

2.2. Data Source and Sample Construction

The company provides us with data covering all salespeople in the company between January 2013 and December 2016. The data consist of four parts:

1. Individual monthly performance, including insurance commission by detailed categories, total income, and the number of referrals. Since the award is given on a quarterly basis, we aggregate the performance to the quarterly level. We further winsorize all monetary outcomes at 1 percent level to reduce the influence of outliers. Main findings are robust to not winsorizing, and results are available upon request.
2. Personal information, including an anonymized identifier for each salesperson, their gender, age, years of education, urban status, home address, and contract start date. Urban status is one if a salesperson is from urban areas and zero if from rural areas. We define contract end date for a salesperson as the last day of the month after which they do not appear in the data again. If a salesperson leaves the company after the end of our sample period, we code their contract end date as missing.
3. Hierarchical information, including salespeople's direct managers, referrers, referrals, teammates, and subordinates. Salespeople are defined to be teammates in a quarter if they share the same direct manager in that quarter.

percent in the third.

4. A list of the winners of the "Best Rookie" award in each quarter. The list matches up perfectly with a list generated by the authors using the raw data on rookies' first-quarter life insurance commission.

We assemble two samples for analysis. The first sample is for analyzing the effects of the award designation on winners' and losers' subsequent performance. For rookies hired in each quarter, we merge them with their personal information, hierarchical information, performance in that quarter and in all subsequent quarters, using their identifiers. There are 13,163 quarterly rookies during our sample period. Since we are interested in the effects of the award on subsequent performance, we require rookies to appear in the sample for at least two quarters.[15] We are left with 10,996 rookies, including 151 winners with the extra one from a tied rank. We then calculate the optimal IK bandwidth using the standardized first-quarter life insurance commission as the running variable (Imbens and Kalyanaraman, 2012).[16] For the RD regression, we focus only on the rookies who are within the optimal IK bandwidth (*main RD sample*), which consists of 1,837 rookies (including 115 winners).[17] Table A1 reports the number of observations and the range of rank included in the main RD sample by year and quarter. In the appendix, we report main results using various samples, e.g., rookies who rank top 20th, rookies who rank between 5th and 15th, and rookies whose baseline performance is within certain bandwidths varying between 2 and 3.5.

Table 1 panel A displays the summary statistics for the main RD sample. One thing worth pointing out is that 67 percent of rookies are female in this company, which is a norm in the insurance industry in China. Another thing to note is that the average years of education are around 14, equivalent to "some college". Since selling insurance is a job with no requirement on tertiary education, salespeople with college degree selected into this industry should not be viewed as similar to general college graduates. An average rookie joins the company roughly in the middle of

[15] As a robustness check, we include the dropped rookies and use Heckman two-step to correct for the selection. Results are reported in the Appendix A. Since only 14 out of 1,851 rookies within RD bandwidth dropped out in the second quarter (most are far from award thresholds on the left) and a perfectly exogenous predictor for this selection is hard to come by, we only report regressions *without* Heckman selection in the following sections.

[16] Standardized Commission$_{i,t} = \frac{commission_{i,t} - avg(commission_t)}{se(commission_t)}$. Running variable = standardized commission − the tenth standardized commission. Our findings are robust to using discrete rank as the running variable. Results are available upon request.

[17] The imbalance in the number of winners and losers is due to the award structure which employs a fixed quantity cutoff of 10. Such imbalance should pose little threat to our identification. First, we include triangular weight, so far away winners or losers contribute relatively little to the estimated discontinuity at the cutoff. Second, we conduct a battery of balance tests and find no discontinuities in any baseline characteristics between barely winners and barely losers. Third, non-winner rookies in the main RD sample are on average top 110 out of 800 rookies, who should also be deemed as top performers.

a quarter and works for about 32 days in their first quarter in the company (*duration*). On average, the rookies earn 2,470 CNY in life insurance commission in their first quarter in the company and 2,110 CNY in the second quarter.

[Insert Table 1 here]

The second sample in our paper is for examining the effects of the award designation on the subsequent performance of winners' and losers' non-rookie teammates. We first identify the rookies who earn the highest life insurance commission among all rookies in a team, as there can be multiple rookies in each team, and the spillover effects, if any, are more likely to come from the best rookie within each team. These rookies are considered the source of impact and referred to as "participants". We then identify the *non-rookie* teammates of the participants in the participants' first quarter in the company. This process yields 17,409 quarter and salespeople pairs (7,411 unique salespeople led by 378 unique managers). We further require these salespeople to remain in the company in the quarter after the award designation of the participants. This leaves us with 15,471 quarter and salespeople pairs (6,538 unique salespeople led by 378 teams managers). These observations constitute the peer sample.[18] As shown in Table 1 panel B, around 60 percent of the salespeople in the peer sample are female, and the average years of education are around 14. On average, they earn 2,210 CNY in life insurance commission in the corresponding participants' first quarter and 2,320 CNY in the second quarter. Table A2 report summary statistics for the full rookie sample and the full peer sample with no bandwidth restriction.

3. EMPIRICAL STRATEGY

In this section, we explain our empirical strategies and identifying assumptions. We first examine the impacts of the symbolic award on winners and losers' subsequent performance in the main RD sample. The specification is as follows:

$$\begin{aligned} Y_{i,t+\tau} = \beta_0 + \beta_1 Win_{i,t} + \beta_2 f(StdCommission_{i,t} - Cut_t) \\ + \beta_3 Win_{i,t} \times f(StdCommission_{i,t} - Cut_t) + \beta_4 X_{i,t+\tau} + \alpha_{t+\tau} + \epsilon_{i,t+\tau}, \end{aligned} \tag{1}$$

[18] The probability of a non-rookie teammate leaving the company after the award is about 14 percent for barely winners and 11 percent for barely losers. As a robustness check, we include the dropped teammates and use Heckman two-step to correct for the selection in the appendix. Since results are robust, we report results *without* Heckman selection as our main findings.

where $Y_{i,t+\tau}$ is the outcome of interest for rookie i in the τth quarter after their first quarter in the company, such as life insurance commission, other insurance commission, the number of new referrals, and so on. τ equals 1 for our main regressions, as we are most interested in the immediate effects of the award designation on rookies' performance. We will extend τ when we analyze the performance dynamics. $Win_{i,t}$ equals 1 if i's life insurance commission in t is top ten among all rookies, and 0 otherwise. $StdCommission_{i,t}$ is the standardized life insurance commission in quarter t, calculated by subtracting a rookie's raw life insurance commission by the average life insurance commission of all rookies in quarter t and dividing the difference by the standard deviation of life insurance commission of all rookies in quarter t. The running variable is $StdCommission_{i,t} - Cut_t$, namely the difference between a rookie's standardized life insurance commission and the standardized life insurance commission at the award threshold (rank tenth) in quarter t. We construct the running variable using the standardized commission, so that we could compare rankings across quarters. $f(\cdot)$ is a first order function in our main specification. We also include the interaction between $Win_{i,t}$ and $f(StdCommission_{i,t} - Cut_t)$ to allow different slopes of $f(StdCommission_{i,t} - Cut_t)$ on the two sides of the award threshold. $X_{i,t+\tau}$ is a vector of control variables for i measured in $t+\tau$, including gender, age, age squared, urban status, and years of education. $\alpha_{t+\tau}$ is the quarter-by-year fixed effects, which controls for time-varying common shocks to the company. $\epsilon_{i,t+\tau}$ is the error term.

The regression is estimated using local linear regression with triangular weights and IK bandwidths (Lee and Lemieux, 2010). We report heteroscedasticity-consistent standard errors in the main tables. We do not cluster standard errors by team or by year-and-quarter in our main results for two reasons. First, according to Abadie et al. (2017), we should not cluster standard errors by team because there is no clustering by team in sampling or in the treatment assignment. Rookies in any teams can compete for the award, and the 115 winners in the main RD sample spread across 92 teams. Second, clustering standard errors by year-and-quarter is reasonable because this is the level of treatment assignment and the probability of being a "Best Rookie" varies across time due to the varying number of rookies. However, there are only 15 year-and-quarter cells in the sample period, which are too few to obtain consistent standard error estimates. As robustness check, we try several inference methods, including a wild bootstrap (1,000 times) to obtain robust standard errors clustered by year-and-quarter (Cameron et al., 2008). Standard errors estimated from different inference methods are quantitatively similar and are reported in the appendix.

β_1 is the coefficient of interest, which measures the impacts of award designation on the sub-

sequent performance of winners relative to losers. There are two threats to identification. First, perfect manipulation, a situation in which a rookie can perfectly manipulate their life insurance commission so that they are certain to win the "Best Rookie" award. Second, differential attrition, a situation where rookies on different sides of the award threshold exit at different rates after the award designation. We provide evidence against both threats in section 4.1.

Besides the direct effects of the award designation on winners relative to losers, we also examine how the award designation affects their teammates. To conduct this analysis, we estimate the following regression using the peer sample:

$$\begin{aligned} Y_{j(i),t+\tau} = \gamma_0 + \gamma_1 Win_{i,t} + \gamma_2 f(StdCommission_{i,t} - Cut_t) \\ + \gamma_3 Win_{i,t} \times f(StdCommission_{i,t} - Cut_t) + \gamma_4 X_{j(i),t+\tau} + \alpha_{t+\tau} + \epsilon_{j(i),t+\tau}. \end{aligned} \tag{2}$$

where $Y_{j(i),t+\tau}$ is the outcome of interest for non-rookie teammate j of participant i in the τth quarter after i's award designation. $X_{j(i),t+\tau}$ is a set of control variables for j measured in quarter $t+\tau$, including gender, age, age squared, urban status, years of education, job level, and tenure. Standard errors are clustered by team because *all* non-rookie teammates in a team with award winners are coded as treated, and hence treatment assignment is clustered by team. Unless otherwise noted, all else remains the same as in equation 1.

γ_1 is the coefficient of interest, which measures the impacts of participants' award status on their teammates. As long as there is no perfect manipulation among the participants or differential attrition among their teammates after the award designation, the RD design will identify the local average treatment effects of the award on winners' teammates relative to losers'. The non-random teammate assignment does not affect the validity of the RD design because teammates of participants were determined *before* the designation.

4. EFFECTS ON WINNERS AND LOSERS

4.1. Validity of RD

In this section, we examine the identifying assumptions of the RD design. Namely, there is no perfect manipulation of life insurance commission or differential post-award attrition around the threshold.

One threat to identification is perfect manipulation of life insurance commission, a situation in which rookies know the exact award threshold and adjust their commission to be just above

the threshold. However, perfect manipulation is unlikely to occur in this setting. There are on average 800 rookies recruited in each quarter, and they spread out in over 290 teams located in 12 geographically dispersed sub-branches. Even though top performers within each team are known to their teammates, not all promising rookies are top performers in their teams. Moreover, the information in a team is hard to spread given the number and the dispersion of the teams. In addition, the award threshold varies substantially from one quarter to another (Figure A1), and award winners spread across many teams — over 90 percent of teams with winners experience no more than two winners. Taking all the above into consideration, it is unlikely that salespeople can know the exact award threshold and manipulate their commission accordingly.[19]

To lend further support to the quasi-randomness of the award assignment, we compare the demographics and the baseline performance for rookies at the two sides of the thresholds. In Table 2 columns (1)-(5), we compare barely winners' and barely losers' gender, age, education, urban status, and the duration in their first quarter in the company. None of the outcomes exhibit discontinuities at the threshold, as indicated by the small and insignificant estimates on *Win* dummy. We further compare barely winners' and barely losers' first-quarter life insurance commission. Figure 1 plots the commission on the y-axis and the running variable — the difference between a rookie's standardized first-quarter life insurance commission and the standardized life insurance commission at rank tenth in the corresponding quarter — on the x-axis. The commission changes smoothly across the award threshold. Regression results reported in Table A3 column (1) tell the same story. Note that the non-existence of discontinuity at the award threshold is not so surprising because the running variable is essentially an affine transformation of the first-quarter life insurance commission. Therefore, we run additional placebo tests using other performance in the first quarter as outcomes, such as other insurance commission, number of referrals, and total income. Table A3 columns (2)-(4) show that none of the above variables exhibit discontinuities at the award threshold.

[Insert Table 2 here]

[Insert Figure 1 here]

Since our survey among salespeople indicates that senior teammates' help is important in selling

[19]Traditional manipulation test is not well suited in our setting because our sample is from the right tail of performance distribution where observation is sparsely distributed. The sparsity becomes even worse, as we have a fixed-quantity cutoff rather than a fixed-value cutoff. Manipulation test via STATA command "rddensity" does not pass even for fake cutoffs at ranks one through nine and 11 through 20.

insurance during their rookie phase, it is important to examine the baseline performance and characteristics of rookies' senior teammates. Overall, we find no significant difference between barely winners' and barely losers' non-rookie teammates. We will further explain this when we discuss the mechanisms in section 4.3 and the spillover effects in section 5.

Another threat to identification is differential attrition around the award threshold after the award designation. Table 2 column (6) shows that there is no significant difference in the probability of exiting in the quarter after the award between barely winners and barely losers.[20] In fact, only 14 out of 1,851 rookies within the RD bandwidth drop out in the quarter after the award, and most of them are on the far left side of the award cutoff. Given the low exit rate and the triangular weight centered at the award cutoff, the attrition should have a minimum impact on the RD estimates. As a robustness check, we use entry time, whether a rookie is referred by her manager, and rookie's distance to her manager's home address to predict a rookie's early exit, and then apply Heckman two-step correction to the basic regression. These estimates in Table A4 are quantitatively similar to our main estimates.

4.2. Main Results

In this section, we discuss the effects of the symbolic award on barely winners and barely losers' subsequent performance. Figure 2 displays their life insurance commission in the quarter following the award designation. The y-axis plots the outcome, and the x-axis plots the running variable. Though the slope of the fitted line on both sides of the award threshold is positive, there is a significant dip right above the threshold. In other words, though rookies who rank higher in their first quarter generally perform better in the second quarter, those who are just above the award threshold perform *worse* than those just below.

[Insert Figure 2 here]

Table 3 reports the corresponding regression results. Our preferred specification in column (3) shows that barely winners' life insurance commission in the quarter after the award designation is 1,720 CNY lower than barely losers'. The difference amounts to over 27 percent of the top 20 rookies' average first-quarter life insurance commission.[21] Estimates remain within a fifth of

[20] Note that the sample size in column (6) is greater than the sample size for our main RD regression because we include both rookies who exit and those who remain in quarter t+1 in column (6).

[21] We use the average among top 20 rookies (6,209 CNY) rather than among all rookies in the main RD sample (2,469 CNY) as the benchmark because the former is more relevant to the discontinuity at rank 10.

standard deviation from the preferred estimate in column (3) when we exclude year-and-quarter fixed effects or demographic controls in columns (1) and (2). We report heteroscedasticity-consistent standard errors in Table 3, but the standard errors barely change under other inference methods as shown in Table A5.

To ensure robustness of the above results, we restrict our sample to rookies who rank top 20th or those who rank between 5th and 15th in in Table A6, vary bandwidths between 2 and 3.5 in Table A7, and estimate equation 1 using local quadratic regression in Table A8. Almost all estimates on Win dummy are within a third of standard deviation from the estimate from our preferred specification in Table 3 column (3).

