accframe Results

Table 1: Honesty Experiment: Descriptive Statistics

Panel A: Participant-period Level

	Neutral			Contextualized			Tests for Differences	
	N	Mean	SD	N	Mean	SD		
% Honesty	976	0.259	0.355	976	0.606	0.387	t = 20.63	p < 0.001
Truthful	976	0.052	0.223	976	0.199	0.399	^{2} = 94.11	p < 0.001
All Slack	976	0.607	0.489	976	0.246	0.431	^{2} = 258.08	p < 0.001

Panel B: Participant Level

	Neutral			Contextualized			Tests for Differences	
	N	Mean	SD	N	Mean	SD		
Mean % Honesty	100	0.293	0.334	100	0.650	0.353	t = 7.36	p < 0.001
Always Truthful	100	0.040	0.197	100	0.150	0.359	^{2} = 5.82	p = 0.016
Always All Slack	100	0.400	0.492	100	0.170	0.378	^{2} = 11.88	p < 0.001
Recalls Information Structure	100	0.980	0.141	100	0.940	0.239	^{2} = 1.17	p = 0.279
Recalls Optimal Strategy	100	0.970	0.171	100	0.950	0.219	^{2} = 0.13	p = 0.718

Table 2: Does Business Framing Affect Honesty?

	Period Fixed Effects			Interacted by Period		
	Est	S.E.	p-value	Est	S.E.	p-value
Intercept				0.270	0.039	<0.001
Contextualized	0.290	0.046	<0.001	0.252	0.048	<0.001
Period				-0.009	0.004	0.037
Period × Contextualized				0.007	0.002	0.006
Adjusted R^2	0.149			0.152		
Number of observations	1,707			1,707		

Table 3: Reasons

	Neutral			Contextualized			Tests for Differences	
	N	Mean	SD	N	Mean	SD		
Mentions Payoff	1000	0.794	0.405	1000	0.641	0.480	$^2 = 56.99$	$p < 0.001$
Mentions Other	1000	0.220	0.414	1000	0.305	0.461	$^2 = 18.22$	$p < 0.001$
Cares About Own Payoff	1000	9.131	1.806	1000	8.269	1.729	t = -10.90	$p < 0.001$
Cares About Other Payoff	1000	2.030	2.008	1000	2.572	1.797	t = 6.36	$p < 0.001$
Cares About Honesty	1000	3.838	2.312	1000	6.157	1.818	t = 24.93	$p < 0.001$

