

As some of you know, I'm a graduate of the University of Chicago, a very rational place where, according to legend, "Fun goes to die." I expect to be tarred and feathered at the next U of C management conference for this provocative and contrarian post. Â Advertisers, like Kevin Roberts, CEO of Saatchi and Saatchi, claim that the buying decision is 80% emotional and 20% rational. According to Roberts, "Reason leads to conclusions. Emotion leads to action." What about other decisions, like the decision on the part of our employees to work hard? Is this also 80% emotional? What is going on here? If emotions are so important in decision making, why was the word never uttered in any of my econ classes?

I'm a science geek and author who studies the science of emotions for a living. I am 100% on board with Robert's notion that ALL decisions are 20% rational and 80% emotional. This is precisely what the booming fields of behavioral economics and neuroeconomics are telling us.

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The entire economy, in my opinion, runs on the back and forth transfer of rewarding feelings. If you provide me with a product or service that makes my life easier, more successful, or more pleasant, I will pay you for it. You can then use my money to buy something that makes you feel good; like a hot new car, exotic vacation, or night out with your honey. Economic utility, from this perspective, is a feeling-based concept, not a rational one. The brand image, according to Dan Hill in his book, Emotionomics, is also based on feelings.

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I propose that feelings are the true, underlying currency in all human transactions. Money, in this scenario, is just a token for temporarily-frozen feelings. This token can be thawed out (spent) and turned into something that either makes us feel good or reduces our pain level.

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Here is a short, entertaining, video that describes how to boost emotional rewards in the workplace by satisfying employees' core needs or drives. These emotional rewards, I believe, are just as motivating as money because they are made of the exact same stuff; feelings.

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<http://goo.gl/Awce1>

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What do you think? Are decisions truly 80% emotional? Do all forms of reward boil down to rewarding feelings? Can we improve productivity, GDP and profits by boosting the emotional paycheck as opposed to the monetary one?

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What are your thoughts on these important questions?