[Insert Table 3 here]

Since the RD estimates are *relative* in a cross-sectional sense, the discontinuity may result from winners slacking, losers working harder, or both. To understand which is the driving force, we plot the level change and the percentage change in the life insurance commission from rookies' first quarter to their second quarter in Figure 3. The figure shows that both the level and the percentage change among barely winners are significantly negative, while the change among barely losers centers tightly around zero.[22] To be precise, the average change in life insurance commission from rookies' first to second quarter is -2,439 CNY or -39.7 percent (p value$<$0.01) among barely winners, whereas the change is 54 CNY or 0.22 percent (p value$>$0.1) among barely losers.[23] These findings suggest that the performance difference between barely winners and barely losers is, surprisingly, driven by winners slacking off rather than by losers working harder. Simply put, barely winners respond to the award designation by reducing their life insurance commission, while barely losers do not respond much.[24] Given the average commission rate of about 15 percent, the performance difference in the insurance commission implies a revenue loss of 11,400 CNY ($= 1,720/0.15$) per winner per quarter.

[Insert Figure 3 here]

A noteworthy point is that the minimum life insurance commission requirement for promotion to the manager level is 4,500 CNY. Since the average first-quarter life insurance commission among

[22]Note that the changes in life insurance commission of the winners on the far right are above zero. We restrain from over-interpreting these changes because the sample size there is small and the precision is low.

[23]We regress the change in life insurance commission on a constant with triangular kernel separately among barely winners and barely losers. The stated numbers are the estimated constants.

[24]Some may argue that losers work harder to offset a common downward trend from the first to the second quarter while winners' effort remains unchanged, resulting in losers' unchanged performance while a decrease in winners'. We will explain why this interpretation is not so likely in section 4.3.1 where we discuss our preferred explanation.

the winners in the main RD sample is over 6,220 CNY, they can fulfill the promotion requirement even if their commission decreases by 1,720 CNY in the second quarter.

Finally, in Appendix B, we show that the gap in performance between barely winners and barely losers shrinks but remains negative till three quarters after the award designation, although the gap is no longer statistically different from zero for later quarters.

4.3. Plausible Mechanisms

What could be the mechanisms driving barely winners' performance decrease after the award designation? We will first discuss the most plausible mechanism, peer sabotage, which we find supportive evidence for in both survey and performance data. We will then discuss alternative mechanisms and why they are inconsistent with the data.

4.3.1. Peer sabotage

Papers on peer sabotage suggest that winners may decrease performance due to competitive peers (Lazear, 1989; Andiappan and Dufour, 2020). In our setting, internal resource allocation, such as referral assignment and training opportunities, is critical to career advancement.[25] Since managers have incentive to assign such resources to their most promising subordinates, teammates may perceive award-winning rookies as likely to outcompete them for the limited resources. As a result, teammates may sabotage rookies who are revealed to be promising by the award in the form of refusal to help or even deliberate sabotage. Indeed, approximately 75 percent of surveyed salespeople said they often heard of deliberate sabotage such as reporting peers' kickbacks to the company or stealing peers' clients. Moreover, all surveyed winners said their teammates, especially those on the verge of being promoted to the manager level, reduced help to them after they won the award. Consistent with this claim, over 60 percent of surveyed non-winners said that teammates on the verge of being promoted experienced higher stress after their rookie teammates won the award and that they noticed fewer help to award winners after the award.

To corroborate survey results that peer sabotage plays a role in award winners' performance decrease, we split the main RD sample by whether the rookie has any teammates on the verge of being promoted to the manager level and examine the heterogeneity in the discontinuity across subsamples. We define teammates on the verge of promotion (hereafter, *competitive teammates*)

[25] As detailed in section 2.1, the number of referrals is an important criterion for promotion to the manager level, but it is not easy to recruit on one's own. Therefore, salespeople often compete to be assigned a referral who is recruited via company job fairs.

as those who satisfy all promotion criteria to the manager level except for the number of referrals, namely those who make 4,500 CNY in life insurance commission in quarter t and who are at job level three and have the same number of referrals (either 0 or 1) as the rookie at the beginning of quarter t+1.[26] Consistent with the survey results, both Figure 4 and Table 4 show that the discontinuity in subsequent performance between barely winners and barely losers mainly comes from teams with competitive teammates. The difference in estimates on the coefficient of Win dummy between the two subsamples is significant at the one percent level. To ensure our findings are not driven by pre-existing difference between rookies across subsamples, we examine the baseline characteristics and performance of barely winners and barely losers in each subsample in Table A9 and Figure A2. There exist no significant discontinuities in the examined variables in either subsample. Moreover, Tables A10 demonstrates that there is no significant difference in the baseline characteristics and performance of the teammates of barely winners and barely losers in each subsample either.

[Insert Figure 4 here]

[Insert Table 4 here]

One point worth emphasizing is that the above heterogeneities cannot be explained by an alternative explanation mentioned in section 4.2, i.e., losers work harder and winners exert similar effort while both experience a worsening insurance selling environment. It is hard to imagine that the motivation effects from losing the award will positively correlate with the degree of peer sabotage. If anything, barely losers should be less likely to work harder in teams with competitive teammates because they are likely to be sabotaged if they stand out too much.

Next, we provide the second piece of evidence to support peer sabotage as a key underlying mechanism. Performance observability among peers is a necessary condition for any peer effects (Kandel and Lazear, 1992; Mas and Moretti, 2009). Through surveys and interviews, we know that most salespeople only know the performance of top performers in their teams via team meetings. Therefore, for rookies who are already top performers in their teams, winning the award does not change their performance observability or their teammates' perception of them. As a result, there should be no discontinuity in peer sabotage or in the post-award performance of these rookies across the award cutoff. In contrast, for rookies who are not top performers in their teams, winning the

[26] When a salesperson makes over 4,500 CNY in life insurance commission in a quarter and has at least two referrals in the company, they will be promoted to the manager level in the next quarter. In the main RD sample, about 35 percent of the rookies have at least one competitive teammate at the beginning of quarter t+1.

award can drastically change their performance observability and their teammates' perception of them, resulting in a discontinuity in peer sabotage and their post-award performance across the award cutoff.[27]

To examine this conjecture, we split the main RD sample by whether the average monthly life insurance commission of the rookie in quarter t ranks within top three (high-rank) or below top three (low-rank) in their team.[28] As shown in Figure 5, there is a visually discernible dip in the post-award life insurance commission right above the award threshold in the low-rank sample (panel B) but not in the high-rank sample (panel A). Regression results in Table 5 demonstrate the same pattern. Barely winners earn 2,970 CNY less than barely losers after the award designation in the low-rank sample (column 1), while barely winners do not perform statistically differently from barely losers in the high-rank sample (column 2). The difference in the two estimates is statistically different (p value=0.027). As robustness check, we redefine top performers as those who rank top two or top one in Table 5 panels B and C. The estimates of the discontinuity in the high-rank sample are constantly small and insignificant, while those in the low-rank sample are always large and significant.[29]

[Insert Figure 5 here]

[Insert Table 5 here]

The heterogeneities between high-rank and low-rank rookies are not driven by pre-existing differences in rookies' performance, their characteristics, or their teammates' characteristics. We plot the RD graph using first-quarter life insurance commission as placebo outcome (Figure A3) and compare rookies' and their teammates' baseline characteristics in low- and high-rank samples separately (Tables A11 and A12). All validity checks pass.

4.3.2. Alternative mechanisms

Apart from peer sabotage, there are alternative mechanisms that may explain our main findings.

[27] Winners of the "Best Rookie" award are not necessarily top performers in their teams because a team consists of both rookies and non-rookies.

[28] We use average monthly life insurance commission rather than the quarterly total to correct for rookies' differences in entry time.

[29] We do not split sample using rank fourth or below because there will be too few winners in the low-rank sample. Also, a lack of discontinuity between barely winners and barely losers in the high-rank sample does *not* mean that these rookies' performance remains unchanged from quarter t to t+1; it only means that the changes in performance, if any, are similar between the two groups. In untabulated results, we show that barely winners and barely losers in the high-rank sample experience a small decrease of similar magnitude in life insurance commission from quarter t to t+1.

Signaling. Barely winners may use the award to signal high ability to outside firms and look for better jobs, which decreases their total effort on the job and lowers their life insurance sales. If this is the case, we expect barely winners' exit rate in the quarters immediately following the award designation to be higher than barely losers'. However, Table 6 columns (1) through (5) show that no significant difference exists in the cumulative exit rate between barely winners and barely losers in the six quarters after the award designation. Barely winners and barely losers are equally likely to have already left the company by the end of each quarter. Column (6) further shows that their total duration in the company during the sample period is similar to each other.[30]

[Insert Table 6 here]

Effort reallocation. Tournaments have been shown to affect participants' post-award effort allocation (Malmendier and Tate, 2009; Borjas and Doran, 2015). Even if barely winners' total effort on the job remains constant, they may reallocate effort to tasks other than selling life insurance and improve their performance in other tasks, such as selling short-term insurance. However, Table 7 columns (1) and (2) show that barely winners perform no better in selling short-term insurance and make 2,032 CNY less in total income (30 percent of baseline mean) than barely losers in the following quarter. Apart from the performance in job tasks that can be clearly measured, barely winners may reallocate effort to unobservable tasks beneficial to their future performance, such as on-the-job training. Although we cannot quantify the exact effort reallocation to these tasks, we can study the efficacy of the reallocation by comparing barely winners and barely losers' future performance in the company. We use salespeople's highest job level and probability of being promoted to manager in the sample period to proxy for their future performance. Table 7 columns (3) and (4) indicate that barely winners' highest job level ever reached is significantly lower than barely losers', and the two groups are not significantly different in the likelihood of being promoted to managers.[31] The above evidence suggests that barley winners do not reallocate their effort to tasks that can improve their performance in the long run.

[Insert Table 7 here]

[30]There are two caveats: (1) we do not observe salespeople after they leave the company, so we cannot compare the quality of their next jobs; (2) we cannot pin down the total duration for salespeople who leave the company after the end of our sample period.

[31]Barely winners' poorer future performance cannot be explained by their early exit from the company, as barely winners and barely losers stay in the company for a similar amount of time (Table 6 column (6)).

Gaming the system. It is also possible that rookies game the award system by selling insurance to themselves and canceling the contract after winning. Life insurance commission is the original amount in a quarter less canceled commission in that quarter, and whoever games the system is likely to cancel in the quarter right after the award, thereby resulting in barely winners' poor performance following the award. To examine this possibility, we compare barely winners' and barely losers' life insurance cancellation in quarters t through t+3 (quarter t being rookie's first quarter). Table 8 shows that barely winners experience 225 CNY less cancelation than barely losers in quarter t+1 (p value<0.1), and the coefficients on Win dummy are negative in all other quarters albeit insignificant.[32] Given that the coefficients are small in magnitude and of opposite sign to what gaming suggests, gaming is unlikely to be the main mechanism.

[Insert Table 8 here]

Strategic reallocation across salespeople. Besides winners' own behavioral change, the behavioral change of their teammates may be the culprit. One possibility is that rookies' teammates, e.g., their referrers, managers, or senior teammates, pass on sales to help them win the award. The subsequent decreases in performance among barely winners are due to the winners returning the sales. Under this mechanism, we would expect a lower life insurance commission among the referrers, managers, or senior teammates of barely winners in the quarter leading up to the award and a higher commission among them in the quarter afterwards. We thus use the quarterly life insurance commission of rookies' referrer, manager, and senior teammates in quarters t-1, t, ..., and t+3 as outcomes and estimate equation 2 while additionally controlling for the job levels of the referrer, manager and senior teammates and an indicator of whether the referrer is also the manager. Table 9 shows that the difference in the performance between the referrers, managers, and senior teammates of barely winners and barely losers is not statistically different from zero in any quarters.[33] Results based on *monthly* life insurance commission in Table A13 exhibit the same pattern as the quarterly commission. Overall, strategic reallocation across salespeople cannot explain our main findings.

[Insert Table 9 here]

[32]Cancellation in insurance is proportional to insurance sales. Since barely winners sell less insurance in quarter $t+1$, it is normal that they have smaller cancellation.

[33]Note that the smaller sample size in columns (1), (4), and (5) may be due to mechanical truncation of sample period or due to managers, referrers and senior teammates exiting the company.

Other mechanisms. One may argue that mean reversion or other external shocks may cause the decreases in winners' performance. However, this is unlikely for the following three reasons. First, salespeople develop their own customer base, and there is no protocol in the company that assigns hard-to-sell regions to good performers. Second, the award is based on three months of performance, and randomness in sales, a common cause of mean reversion, should have balanced out. Third and most importantly, since award status is quasi-randomly determined around the award cutoff, any external shocks that are uncorrelated with the award status will affect *both* barely winners *and* barely losers and hence cannot generate the discontinuity in subsequent performance.

The final usual suspect is rest on laurels. Although we do not have direct evidence against this mechanism, rest on laurels does not easily explain our findings in section 4.3.1 that rookies decrease performance more in teams with competitive teammates. In other words, it is hard to understand why rookies are more likely to rest on laurels in teams with more intense competition.

Discussion. Overall, our empirical evidence strongly suggests that peer sabotage plays a key role in causing award winners' worse performance after the award designation. One may argue that senior teammates could reduce help to award winners while redirecting effort to improving their own performance or redirect help to other rookies more in need of help, thereby increasing the performance of themselves, other rookies, or even the whole team. However, this is not the case. Table 9 and Table A14 show that barely winners' teammates, either non-rookie teammates who are already in the team in quarter t or rookie teammates who join the team in quarter t+1, perform similarly in life insurance commission as barely losers' teammates in the quarter after the award (i.e., quarter t+1). Section 5, where we discuss peer effects of winning award, further demonstrates that barely winners' teammates do not perform differently from barely losers' teammates in any measurable performance, such as number of referrals, total income, or promotion likelihood.

Admittedly, the lack of a direct measure of peer sabotage limits our ability to quantify its level. However, given that peer sabotage causes winners' performance to decrease *without* materially increasing others' performance, the overall effect of peer sabotage induced by award designation on the firm is likely negative.

5. SPILLOVER EFFECTS ON PEERS

So far, we have established that winning the symbolic performance award induces peer sabotage and takes a toll on winners' subsequent job performance and take-home income. But peer sabotage in the form of refusing to help may benefit others, if the seniors spend the extra time on their own

job tasks or on helping other junior teammates. To understand the overall ex-post effects of the award designation, we now examine how the award affects the teammates of barely winners and barely losers.

To establish causality, the teammate assignment should be uncorrelated with the award designation. Recall that teammates are determined in a rookie's first quarter in the company *before* the corresponding award designation. As long as the award is quasi-randomly assigned around the award threshold, whether a rookies' teammates end up on the winning or the losing side of the threshold will also be quasi-random. To further verify the RD validity, we conduct balance tests using the baseline characteristics of participants' teammates. In Figure A4, panels A through F, we plot teammate's various characteristics on the y-axis and the running variables of their corresponding participants on the x-axis. Teammates' characteristics, such as age, gender, education, urban status, job level, and firm tenure in the participants' first quarter in the company, all change smoothly across the award threshold. We also plot their performance in the participant's first quarter as placebo tests (Figure A5). Performance such as life insurance commission, short-term insurance commission, number of new referrals, total income, and the likelihood of being promoted also change smoothly across the award threshold. The key takeaway is that teammates of winning participants are ex-ante similar to those of the losing ones except for the participants' award status.

