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| Title | Testing the Theory of Multitasking: Evidence from a Natural Field Experiment in Chinese Factories |
| Authors | Hong, Hossain, List, and Tanaka |
| Journal | International Economic Review, Vol. 59, No.2 |
| Year etc. | May 2018 |
| Research question | How incentive contracts affect agents’ effort choice under multitasking? |
| Country | China |
| Sample size | 2272 |
| Unit of obs. | A worker’s round of wage scheme |
| Time range | April 2009 to July 2012 |
| Identification strategy | Natural field experiment with the workers in five firms and nine tasks pertaining GPS devices, alarm devices and clocks. Three of them adopt fixed-wage scheme, while the rest of them adopts piece-rate one. They observe the quantity and the quality of the products, even where fixed-wage is adopted. Then, they assign the workers two interventions: incented round and no additional incentives depending on the quantity. The duration of each intervention is randomly assigned.  Finally, they regressed productivity on the round dummies to specify the effect of incentives. |
| Findings | Consistent with the theory, workers move their effort to the incented dimension. However, this tendency is significant only for those who were previously working under fixed-wage scheme.  Observability of the quality is also important. Even when it is an unrewarded task, the worker does not shirk if it is observable one.  Finally, there exist the Hawthorne Effect: only a simple reminder letter to workers leads to a significant increase in worker productivity. |
| Contribution (novel points) | Empirical specification of multitasking problem without long-term contracts, which may distort the result of the experiment. Additionally, they explored the effect of observation of the quality on the agents’ decision making about shirking. |
| Note/Remark |  |