Costly Communication and Learning from Failure in Organizational Coordination

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Appendix – Not for publication

Treatment End – Questionnaire after round 20

- What do you think, how difficult is it to coordinate on the same effort level in your group? – Scale: 1 (easy) to 5 (difficult).
- What do you think, was the possibility to send messages to your co-subjects important? – Scale: 1 (not important) to 5 (important).
- How did you vote in round 11? – Yes/No.
- How do you rate the decision of the randomly chosen subject? Was her/his voting decision good or bad? – Scale: 1 (very bad) to 5 (very good).
- What was in your opinion the reason that your group could not coordinate on an effort of 40? – Some subjects did not understand the task; No trust within the group; No willingness to take risks; No possibility to send messages.
- What was in your opinion the reason that your group could coordinate on an effort of 40? – All subjects understood the task; Enough trust within the group; Enough willingness to take risks; The possibility to send messages.

Alternative Specifications for Regressions Table 7 and Table 8

Table 1: Individual Effort and Messages in Round 11 (Table 7) – Ordered probit

dependent variable:	**Individual message**	**Individual effort**		
	EndCom (round 11)	End (round 11)	End (round 11–20)	No Com. (round 11)
Individual avg. effort in round 1–10	0.017	0.096***	0.068***	0.079***
	(0.025)	(0.020)	(0.018)	(0.019)
Round 10 minimum of others	−0.020	0.035**	0.036	0.042***
	(0.012)	(0.014)	(0.022)	(0.012)
Voting for communication (d)	1.242*	0.016	−0.242	
	(0.733)	(0.381)	(0.216)	
EndCom (Communication) (d)		4.415***	3.040**	
		(1.151)	(1.419)	
EndCom * Individual avg. effort in rounds 1–10		−0.101***	−0.057**	
		(0.025)	(0.026)	
EndCom * Round 10 minimum of others		−0.016	−0.019	
		(0.022)	(0.026)	
EndCom * Voting for communication (d)		0.171	0.108	
		(0.487)	(0.239)	
EndNoCom (d)			−0.232	
			(0.242)	
$PseudoR^2$	0.10	0.32	0.23	0.15
N	54	96	960	102

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Ordered probit regressions with robust standard errors clustered on pre-change group level. Column (1) uses data from EndCom only, column (2) uses data from End, column (3) uses data from round 11–20 in End, and column (4) uses data from EndNoCom and Base. "Individual avg. effort in rounds 1–10" is the individual effort averaged over rounds 1 to 10 and "Round 10 minimum of others" is the information about new group members before the voting stage. "Voting for communication" indicates a vote for communication in round 11 and "communication" indicates whether communication was implemented (EndCom). (d) denotes a dummy variable.

Table 2: Treatment Effects (Table 8) – Ordered Probit

Dependent variable:	**Individual effort**	**Minimum effort**
	(1)	(2)
End (d)	$0.976**$	$1.006***$
	(0.353)	(0.360)
ExCom (d)	$1.056**$	$0.980**$
	(0.428)	(0.450)
Round	$-0.053**$	0.010
	(0.021)	(0.022)
Avg. pre-change minimum effort	$0.041**$	$0.039*$
	(0.021)	(0.022)
R^2	0.08	0.07
N	2040	340

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Ordered probit regressions with robust standard errors clustered at the group level. "ExCom" is a dummy variable for treatment ExCom and "End" is a dummy variable for treatment End and includes groups with and without communication. "Round" indicates a linear time trend. The variable "Avg. pre-change minimum effort" is a lagged variable for the average minimum effort of the two combined groups in round 10. (d) denotes a dummy variable.