[Insert Figure 6 here]

Next, we discuss the spillover effects of the award designation on participants' non-rookie teammates. Figure 6 plots the life insurance commission of participants' teammates in the quarter after the award designation on the y-axis and the corresponding participants' running variables on the x-axis. No significant discontinuity exists at the award threshold. Table 10 column (1) formalizes the RD graphs and shows that the coefficients on *Win* dummy are small and insignificant. We also find no significant difference in other performance measurements, such as other insurance commission, number of referrals, total income, and probability of being promoted in the quarter following the award designation in Table 10 columns (2) to (5). Overall, teammates of barely winning participants do not seem to perform differently from those of barely losing participants in the quarter after the award designation. In other words, there is little evidence that winners' performance reduction has any positive effects on their teammates' performance. In sum, peer sabotage induced by the award designation causes winners' worse post-award performance without improving their teammates' performance.

[Insert Table 10 here]

6. CONCLUSION

This paper studies the ex-post effect of a non-pecuniary symbolic award using an RD design. We find that barely winners' performance worsens relatively to barely losers' in the quarter after the award designation and that peer sabotage triggered by the award designation is likely a driving force. In addition, we find no evidence for spillover effect of the award designation on the peers of barely winners and barely losers.

While the effects estimated here are local average treatment effects pertaining to top performers, these effects are still worth studying and documenting. Top performers deliver much higher productivity than average performers and serve as role models for others (Morgenroth, Ryan, and Peters, 2015; Lafortune, Riutort, and Tessada, 2018). Therefore, understanding how widely used incentives affect top performers is a crucial step towards increasing firm's productivity.

Admittedly, we cannot estimate the ex-ante incentive effect of the symbolic award, as the data at hand only cover periods when the award is in effect. We are thus unable to pin down the net effect of the symbolic award, which includes both the ex-ante and the ex-post effect. However, given the economically significant decrease in award winners' post-award performance and the lack of positive spillover effect, the symbolic award designation is likely to generate substantial cost on firms ex post.

Finally, we find that the negative ex-post effect on award winners due to peer sabotage is stronger in teams where competition is more intense. Firms should pay attention to team dynamics when setting up incentive schemes and may consider avoiding symbolic awards in highly competitive environment that is prone to peer sabotage.

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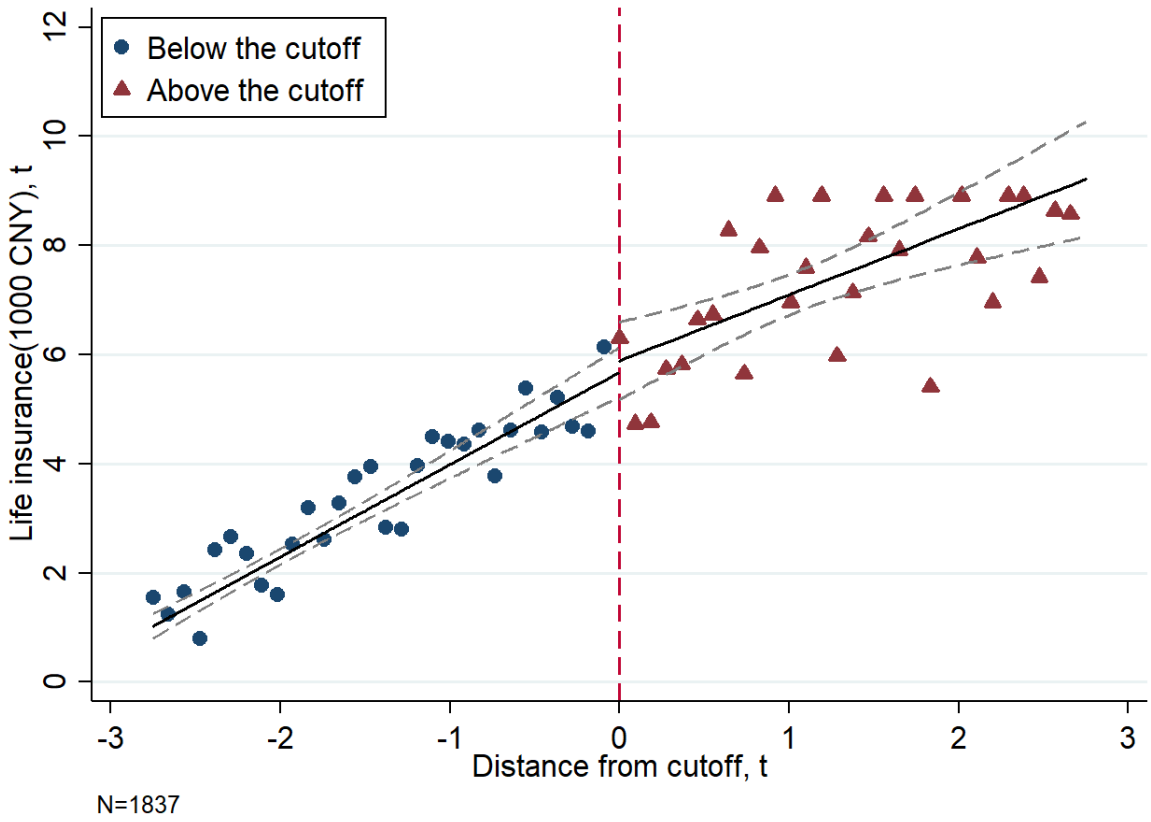


Figure 1: Life Insurance Commission in Baseline Quarter t

Notes: Each observation is the average life insurance commission in a rookie's first quarter in the company among rookies (main RD sample) in a 0.09 bin based on their standardized first quarter life insurance commission. Dashed vertical line denotes the 10th standardized first quarter life insurance commission in each quarter (normalized to 0). The solid lines are estimated using a linear regression based on individual-level data using triangular weights. The dashed lines denote the 95% confidence interval based on the heteroscedasticity-consistent standard errors.

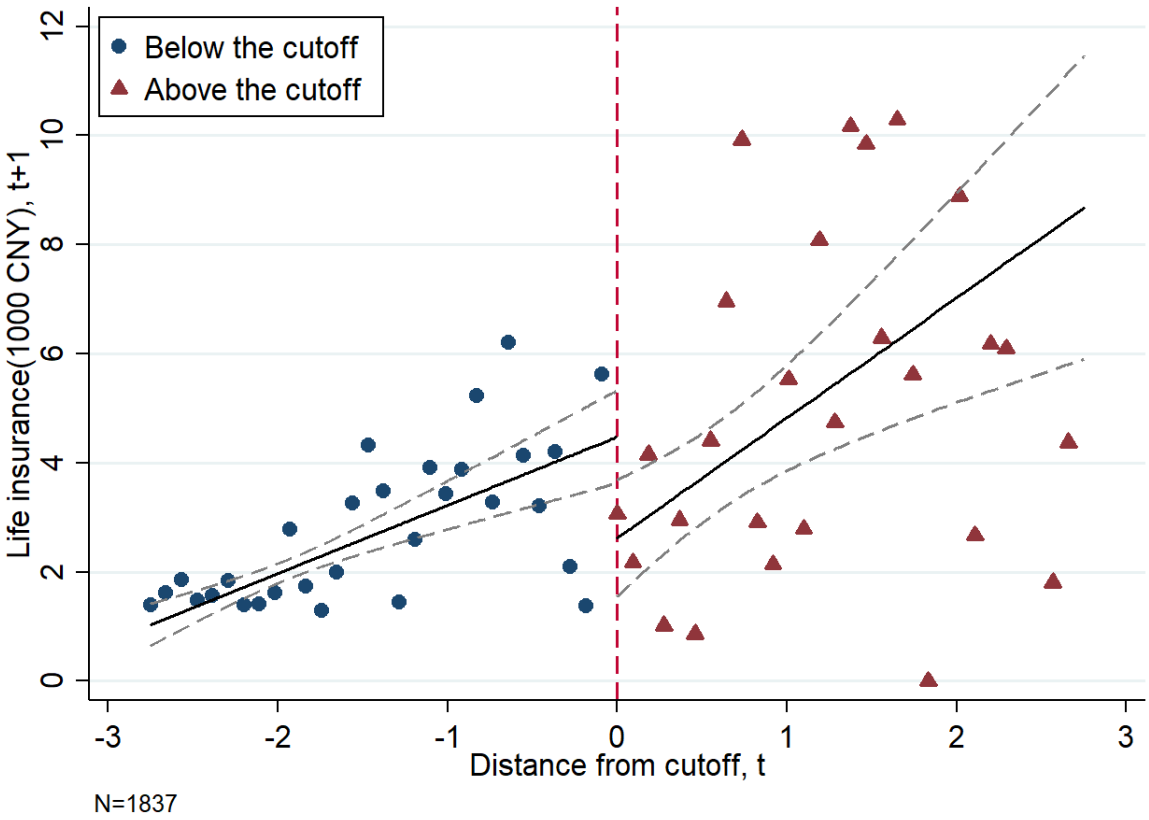
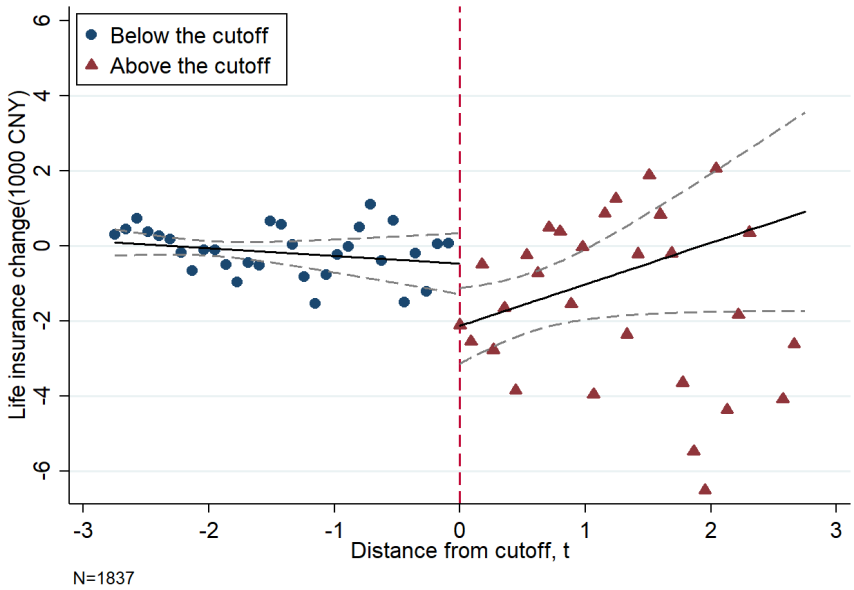
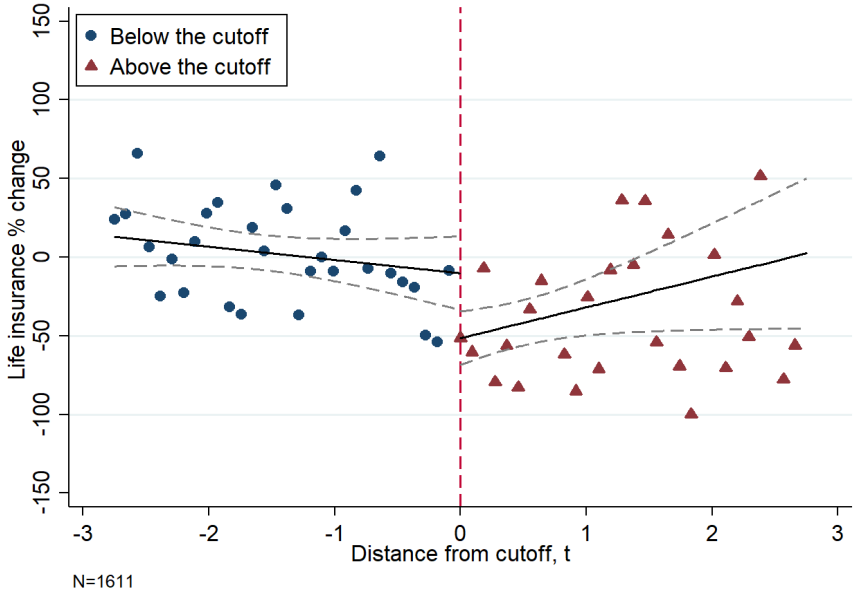


Figure 2: Main Result - Life Insurance Commission in Quarter t+1

Notes: Each observation is the average life insurance commission in the quarter after an award designation among rookies (main RD sample) in a 0.09 bin based on their standardized first quarter life insurance commission. Dashed vertical line denotes the 10th standardized first quarter life insurance commission in the previous quarter (normalized to 0). The solid lines are estimated using a linear regression based on individual-level data using triangular weights. The dashed lines denote the 95% confidence interval based on the heteroscedasticity-consistent standard errors.



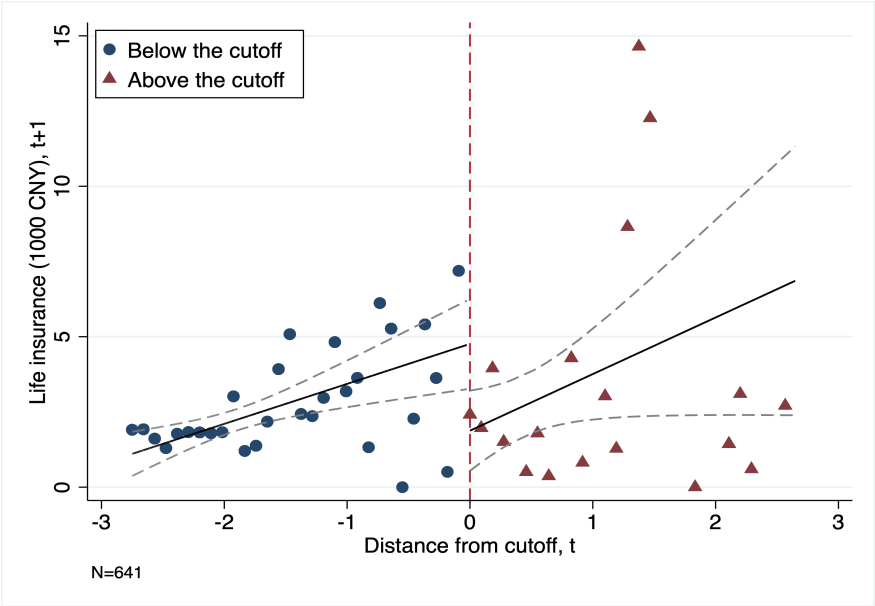
A: Level change



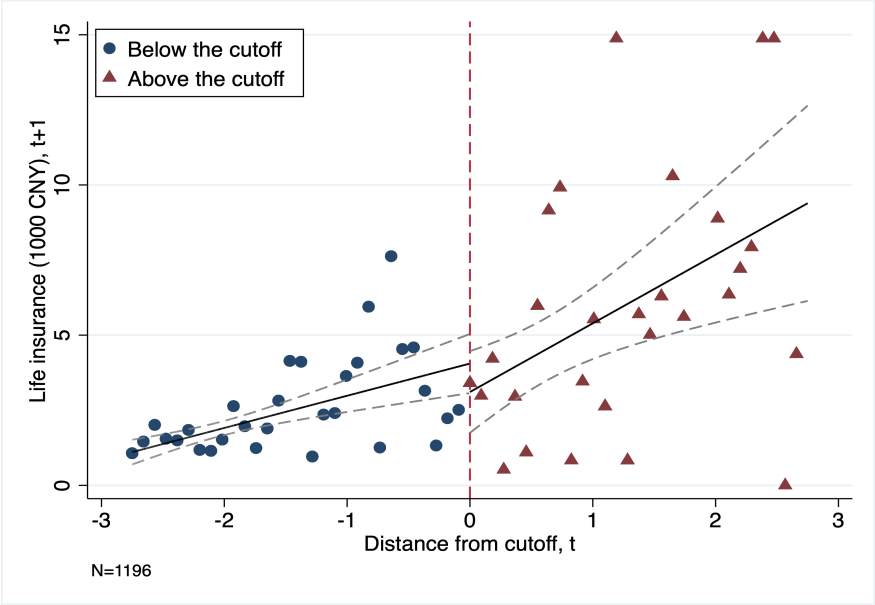
B: Percentage change

Figure 3: Interpretation - Change in Life Insurance Commission from Quarter t to t+1

Notes: Each observation is the average level change (panel A) or percentage change (panel B) in life insurance commission from the first to the second quarter of rookies (main RD sample) in a 0.09 bin based on their standardized first quarter life insurance commission. Dashed vertical lines denote the 10th standardized first quarter life insurance commission in the previous quarter (normalized to 0). The solid lines are estimated using a linear regression based on individual-level data using triangular weights. The dashed lines denote the 95% confidence interval based on the heteroscedasticity-consistent standard errors.



