

Abstract:

How does effort respond to the perceived relationship between effort and rewards? To answer this question, I conduct a two-part field experiment with a widely used online learning platform. For one group of students, I measure the causal relationship between effort and rewards. Then, for a second group of students, I exogenously manipulate students' beliefs about the effort-rewards relationship by assigning them to different information treatments, each of which provides factual information based on the first group. I find that the response in study effort to the changes in beliefs depends on the students' *locus of control*. In response to a decrease in the perceived effectiveness of effort, students who believe that successes and failures are primarily attributable to themselves (internal locus of control) reduce their effort, while students who believe that successes and failures are primarily attributable to outside factors (external locus of control) do not. The result suggests that changing students' beliefs about the effort-rewards relationship can significantly influence their human capital accumulation.