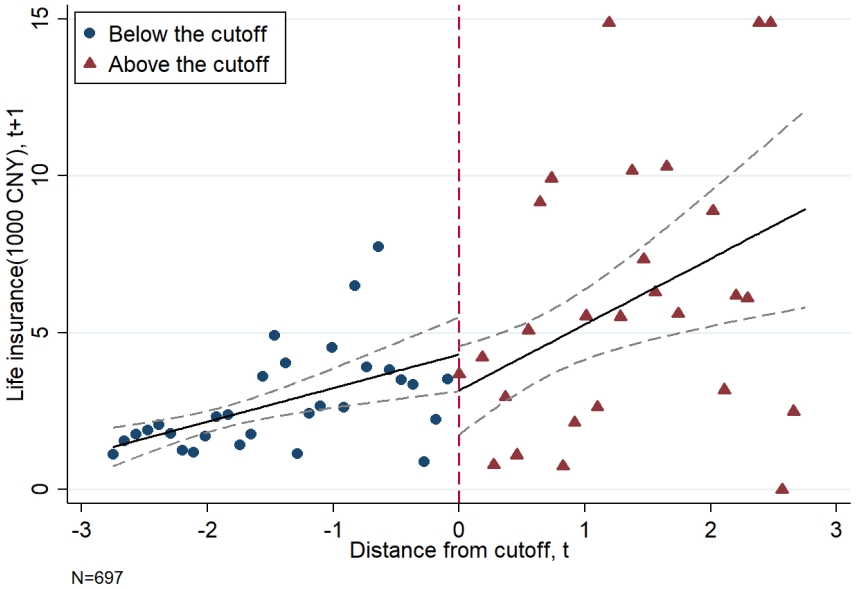
A: With competitive teammates in teams



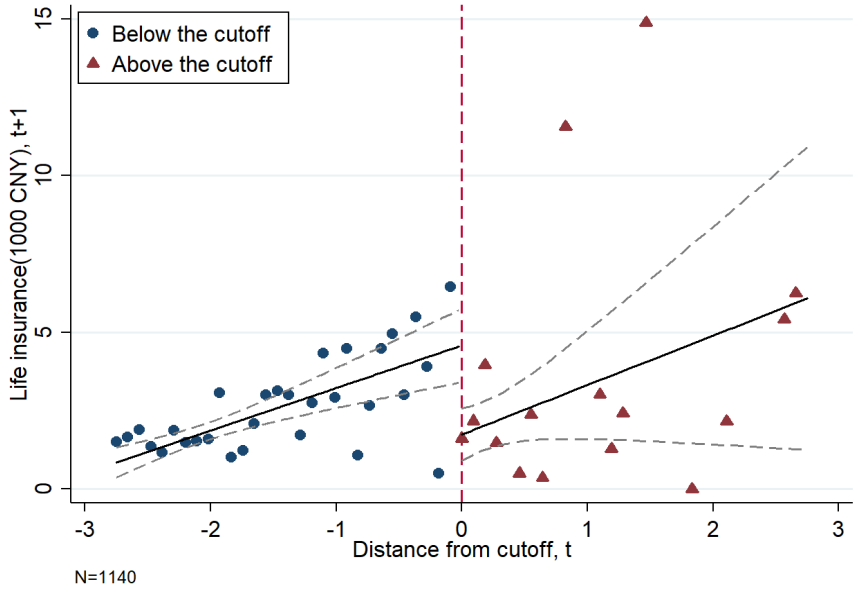
B: Without competitive teammates in teams

Figure 4: Peer Sabotage - Impact of Award by Presence of Competitive Teammates in Quarter t+1

Notes: Each observation is the average life insurance commission in the quarter after an award designation among rookies (main RD sample) who have at least one competitive teammate (panel A) and no competitive teammate (panel B) in their teams in a 0.09 bin based on their standardized first quarter life insurance commission. "Competitive teammates" are qualified senior teammates who are at job level 3 and have the same number of referrals as the competing rookie in the beginning of quarter t+1 (either zero or one referral). Dashed vertical lines denote the 10th rank standardized first quarter life insurance commission in each quarter (normalized to 0). The solid lines are estimated using a linear regression based on individual-level data using triangular weights. The dashed lines denote the 95% confidence interval based on the heteroscedasticity-consistent standard errors.



A: Rank=1-3



B: Rank=4+

Figure 5: Peer Sabotage - Impact of Award by Within-Team Rank in Quarter t

Notes: Each observation is the average life insurance commission in the quarter following an award designation of rookies (main RD sample) who rank 1st to 3rd (panel A) and 4th and worse (panel B) within a team in their first quarter in a 0.09 bin based on their standardized first quarter life insurance commission. Dashed vertical lines denote the 10th standardized first quarter life insurance commission in each quarter (normalized to 0). The solid lines are estimated using a linear regression based on individual-level data using triangular weights.The dashed lines denote the 95% confidence interval based on the heteroscedasticity-consistent standard errors.

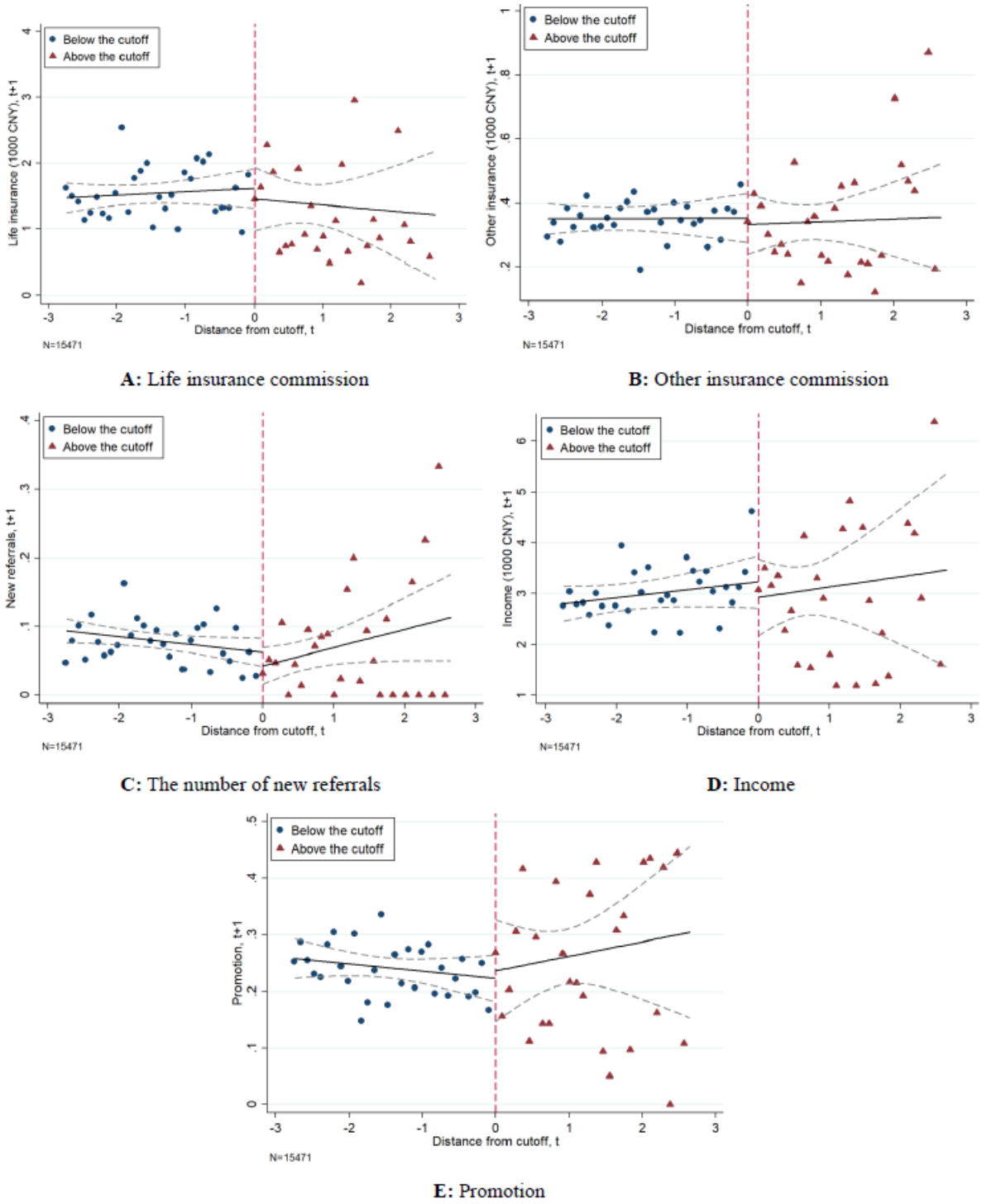


Figure 6: Spillover Effects - Teammates' Performance in Quarter t+1

Notes: Each observation is the average performance in the quarter following an award designation of participants' non-rookie *teammates* in a 0.09 bin based on *participants'* standardized first quarter life insurance. Dashed vertical line denotes the 10th standardized first quarter life insurance commission in each quarter (normalized to 0). The solid lines are estimated using a linear regression based on individual-level data using triangular weights.The dashed lines denote the 95% confidence interval based on the standard errors clustered by team.

Table 1: Summary Statistics

Variable	N	Mean	Std. Dev.	Minimum	Maximum
Panel A: Main RD Sample					
Life insurance commission (t+1)	1,837	2.11	3.38	0.00	14.88
Other insurance commission (t+1)	1,837	0.27	0.46	0.00	2.52
Number of referrals (t+1)	1,837	0.19	0.65	0.00	6.00
Income (t+1)	1,837	4.07	4.60	0.00	20.20
Exit (t+1)	1,837	0.06	0.21	0.00	1.00
Life insurance commission (t)	1,837	2.47	2.37	0.00	8.91
Other insurance commission (t)	1,837	0.20	0.30	0.00	1.85
Number of referrals (t)	1,837	0.07	0.36	0.00	6.00
Income (t)	1,837	3.87	3.1	0.00	12.06
Male	1,837	0.33	0.47	0.00	1.00
Age	1,837	34.72	7.91	18.00	54.00
Education	1,837	13.78	1.40	9.00	19.00
Urban	1,837	0.49	0.50	0.00	1.00
Duration (t)	1,837	32.22	18.44	1.00	64.00
Panel B: Peer Sample					
Life insurance commission (t+1)	15,471	1.48	4.27	0.00	39.61
Other insurance commission (t+1)	15,471	0.35	0.64	0.00	4.68
Number of referrals (t+1)	15,471	0.08	0.41	0.00	14.00
Income (t+1)	15,471	2.96	6.21	0.00	64.78
Exit (t+1)	15,471	0.10	0.30	0.00	1.00
Promotion (t+1)	15,471	0.25	0.43	0.00	1.00
Life insurance commission (t)	15,471	1.49	3.89	0.00	36.47
Other insurance commission (t)	15,471	0.35	0.58	0.00	3.33
Number of referrals (t)	15,471	0.10	0.56	0.00	29.00
Income (t)	15,471	2.98	4.70	0.00	27.58
Promotion (t)	15,471	0.20	0.40	0.00	1.00
Male	15,471	0.33	0.47	0.00	1.00
Age	15,471	39.70	9.71	18.00	73.00
Education	15,471	13.76	1.59	9.00	19.00
Urban	15,471	0.49	0.50	0.00	1.00
Job level (t)	15,471	2.09	0.77	1.00	3.00
Tenure (t)	15,471	17.66	18.28	2.00	80.00

Notes: The main RD sample is defined as the rookies whose standardized first quarter life insurance commission is within 2.75 to the award threshold each quarter. Peer sample is defined as the non-rookie teammates of the rookies in the main RD sample. Observation is at the salesperson × quarter level. "t" and "t+1" in parentheses represent the quarter when the variable is measured: t is a rookie's first quarter in the company, and $t+1$ is the next quarter, namely the quarter following an award designation. All monetary variables are in the unit of 1,000 CNY and are winsorized at 1% level in the full sample without bandwidth restriction. *Number of referrals* is the number of new recruits referred by a salesperson. $Promotion(t+1)$ is dummy equalling 1 if one gets promoted by the end of quarter t+1; 0 otherwise. $Exit(t+1)$ is dummy equalling 1 if a rookie has exited the firm by the end of quarter t+1 and is not observed in quarter t+2; 0 otherwise. $Male$ is an indicator of being male. *Age* is the age in years. *Education* is the total number of years in education. $Urban$ is an indicator of coming from urban areas. *Duration* is the number of working days in a certain quarter, excluding public holidays. *Job level* ranges from 1 for the lowest level salesperson to 3 for the highest level.

Table 2: Validity of RD - Baseline Characteristics

VARIABLES	(1) Male	(2) Age	(3) Education	(4) Urban	(5) Duration(t)	(6) Exit(t+1)
Win	0.103	-1.745	-0.282	-0.038	-3.099	0.003
	(0.088)	(1.311)	(0.218)	(0.088)	(2.889)	(0.011)
Observations	1,837	1,837	1,837	1,837	1,837	1,851
R-squared	0.026	0.066	0.132	0.029	0.155	0.011
Top 20 baseline mean	0.349	36.572	13.937	0.532	40.092	0.007
Year×Quarter FE	Yes	Yes	Yes	Yes	Yes	Yes
Bandwidth	2.75	2.75	2.75	2.75	2.75	2.75

Notes: All coefficients are estimated using a linear RD model and triangular weights using rookies whose standardized life insurance commission is within 2.75 to the award threshold in each quarter. Exit(t+1) is a dummy equalling 1 if a rookie is not observed in quarter t+1, and 0 otherwise. Definitions for other variables are described in the notes to Table 1. Top 20 baseline mean refers the mean of outcome variables among the top 20 rookies in their first quarter in the company. Heteroscedasticity-consistent standard errors are reported in parentheses. $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Table 3: Main Result - Life Insurance Commission in Quarter t+1

VARIABLES	(1) Life insurance	(2) Life insurance	(3) Life insurance
Win	-1.857***	-1.803***	-1.720***
	(0.696)	(0.646)	(0.655)
Observations	1,837	1,837	1,837
R-squared	0.078	0.214	0.229
Top 20 baseline mean	6.209	6.209	6.209
Year*Quarter FE	No	Yes	Yes
Demographic controls	No	No	Yes
Bandwidth	2.75	2.75	2.75

Notes: The dependent variable is the life insurance commission earned in the quarter following an award designation (measured in 1,000 CNY). All coefficients are estimated using a linear RD model and triangular weights using rookies whose standardized life insurance commission is within 2.75 to the award threshold in each quarter. Column (1) has no control variables, column (2) includes year-by-quarter fixed effects, and column (3) further controls for gender, age, age squared, education, and urban status, which are all described in the notes to Table 1. Heteroscedasticity-consistent standard errors are reported in parentheses. $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Table 4: Peer Sabotage - Impact of Award
by Presence of Competitive Teammates in Quarter t+1

VARIABLES	(1) With Competitive Teammates	(2) Without Competitive Teammates	(3) Prob.>*chi2*
Win	-3.621***	-0.201	0.007
	(1.008)	(0.782)	
Observations	641	1,196	
R-squared	0.264	0.253	
No. of winners	40	75	
Top 20 baseline mean	7.197	7.348	

Notes: This table splits the main RD sample by whether rookies have at least one competitive teammate who competes with them for internal resources in the quarter after an award designation. "Competitive teammate" are qualified senior teammates who are at job level 3 and have the same number of referrals as the competing rookie in the beginning of quarter t+1 (either zero or one referral). The dependent variable is the life insurance commission in the quarter following the award designation. "No. of winners" refers to the number of award winners in each subsample. Specifications in columns (1) and (2) mirror the one in Table 3 column (3). Column (3) reports the p-value for Chow test on null hypothesis that the coefficients in columns (1) and (2) are statistically indistinguishable. Heteroscedasticity-consistent standard errors are reported in parentheses. $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Table 5: Peer Sabotage - Impact of Award by within-team Rank in Quarter t

	(1)	(2)	(3)
		Panel A	
VARIABLES	Rank=4+	Rank=1-3	Prob.>*chi2*
Win	-2.970***	-0.359	0.027
	(0.866)	(0.828)	
Observations	1,140	697	
R-squared	0.214	0.283	
No. of winners	30	85	
Top 20 baseline mean	5.583	6.579	
		Panel B	
VARIABLES	Rank=3+	Rank=1-2	Prob.>*chi2*
Win	-2.486***	0.357	0.022
	(0.742)	(1.022)	
Observations	1,333	504	
R-squared	0.244	0.284	
No. of winners	44	71	
Top 20 baseline mean	5.683	6.722	
		Panel C	
VARIABLES	Rank=2+	Rank=1	Prob.>*chi2*
Win	-2.124***	0.144	0.119
	(0.808)	(1.275)	
Observations	1,595	242	
R-squared	0.234	0.260	
No. of winners	64	51	
Top 20 baseline mean	5.953	6.752	

Notes: This table splits the main RD sample by a rookie's rank of average monthly life insurance commission among her teammates' in the quarter before an award designation. Panels A-C split the sample at within-team rank 4th, 3rd, and 2nd, respectively. The dependent variable is the life insurance commission in the quarter following the award designation. "No. of winners" refers to the number of award winners in each subsample. Specifications in columns (1) and (2) mirror the one in Table 3 column (3). Column (3) reports the p-value for Chow test on null hypothesis that the coefficients in columns (1) and (2) are statistically indistinguishable. Heteroscedasticity-consistent standard errors are reported in parentheses. $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Table 6: Signaling Mechanism - Cumulative Exit Rate by Quarter

VARIABLES	(1) t+1	(2) t+2	(3) t+3	(4) t+4	(5) t+5	(6) Tenure
Win	0.005	0.032	0.018	0.033	0.053	-0.192
	(0.010)	(0.043)	(0.051)	(0.065)	(0.071)	(0.483)
Observations	1,837	1,837	1,837	1,837	1,837	1,837
R-squared	0.383	0.346	0.323	0.358	0.350	0.313
Top 20 baseline mean	0.059	0.160	0.268	0.383	0.472	7.230

Notes: The dependent variables are dummies equalling 1 if a rookie has exited the company *by* the end of 1st, 2nd, . . . , and 5th quarter after an award designation and is not observed in the following quarter, 0 otherwise, in column (1), (2), . . . , and (5). Note that the exit rate is cumulative rather than per quarter. Tenure is the total length of stay in the company before a rookie leaves the company or before our sample period ends (measured in quarters). Specifications mirror the one in Table 3 column (3). Heteroscedasticity-consistent standard errors are reported in parentheses. $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Table 7: Effort Reallocation Mechanism

VARIABLES	(1) Other insurance	(2) Income	(3) Highest job level	(4) Ever being a manager
Win	-0.091	-2.032**	-0.391*	-0.026
	(0.061)	(0.854)	(0.216)	(0.063)
Observations	1,837	1,837	1,837	1,837
R-squared	0.076	0.176	0.148	0.070
Top 20 baseline mean	0.405	6.693	3.424	0.149

Notes: The dependent variables in columns (1)-(4) are other insurance commission and income in the quarter following an award designation, the highest job level reached before a rookie leaves the company or before our sample period ends, and the probability of a rookie ever being promoted to manager (i.e., level 4-6), respectively. Monetary values are measured in 1,000 CNY. Specifications mirror the one in Table 3 column (3). Heteroscedasticity-consistent standard errors are reported in parentheses. $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Table 8: Gaming Mechanism - Cancelled Life Insurance Commission by Quarter

VARIABLES	(1) t	(2) t+1	(3) t+2	(4) t+3
Win	0.253	-0.225*	-0.033	-0.198
	(0.180)	(0.132)	(0.156)	(0.201)
Observations	1,837	1,837	1,716	1,526
R-squared	0.231	0.111	0.070	0.090
Top 20 mean	0.632	0.387	0.282	0.282

Notes: The dependent variables in columns (1)-(4) are the life insurance commission *cancelled* in the corresponding quarter. "Top 20 mean" is the outcome mean among top 20 rookies (based on first quarter ranking). The number of observations decreases due to the exit of salespeople from the company. Specifications mirror the one in Table 3 column (3). Heteroscedasticity-consistent standard errors are reported in parentheses. $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Table 9: Strategic Reallocation Across Salespeople - Teammates' Life Insurance Commission by Quarter

VARIABLES	(1) t-1	(2) t	(3) t+1	(4) t+2	(5) t+3
Panel A: Referrers					
Win	-1.146	0.872	-0.000	-2.306	-1.556
	(2.250)	(2.597)	(2.278)	(2.088)	(2.359)
Observations	1,513	1,831	1,833	1,710	1,514
R-squared	0.282	0.247	0.283	0.183	0.200
Top 20 mean	12.377	13.067	14.16	12.109	11.101
Panel B: Managers					
Win	-0.090	0.682	0.791	1.479	1.554
	(3.704)	(3.039)	(2.620)	(5.424)	(3.210)
Observations	1,480	1,729	1,729	1,611	1,425
R-squared	0.165	0.122	0.163	0.144	0.096
Top 20 mean	14.860	13.896	16.799	15.199	13.323
Panel C: Senior teammates					
Win	0.090	0.331	-0.121	-0.298	-0.640
	(0.393)	(0.446)	(0.451)	(0.499)	(0.463)
Observations	3,645	4,306	4,306	4,051	3,803
R-squared	0.071	0.088	0.079	0.079	0.078
Top 20 mean	3.359	3.010	2.905	3.129	3.193

Notes: The dependent variables in columns (1)-(5) are the life insurance commission in the second quarter before the award (t-1) to the third quarter after the award (t+3) for rookies' referrers (panel A), managers (panel B), and senior teammates (panel C). Senior teammates are defined as those whose job level at t=0 were equal to 3. "Top 20 mean" is the outcome mean among the referrers, managers, or senior teammates of top 20 rookies (based on first quarter ranking). The number of observations decreases due to the exit of rookies, managers, referrers, or senior teammates from the company. Specifications mirror the one in Table 3 column (3) and also control for the job level of the referrers, managers, or senior teammates and an indicator of whether the referrer is the same as the manager. Heteroscedasticity-consistent standard errors are reported in parentheses. $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Table 10: Spillover Effects - Teammates' Performance in Quarter t+1

VARIABLES	(1) Life insurance	(2) Other insurance	(3) Referral	(4) Income	(5) Promotion
Win	-0.063	0.014	-0.027	-0.262	-0.010
	(0.229)	(0.040)	(0.018)	(0.381)	(0.034)
Observations	15,471	15,471	15,471	15,471	15,471
R-squared	0.233	0.343	0.040	0.269	0.108
Baseline mean	1.693	0.374	0.136	3.283	0.199
Year*Quarter FE	Yes	Yes	Yes	Yes	Yes
Demographic controls	Yes	Yes	Yes	Yes	Yes
Bandwidth	2.75	2.75	2.75	2.75	2.75

Notes: The dependent variables in columns (1)-(5) are life insurance commission, short-term insurance commission, the number of new referrals, total income, and likelihood of being promoted to higher job level ("promotion") in the quarter following an award designation, respectively. Baseline mean refers to the outcome mean of non-rookie teammates of the top 20 participants in each quarter. In all specifications, we control for year-quarter fixed effects, gender, age, age squared, education, job level, and urban status, which are all described in the notes to Table 1. Standard errors reported in parentheses are clustered by team. $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Appendix A. Additional Figures & Tables

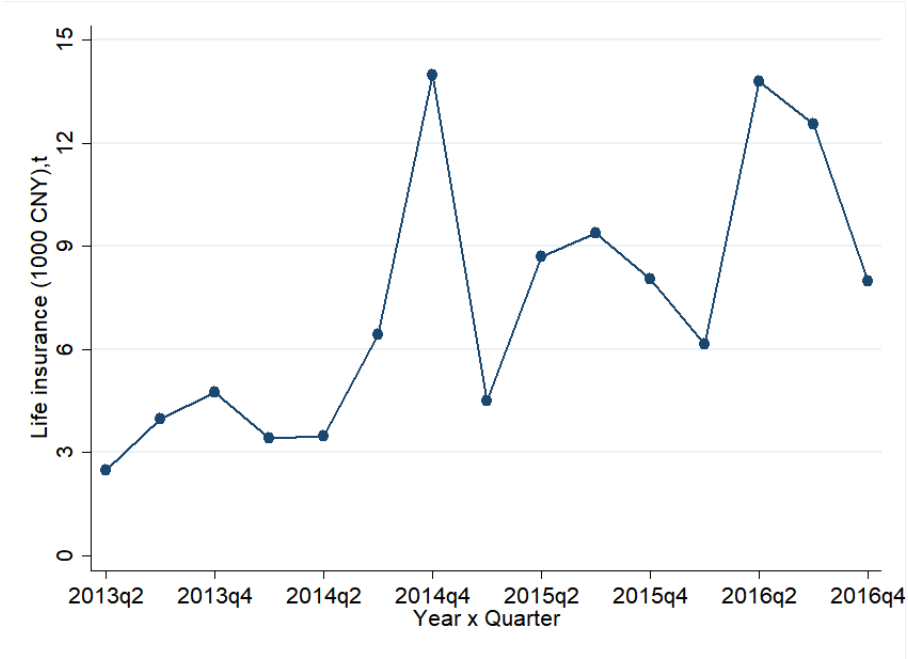
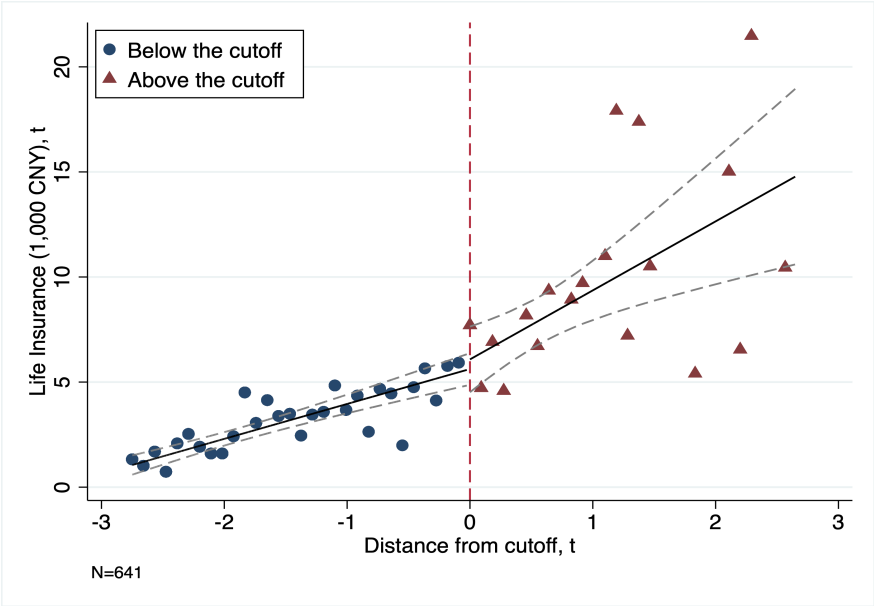
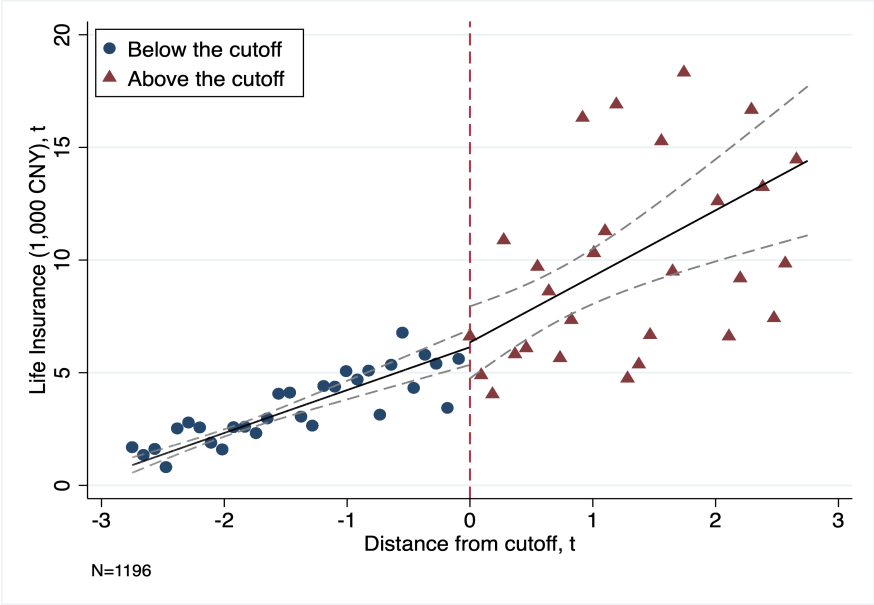


Figure A1: "Best Rookie" Award Cutoff Commission by Quarter

Notes: This figure plots the cutoff life insurance commission (in 1,000 CNY) for each quarterly "Best Rookie" award during the sample period, i.e., the life insurance commission value at rank tenth among all rookies in each quarter each year.



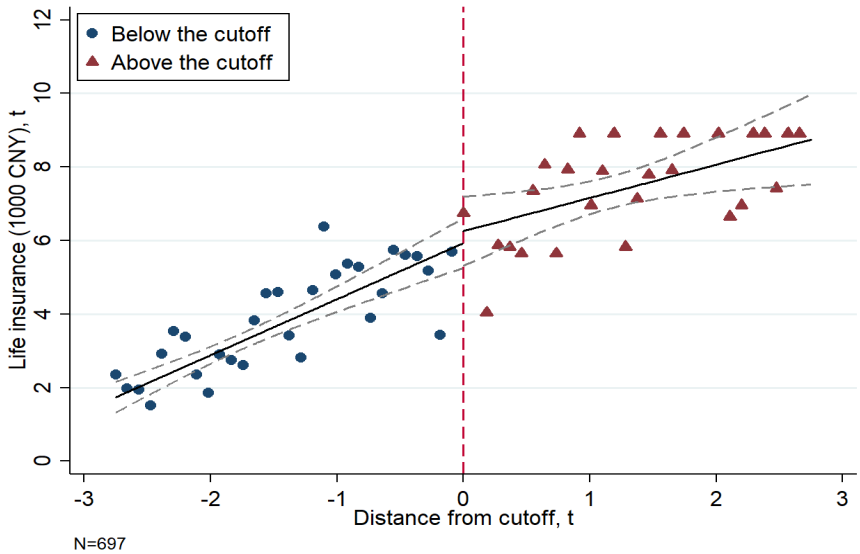
A: With competitive teammates in teams



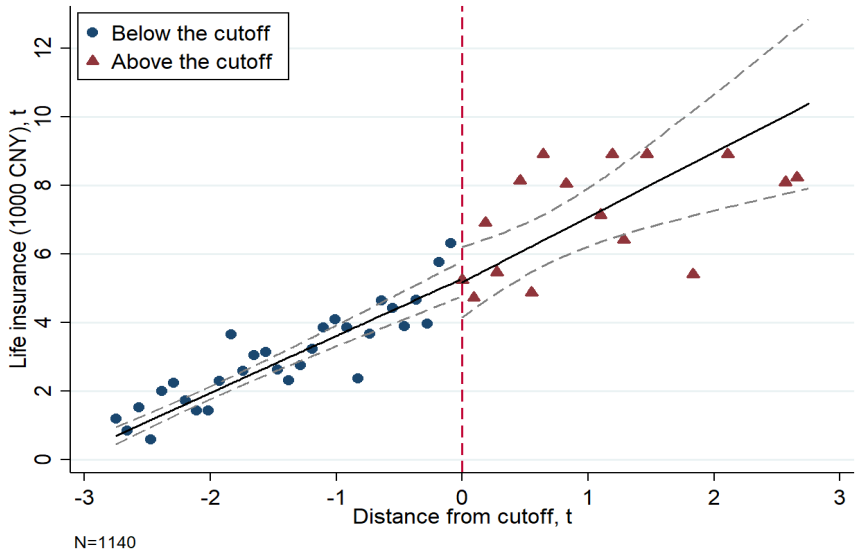
B: Without competitive teammates in teams

Figure A2: Placebo Test for Peer Sabotage
Performance in Quarter t by Presence of Competitive Teammates in Quarter t+1

Notes: Each observation is the average first quarter life insurance commission of rookies (main RD sample) who have at least one competitive teammate (panel A) and no competitive teammates (panel B) within a team in the quarter t+1 in a 0.09 bin based on their standardized first quarter life insurance commission. "Competitive teammates" are qualified senior teammates who are at job level 3 and have the same number of referrals as the competing rookie in the beginning of quarter t+1 (either zero or one referral). Dashed vertical lines denote the 10th rank standardized first quarter life insurance commission in each quarter (normalized to 0). The solid lines are estimated using a linear regression based on individual-level data using triangular weights. The dashed lines denote the 95% confidence interval based on the heteroscedasticity-consistent standard errors.



A: Rank=1-3



B: Rank=4+

Figure A3: Placebo Test for Peer Sabotage
Performance in Quarter t by within-team Rank in Quarter t

Notes: Each observation is the average first quarter life insurance commission of rookies (main RD sample) who rank 1st to 3rd (panel A) and 4th and worse (panel B) within a team in their first quarter in a 0.09 bin based on their standardized first quarter life insurance commission. Dashed vertical lines denote the 10th rank standardized first quarter life insurance commission in each quarter (normalized to 0). The solid lines are estimated using a linear regression based on individual-level data using triangular weights. The dashed lines denote the 95% confidence interval based on the heteroscedasticity-consistent standard errors.

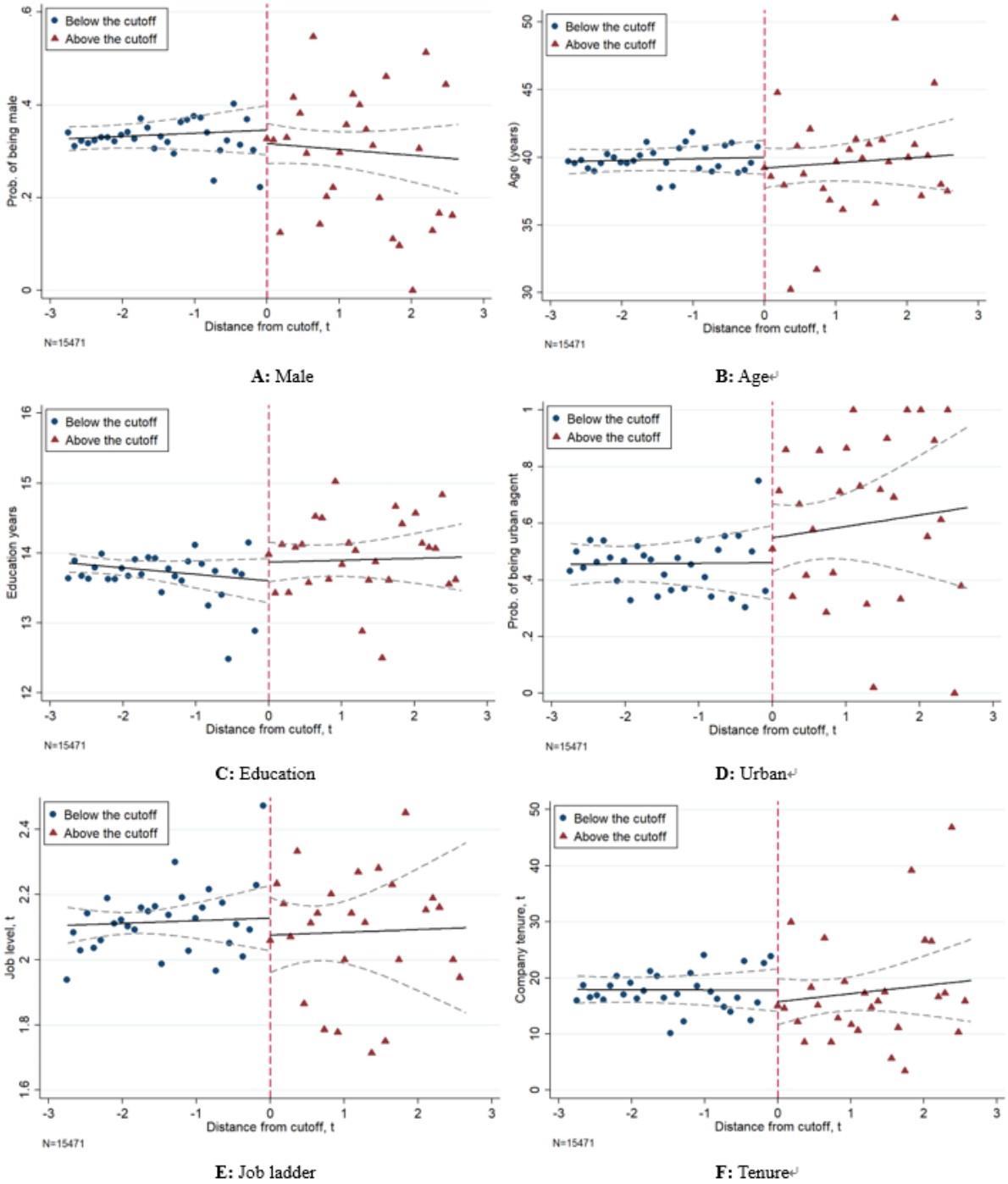


Figure A4: Validity of RD for Spillover Effects: Teammates' Characteristics in Quarter t

Notes: Each observation is the average characteristics of participants' non-rookie *teammates* in a 0.09 bin based on *participants'* standardized first quarter life insurance. Variables are described in the notes to Table 1. Dashed vertical lines denote the 10th standardized first quarter life insurance commission in each quarter (normalized to 0). The solid lines are estimated using a linear regression based on individual-level data using triangular weights. The dashed lines denote the 95% confidence interval based on the standard errors clustered by team.

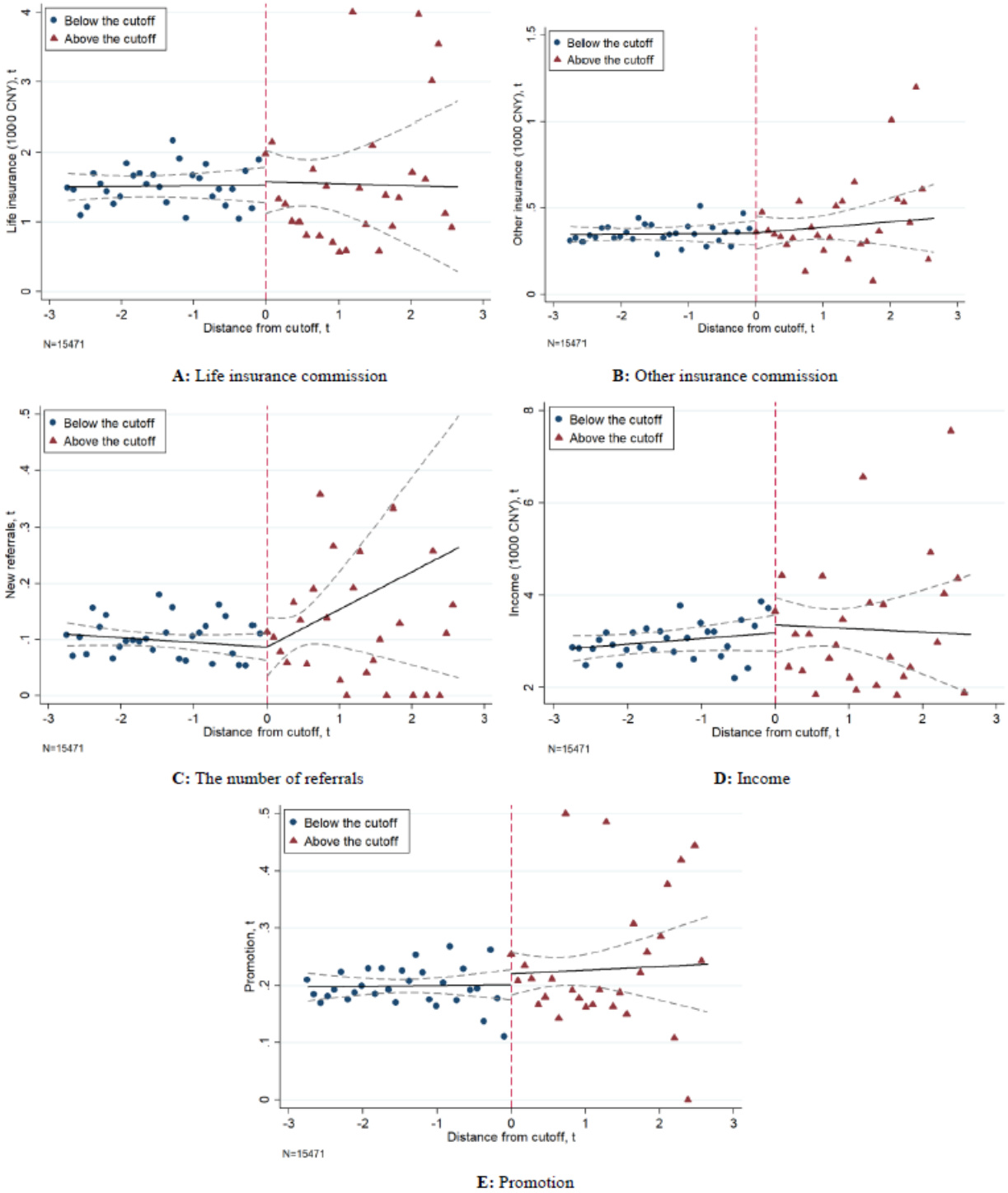


Figure A5: Placebo Test for Spillover Effects - Teammates' Performance in Quarter t

Notes: Each observation is the average first quarter performance of participants' non-rookie *teammates* in a 0.09 bin based on *participants'* standardized first quarter life insurance. Variables are described in the notes to Table 1. Dashed vertical lines denote the 10th standardized first quarter life insurance commission in each quarter (normalized to 0). The solid lines are estimated using a linear regression based on individual-level data using triangular weights. The dashed lines denote the 95% confidence interval based on the standard errors clustered by team.

Table A1: Distribution of Rank and Observations by Year×Quarter

Year×Quarter	**Total obs.**	**Best rank**	**Worst rank**
2013×Q1	268	3	120
2013×Q2	116	2	117
2013×Q3	117	2	118
2013×Q4	171	4	176
2014×Q1	235	3	166
2014×Q2	100	2	96
2014×Q3	57	2	58
2014×Q4	150	5	154
2015×Q1	304	5	309
2015×Q2	24	5	28
2015×Q3	82	3	84
2015×Q4	101	3	104
2016×Q1	29	2	31
2016×Q2	50	4	53
2016×Q3	33	6	38

Notes: This table presents the sample distribution for the main RD sample. $Total\ obs.$ is the total number of observations in a given year-quarter. $Best\ rank$ and $Worst\ rank$ refer to the rank of the best rookie and the worst rookie in the main RD sample each year and quarter. In principle, $Total\ obs. = Worst\ rank - Best\ rank + 1$. But this equation does not hold when there are tied ranks. For instance, in $2013 \times Q1$ there are 153 tied-ranks in the rank 120th among rookies.

Table A2: Summary Statistics - Full Sample

Variable	N	Mean	Std. Dev.	Min.	Max.
Panel A: Full Rookie Sample					
Life insurance commission (t+1)	10,996	1.12	2.35	0.00	14.88
Other insurance commission (t+1)	10,996	0.15	0.30	0.00	1.85
Number of referrals (t+1)	10,996	0.11	0.58	0.00	28.00
Income (t+1)	10,996	2.48	3.66	0.00	20.20
Exit (t+1)	10,996	0.09	0.29	0.00	1.00
Life insurance commission (t)	10,996	1.03	1.51	0.00	9.01
Other insurance commission (t)	10,996	0.15	0.30	0.00	1.85
Number of referrals (t)	10,996	0.04	0.51	0.00	46.00
Income (t)	10,996	1.87	2.38	0.00	12.06
Male	10,996	0.36	0.48	0.00	1.00
Age	10,996	34.34	7.81	18.00	57.00
Education	10,996	14.26	1.29	9.00	21.00
Urban	10,996	0.48	0.50	0.00	1.00
Duration (t)	10,996	29.42	18.36	1.00	64.00
Panel B: Peer Sample					
Life insurance commission (t+1)	44,254	1.24	3.94	0.00	37.59
Other insurance commission (t+1)	44,254	0.30	0.61	0.00	4.52
Number of referrals (t+1)	44,254	0.07	0.41	0.00	14.00
Income (t+1)	44,254	2.69	6.10	0.00	64.56
Promotion (t+1)	44,254	0.31	0.46	0.00	1.00
Exit (t+1)	44,254	0.11	0.32	0.00	1.00
Life insurance commission (t)	44,254	1.45	4.10	0.00	37.84
Other insurance commission (t)	44,254	0.32	0.59	0.00	3.46
Number of referrals (t)	44,254	0.11	0.52	0.00	29.00
Income (t)	44,254	2.82	4.77	0.00	28.39
Promotion (t)	44,254	0.17	0.38	0.00	1.00
Male	44,254	0.32	0.47	0.00	1.00
Age	44,254	39.20	9.67	18.00	75.00
Education	44,254	13.91	1.55	9.00	19.00
Urban	44,254	0.48	0.50	0.00	1.00
Job level (t)	44,254	2.05	0.77	1.00	3.00
Tenure (t)	44,254	16.33	18.57	2.00	82.00

Notes: The full rookie sample is defined as all the rookies during our sample period. The peer sample is defined as the non-rookie teammates of the participants in the full rookie sample. Observation is at the salesperson × quarter level. All variables are described in the notes to Table 1.

Table A3: Placebo Test - Performance in Quarter t

VARIABLES	(1) Life insurance	(2) Other insurance	(3) Referral	(4) Income
Win	-0.079	-0.001	-0.061	-0.907
	(0.148)	(0.048)	(0.063)	(0.577)
Observations	1,837	1,837	1,837	1,837
R-squared	0.951	0.209	0.079	0.590
Top 20 baseline mean	6.209	0.405	0.491	6.693

Notes: The dependent variables in columns (1)-(4) are life insurance commission, other insurance commission, the number of referrals, and the total income in the first quarter of the rookies, respectively. Monetary values are measured in 1,000 CNY. Specifications mirror the one in Table 3 column (3). Heteroscedasticity-consistent standard errors are reported in parentheses. $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Table A4: Robustness Check - Main Results under Heckman Selection

VARIABLES	(1) Rookie Sample	(2) Peer Sample
Win	-1.720***	-0.063
	(0.0651)	(0.177)
Observations	1,851	17,409
First Stage Wald Chi-square	184.21	938.03
First Stage Prob > Chi-square	0.00	0.00

Notes: The samples in columns (1)-(2) consists of rookies and their peer, respectively. The dependent variable is the life insurance commission earned in the quarter following an award designation (measured in 1,000 CNY). We use each salesperson's contract start day of the month as the exogenous predictor for the first stage of Heckman selection model. Heteroscedasticity-consistent standard errors are reported in parentheses in column (1). Standard errors in parentheses in column (2) are clustered by team. $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Table A5: Robustness Check - Main Result under Different Inference Methods

VARIABLES	(1) Life insurance	(2) Life insurance	(3) Life insurance
Win	-1.857	-1.803	-1.720
-Heteroscedasticity-consistent	(0.696)***	(0.646)***	(0.655)***
-Team clusters	(0.688)***	(0.638)***	(0.649)***
-Year-quarter clusters (wild bootstrap)	(0.676)***	(0.650)***	(0.654)***
-Two-way clusters (team and year-quarter)	(0.676)***	(0.650)***	(0.654)***
Observations	1,837	1,837	1,837
R-squared	0.078	0.214	0.229
Top 20 baseline mean	6.209	6.209	6.209

Notes: This table investigates the robustness of our inferences in the main results (Table 3 column (3)). The entries after row 1 present different levels of clustering for standard errors. Note that when clustering by year-and-quarter, we use *wild bootstrap* method (1,000 times) to obtain robust clustered standard errors (Cameron et al., 2008), because we only have 15 year-and-quarter cells which are too few to obtain correct inference. The dependent variable is the life insurance commission in quarter t+1. Specifications mirror the one reported in Table 3 column (3). $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Table A6: Robustness Check - Main Result under Various Rank Restrictions

VARIABLES	(1) 1st≤Rank≤20th	(2) 5th≤Rank≤15th
Win	-1.917**	-1.950*
	(0.882)	(1.051)
Observations	269	164
R-squared	0.278	0.297
Baseline mean	7.295	7.617
No. of winners	115	90

Notes: The dependent variables in columns (1)-(2) is the life insurance commission in the quarter following an award designation. Specifications mirror the one reported in Table 3 column (3). Samples in columns (1)-(2) include top 20 rookies and 5th-15th rookies, respectively. Heteroscedasticity-consistent standard errors are reported in parentheses. $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Table A7: Robustness Check - Main Result under Various Bandwidths

VARIABLES	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Win	-2.058***	-2.022***	-1.938***	-1.720***	-1.609**	-1.544**	-1.495**
	(0.796)	(0.740)	(0.691)	(0.655)	(0.630)	(0.610)	(0.590)
Observations	671	918	1,383	1,837	2,507	3,169	3,755
R-squared	0.242	0.236	0.234	0.229	0.225	0.220	0.211
Top 20 baseline mean	6.039	6.103	6.158	6.209	6.219	6.255	6.283
Bandwidth	2	2.25	2.5	2.75	3	3.25	3.5
No. of winners	93	103	109	115	117	121	124

Notes: The dependent variables in columns (1)-(7) is the life insurance commission in the quarter following an award designation. Specifications mirror the one reported in Table 3 column (3). Columns (1)-(7) show the estimates with the bandwidth from 2 to 3.5. Note that column (4) is the same as column (3) in Table 3. Heteroscedasticity-consistent standard errors are reported in parentheses. $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Table A8: Robustness Check - Main Result Estimated with Local Quadratic

VARIABLES	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Win	-1.825	-1.819*	-1.909*	-2.100**	-2.006**	-1.889**	-1.793**
	(1.146)	(1.051)	(0.974)	(0.922)	(0.880)	(0.839)	(0.809)
Observations	671	918	1,383	1,837	2,507	3,169	3,755
R-squared	0.243	0.236	0.233	0.229	0.225	0.221	0.211
Top 20 baseline mean	6.039	6.103	6.158	6.209	6.219	6.255	6.283
Bandwidth	2	2.25	2.5	2.75	3	3.25	3.5
No. of winners	93	103	109	115	117	121	124

Notes: The dependent variables in columns (1)-(7) is the life insurance commission in the quarter following an award designation. All specifications are local quadratic regressions with triangular weights. For this specification, the IK bandwidth is around 3. Columns (1)-(7) show the estimates with the bandwidth from 2 to 3.5. Heteroscedasticity-consistent standard errors in parentheses. $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Table A9: Validity of RD - Rookies' Characteristics in Quarter t
by Presence of Competitive Teammates in Quarter t+1

		With competitive teammates					Without competitive teammates				
VARIABLES	Prob(having competitive teammates)	Male	Age	Edu	Urban	Duration (t)	Male	Age	Edu	Urban	Duration (t)
Win	0.016	-0.015	-0.994	-0.310	0.016	2.270	0.198*	-2.216	-0.234	0.036	-1.817
	(0.092)	(0.133)	(2.164)	(0.336)	(0.137)	(7.189)	(0.113)	(1.675)	(0.270)	(0.111)	(4.449)
Observations	1,837	641	641	641	641	641	1,196	1,196	1,196	1,196	1,196
R-squared	0.032	0.075	0.076	0.133	0.050	0.175	0.029	0.088	0.153	0.031	0.172
Number of winners	115	40	40	40	40	40	75	75	75	75	75
Top 20 baseline mean	0.353	0.432	36.547	14.000	0.537	47.911	0.305	36.586	13.902	0.575	44.440

Notes: This table splits the main RD sample by whether rookies have at least one competitive teammate who competes with them for internal resources in the quarter after an award designation. "Competitive teammates" are senior teammates who satisfy all requirement for manager promotion except for the number of referral and have the same number of referrals as the corresponding rookie in the beginning of quarter t+1 (either zero or one referral). In column (1), the dependent variable is a dummy indicating whether a rookie has any competitive teammates. "No. of winners" refers to the number of award winners in each subsample. Specifications mirror the one in Table 3 column (3). Heteroscedasticity-consistent standard errors are reported in parentheses. $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Table A10: Validity of RD - Teammates' Characteristics and Performance in Quarter t by Presence of Competitive Teammates in Quarter t+1

	Panel A: Teammates' characteristics											
	With competitive teammatess						Without competitive teammatess					
VARIABLES	Male	Age	Edu	Urban	Job level (t)	Tenure (t)	Male	Age	Edu	Urban	Job level (t)	Tenure (t)
Win	-0.060	-1.291	0.129	0.134	0.007	-0.682	0.008	1.339	0.232	0.070	0.019	0.280
	(0.038)	(1.052)	(0.229)	(0.107)	(0.038)	(2.773)	(0.044)	(1.463)	(0.242)	(0.122)	(0.104)	(4.013)
Observations	8,260	8,260	8,260	8,260	8,260	8,260	7,291	7,291	7,291	7,291	7,291	7,291
R-squared	0.006	0.018	0.028	0.033	0.059	0.041	0.005	0.008	0.035	0.022	0.046	0.027
Number of winners	30	30	30	30	30	30	85	85	85	85	85	85
Top 20 baseline mean	0.345	41.088	13.846	0.509	2.134	21.834	0.309	38.093	13.660	0.465	2.050	12.834

	Panel B: Teammates' performance								
	With competitive teammatess				Without competitive teammatess			
VARIABLES	Life insurance	Other insurance	Referral	Income	Life insurance	Other insurance	Referral	Income
Win	0.282	0.037	-0.007	0.201	-0.911	0.013	-0.046	-0.221
	(0.257)	(0.056)	(0.009)	(0.360)	(0.726)	(0.055)	(0.052)	(0.654)
Observations	8,260	8,260	8,260	8,260	7,291	7,291	7,291	7,291
R-squared	0.160	0.300	0.020	0.250	0.125	0.373	0.037	0.347
Number of winners	30	30	30	30	85	85	85	85
Top 20 baseline mean	1.532	0.388	0.016	3.236	1.449	0.322	0.095	3.010

Notes: We split the main RD sample by whether rookies have at least one competitive teammates who competes with them for internal resources in the quarter after an award designation. "Competitive teammates" are senior teammates who satisfy all requirement for manager promotion except for the number of referral and have the same number of referrals as the corresponding rookie in the beginning of quarter t+1 (either zero or one referral). Panels A and B present balance- and placebo-test results, respectively, for rookies' teammates. In panel A, columns (1)-(6) present the estimates in teams with competitive teammates and columns (7)-(12) present the estimates in teams without competitive teammates. In panel B, columns (1)-(4) present the estimates in teams with competitive teammates and columns (5)-(8) present the estimates in teams without competitive teammates. "No. of winners" refers to the number of award winners in each subsample. Specifications mirror the one in Table 3 column (3). Standard errors reported in parentheses are clustered by team. $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Table A11: Validity of RD - Rookies' Characteristics in Quarter t
by Rookies' within-team Rank in Quarter t

		Within-team rank≥4					Within-team rank≤3				
VARIABLES	Prob(rank≥4)	Male	Age	Edu	Urban	Duration (t)	Male	Age	Edu	Urban	Duration (t)
Win	-0.046	0.205	0.071	-0.298	-0.114	-1.600	0.114	-2.557	-0.285	0.073	-0.180
	(0.086)	(0.129)	(2.141)	(0.320)	(0.137)	(6.707)	(0.104)	(1.637)	(0.286)	(0.112)	(4.347)
Observations	1,837	1,140	1,140	1,140	1,140	1,140	697	697	697	697	697
R-squared	0.170	0.060	0.083	0.121	0.036	0.207	0.032	0.092	0.172	0.043	0.140
Number of winners	115	30	30	30	30	30	85	85	85	85	85
Top 20 baseline mean	0.371	0.450	37.500	13.740	0.480	2.480	0.290	36.024	14.053	0.562	2.331

Notes: We split the main RD sample by rookies' within-team rank in their first quarter in the company. In column (1), the dependent variable is a dummy indicating whether a rookie's within-team rank is worse or equal to 4th place in quarter t. Columns (2)-(6) present the estimates in the low-rank sample and columns (6)-(10) present the estimates in high-rank sample. "No. of winners" refers to the number of award winners in each subsample. Specifications mirror the one in Table 3 column (3). Heteroscedasticity-consistent standard errors are reported in parentheses. $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Table A12: Validity of RD - Teammates' Characteristics and Performance in Quarter t by Rookies' within-team Rank in Quarter t

	Panel A: Teammates' characteristics											
	Within-team rank≥4						Within-team rank≤3					
VARIABLES	Male	Age	Edu	Urban	Job level (t)	Tenure (t)	Male	Age	Edu	Urban	Job level (t)	Tenure (t)
Win	-0.043	-1.035	0.045	0.084	0.030	-0.825	-0.006	0.976	0.375	0.147	0.019	0.425
	(0.038)	(1.025)	(0.223)	(0.102)	(0.051)	(2.631)	(0.045)	(1.340)	(0.228)	(0.130)	(0.094)	(3.659)
Observations	11,205	11,205	11,205	11,205	11,205	11,205	4,346	4,346	4,346	4,346	4,346	4,346
R-squared	0.003	0.009	0.024	0.025	0.040	0.024	0.006	0.015	0.055	0.054	0.059	0.052
Number of winners	30	30	30	30	30	30	85	85	85	85	85	85
Top 20 baseline mean	0.333	40.563	13.737	0.483	2.134	19.962	0.317	37.419	13.814	0.503	1.991	11.559

	Panel B: Teammates' performance								
	Within-team rank≥4				Within-team rank≤3			
VARIABLES	Life insurance	Other insurance	Referral	Income	Life insurance	Other insurance	Referral	Income
Win	-0.835	0.058	-0.003	0.531	-0.222	0.028	-0.008	-0.210
	(1.089)	(0.063)	(0.028)	(0.419)	(0.220)	(0.041)	(0.018)	(0.426)
Observations	11,205	11,205	11,205	11,205	4,346	4,346	4,346	4,346
R-squared	0.123	0.303	0.024	0.276	0.300	0.378	0.050	0.328
Number of winners	30	30	30	30	85	85	85	85
Top 20 baseline mean	1.660	0.388	0.059	3.338	1.063	0.278	0.039	2.593

Notes: We split the main RD sample by rookies' within-team rank in their first quarter in the company. Panels A and B present balance- and placebo-test results, respectively, for all rookies' teammates. In panel A, columns (1)-(6) present the estimates in the low-rank sample and columns (7)-(12) present the estimates in high-rank sample. In panel B, columns (2)-(5) present the estimates in the low-rank sample and columns (8)-(11) present the estimates in high-rank sample. "No. of winners" refers to the number of award winners in each subsample. Specifications mirror the one in Table 3 column (3). Standard errors reported in parentheses are clustered by team. $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Table A13: Strategic Reallocation Across Salespeople – Teammates' Life Insurance Commission
Monthly Dynamics

VARIABLES	-6	-5	-4	-3	-2	-1	+1	+2	+3	+4	+5	+6	+7	+8	+9
							Panel A: Referrers								
Win	-1.606	0.406	-0.356	1.298	0.225	-0.299	-1.122	1.392	-0.613	-0.571	-0.077	-1.508**	-0.680	-0.586	0.275
	(1.355)	(1.121)	(0.788)	(2.522)	(1.047)	(0.623)	(1.322)	(0.885)	(0.855)	(1.437)	(0.739)	(0.756)	(1.072)	(1.024)	(0.722)
Observations	1,412	1,466	1,513	714	1,195	1,831	1,831	1,812	1,784	1,708	1,664	1,618	1,512	1,467	1,418
R-squared	0.269	0.210	0.195	0.299	0.189	0.173	0.326	0.161	0.178	0.160	0.136	0.175	0.203	0.172	0.128
Top 20 mean	7.065	3.453	3.903	7.065	3.453	3.903	6.95	3.389	4.014	4.851	3.833	3.658	4.872	3.222	2.906
							Panel B: Managers								
Win	0.633	-0.444	-1.411	0.129	1.325	-0.631	0.129	1.325	-0.631	-0.097	2.450	-0.621	-0.926	-0.020	3.335***
	(2.301)	(1.137)	(0.958)	(1.749)	(0.975)	(0.962)	(1.749)	(0.975)	(0.962)	(2.273)	(1.836)	(1.044)	(1.559)	(1.083)	(1.660)
Observations	1,479	1,479	1,480	1,729	1,712	1,684	1,729	1,712	1,684	1,611	1,572	1,527	1,425	1,381	1,338
R-squared	0.193	0.170	0.113	0.220	0.118	0.133	0.220	0.118	0.133	0.209	0.087	0.126	0.096	0.126	0.089
Top 20 mean	7.174	3.252	4.573	7.174	3.252	4.573	8.137	3.692	4.861	6.617	4.18	3.865	5.649	3.671	3.723
							Panel C: Senior teammates								
Win	0.097	0.012	-0.016	0.053	0.029	0.232	-0.022	0.195	-0.167	-0.090	0.137	-0.149	-0.117	-0.348*	-0.260
	(0.285)	(0.176)	(0.181)	(0.234)	(0.154)	(0.175)	(0.229)	(0.174)	(0.167)	(0.258)	(0.210)	(0.217)	(0.239)	(0.178)	(0.198)
Observations	3,610	3,632	3,645	4,305	4,306	4,306	4,306	4,257	4,207	4,051	3,996	3,959	3,803	3,758	3,729
R-squared	0.056	0.068	0.050	0.111	0.057	0.054	0.079	0.071	0.060	0.089	0.053	0.048	0.063	0.053	0.061
Top 20 mean	1.357	0.956	1.058	1.339	0.736	0.813	1.089	0.829	0.866	1.215	0.874	0.934	1.286	0.862	0.975

Notes: The dependent variables are the monthly life insurance commission in the sixth month (-6) before the award to the ninth month after the award (+9) for rookies' referrers (panel A), managers (panel B), and senior teammates (panel C). Senior teammates are defined as those whose job level at t=0 were equal to 3. "Top 20 mean" is the outcome mean among the referrers, managers, or senior teammates of top 20 rookies (based on first quarter ranking). The number of observations decreases due to the exit of rookies, managers, referrers, or senior teammates from the company. Specifications mirror the one in Table 3 column (3) and also control for the job level of the referrers, managers, or senior teammates and an indicator of whether the referrer is the same as the manager. Heteroscedasticity-consistent standard errors are reported in parentheses. parentheses. $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Table A14: Effort Reallocation of Senior Teammates - Life Insurance Commission for Rookies Joined in Quarter t+1

VARIABLES	(1) Life insurance
Win	-0.057
	(0.181)
Observations	3,946
R-squared	0.236
Year*Quarter FE	Yes
Demographic controls	Yes
Bandwidth	2.75

Notes: The dependent variables are the first-season life insurance commission for rookies who joined the firm in the quarter after the award designation. Specifications mirror the one in Table 3 column (3). Heteroscedasticity-consistent standard errors are reported in parentheses. parentheses. $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Appendix B. Performance Dynamics

We have shown that barely winners earn less life insurance commission than barely losers in the first quarter after the award designation. In this section, we explore how this gap evolves over time.

Table B1 reports the difference in quarterly life insurance commission between barely winners and barely losers from their first quarter in the company (t) to the fourth quarter (t+3). The gap in performance is no longer significant after quarter t+2, though it remains negative throughout. To understand the change better, we break down the quarterly performance to monthly performance and repeat the RD regressions using monthly life insurance commission from three months before the award ceremony to nine months after. The estimates and the 95 percent confidence intervals for the coefficient on Win dummy from separate RD regressions are plotted in Figure B1. The plot indicates that barely winners' performance drops the most in the month following the award and the worse performance persists until the fourth month after the award. From the fifth month onwards, the difference between the two groups becomes small and insignificant.

One caveat for the dynamics is salespeople's endogenous exit. Though only 0.75 percent (14/1,851) of rookies within RD bandwidth exit by the end of their first quarter (quarter t), this cumulative exit rate increases to about 30 percent by the end of quarter t+3. Moreover, the longer the rookies stay before exiting, the closer they are to the initial award cutoff, and their exit matters more for the RD estimates. As a robustness check, we repeat the above regressions in a sample with always-stayer rookies. Results are quantitatively similar.

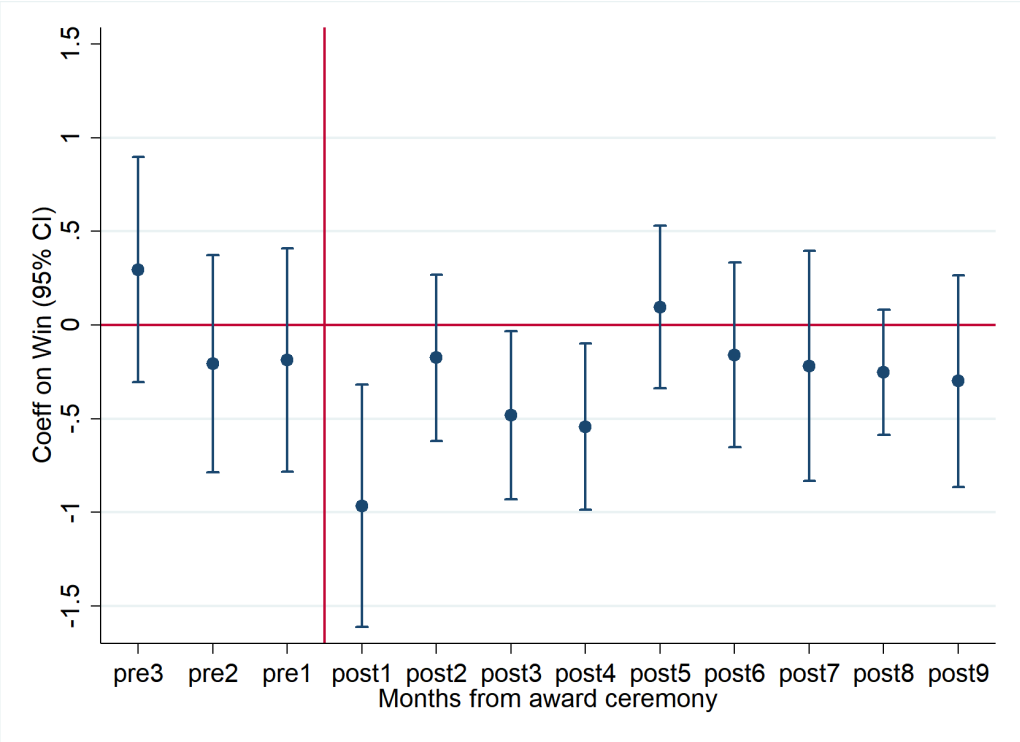


Figure B1: Monthly Dynamics of Life Insurance Commission

Notes: This figure plots coefficients and 95% confidence interval for Win dummy in RD regressions using rookies' monthly life insurance commission from three months before the award ceremony to nine months after the award ceremony as outcomes. X-axis denotes the number of months after the award ceremony. For instance, "pre1" and "post1" represent one month before and after the award ceremony, respectively. Specifications mirror the one in Table 3 column (3). The vertical red line refers to the timing of the award ceremony.

Table B1: Quarterly Dynamics of Main Result - Life Insurance Commission in Subsequent Quarters

VARIABLES	(1) t	(2) t+1	(3) t+2	(4) t+3
Win	-0.079	-1.720***	-0.531	-0.737
	(0.148)	(0.655)	(0.616)	(0.714)
Observations	1,837	1,837	1,716	1,526
R-squared	0.951	0.229	0.137	0.121
Top 20 baseline mean	6.209	6.209	6.209	6.209

Notes: The dependent variables in columns (1)-(4) are the life insurance commission in the corresponding quarter. The number of observations decreases due to the exit of salespeople from the company. Specifications mirror the one in Table 3 column (3). Heteroscedasticity-consistent standard errors are reported in parentheses. $^{*}p < 0.1$, $^{**}p < 0.05$, $^{***}p < 0.01$.

Appendix C. Questionnaire and Results

In addition to administrative data, we administer a survey to understand how award winners and their teammates view the symbolic award, how they interact and compete with each other, and how the award designation changes their dynamics. The anonymous survey is in Chinese and was distributed via an application on WeChat in December 2020. It took about six minutes to complete the questionnaire, and respondents received 20 RMB (i.e., 2.8 USD) for completing the survey. A total of 11 salespeople and one manager responded to the survey.

The English version of the questionnaire is as follows, and the number in square brackets after each option represents the percentage of respondents who chose that option:

Thank you for participating in our survey. The survey is designed and implemented by researchers from Sun Yat-sen University and the University of Alberta to understand your current working environment and ways to improve it. **The survey is anonymous and your answers will be kept strictly confidential.** You will get 20 RMB immediately after completing the questionnaire via Wechat wallet. Please select one answer per question unless noted otherwise.

1. What is your gender?

- Female **[75%]**
- Male **[25%]**

2. What is your highest degree?

- Elementary school or below **[0%]**
- Middle school **[0%]**
- High school **[16.7%]**
- College **[75%]**
- Graduate or above **[8.3%]**

3. How old are you? ___. [Fill in number] **[Mean=34.3 years old]**

4. In which year did you join the firm? ___. [Fill in number] **[Median year=2016]**

5. What is your current job level? Level ___. [Fill in number] **[Mean=2.2]**

6. When you first joined the firm, how much did each of the following factors help you to sell insurance?

	A lot	Medium	Limited
Self ability	__ **[50%]**	__ **[50%]**	__ **[0%]**
Team manager's help	__ **[50%]**	__ **[50%]**	__ **[0%]**
Teammates' help	__ **[41.7%]**	__ **[58.3%]**	__ **[0%]**
Help from colleagues in other teams	__ **[16.7%]**	__ **[41.7%]**	__ **[41.7%]**

7. When you first joined the firm, how did your teammates (excluding your manager) help you to sell insurance? [Select all that apply]

- Explaining details on insurance products and contracts **[83.3%]**

- Visiting customers together with you **[66.7%]**
- Sharing experience about building selling networks **[75%]**
- Your teammates offered no help **[8.3%]**

8. When you first joined the firm, how important was the help from your teammates (excluding your manager) in your insurance sales? [0 means not important at all; 5 means very important]

- 0 **[0%]**
- 1 **[0%]**
- 2 **[8.3%]**
- 3 **[16.7%]**
- 4 **[58.3%]**
- 5 **[16.7%]**

9. What do rookies get when they win the "Best Rookie" award? [Select all that apply]

- Award certificate **[100%]**
- Present **[16.7%]**
- Cash **[0%]**
- Public praise **[33.3%]**
- Promotion **[0%]**
- Never heard about the award **[0%]**

10. When you first joined the firm, was winning the "Best Rookie" award your target?

- Yes **[58.3%]**
- No **[41.7%]**
- Never heard about the award **[0%]**

11. Have you ever won the "Best Rookie" award?

- Yes **[33.3%]**
- No **[66.7%]**

[If the respondent selects "no" for question 11, skip questions 12-14. If the respondent selects "yes" for question 11, skip questions 15-18.]

12. After winning the award, did your teammates helped you less?

- Yes **[100%]**

- No **[0%]**

13. After winning the award, which of the following teammates helped you less? [Select all that apply]

- Team manager **[50%]**
- Referee **[50%]**
- Teammates on the verge of promotion to team managers **[100%]**
- Other teammates **[0%]**
- Teammates did not help you less **[0%]**

14. After winning the award, how did you change your effort?

- Increase **[100%]**
- Decrease **[0%]**
- Same as before **[0%]**

15. Have your known someone who won the "Best Rookie" award?

- Yes **[62.5%]**
- No **[37.5%]**

16. After the person won the "Best Rookie" award, did their teammates help them less?

- Yes **[62.5%]**
- No **[37.5%]**

17. After the person won the "Best Rookie" award, which of their teammates experienced an increase in stress? [Select all that apply]

- Team manager **[12.5%]**
- Referee **[37.5%]**
- Teammates on the edge of promotion to team managers **[75%]**
- Other teammates **[37.5%]**
- No one **[25%]**

18. After the person won the "Best Rookie" award, how did their following performance change in the following quarter?

	Increase	Decrease	No change
Number of assigned referrals	__ **[62.5%]**	__ **[12.5%]**	__ **[25%]**
Life insurance sales	__ **[37.5%]**	__ **[25%]**	__ **[37.5%]**
Other insurance sales	__ **[25%]**	__ **[37.5%]**	__ **[37.5%]**

19. Have you ever experienced or heard of peer sabotage in the firm?

- Yes **[91.7%]**
- No **[8.3%]**

20. Which of the following factors, do you think, trigger the peer sabotage? [Select all that apply]

- Referral assignment **[83.3%]**
- Potential customers **[58.3%]**
- Training opportunities **[41.7%]**
- Team managers' complement **[25%]**
- Never heard of peer sabotage **[0%]**

21. Whose performance are regularly publicized in your team?

- Top performers **[100%]**
- All teammates **[0%]**
- No public ranking in the team **[0%]**

22. When you first joined the firm, did you know the promotion algorithm?

- Yes **[83.3%]**
- No **[16.7%]**