Figure 1: Average Slack Claimed by True Cost and Condition

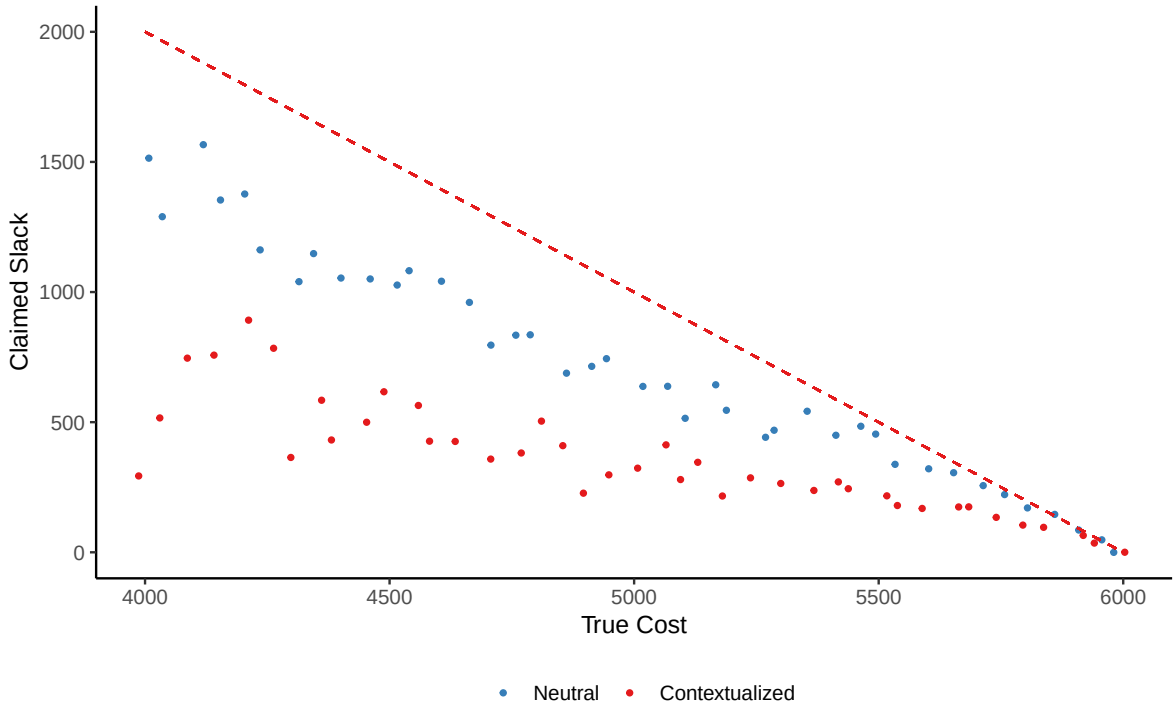


Figure 2: Average Honesty by Period and Condition

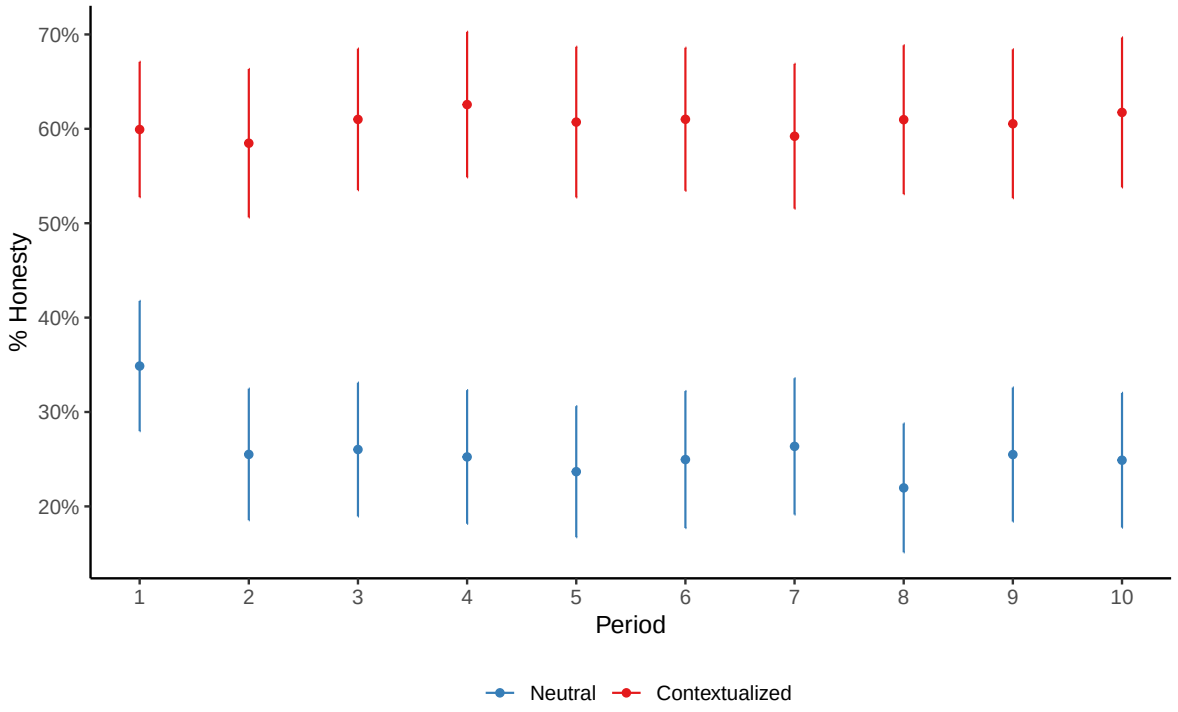


Table 4: Gift Exchange Experiment: Descriptive Statistics

Panel A: Dyad-period Level

	Neutral			Contextualized			Tests for Differences	
	N	Mean	SD	N	Mean	SD		
Wage Paid	500	47.598	9.420	500	43.186	11.367	t = -6.68	p < 0.001
Effort Returned	500	0.495	0.142	500	0.566	0.151	t = 7.59	p < 0.001
Payoff Firm	500	25.844	8.749	500	31.257	7.916	t = 10.26	p < 0.001
Payoff Manager	500	41.658	9.587	500	35.588	10.412	t = -9.59	p < 0.001
Combined Payoff	500	67.502	7.779	500	66.845	10.914	t = -1.10	p = 0.273

Panel B: Participant Level

	Neutral			Contextualized			Tests for Differences	
	N	Mean	SD	N	Mean	SD		
Passed Calculation Checks	100	0.940	0.239	100	0.660	0.476	^{2} = 22.78	p < 0.001
Recalls Role of Multiplier	100	0.200	0.402	100	0.000	0.000	^{2} = 20.06	p < 0.001

Panel C: Dyad Level

	Neutral			Contextualized			Tests for Differences	
	N	Mean	SD	N	Mean	SD		
Average Payoff Firm	50	258.440	78.646	50	312.568	75.727	t = 3.51	p < 0.001
Average Payoff Manager	50	416.580	82.384	50	355.880	98.557	t = -3.34	p = 0.001
Average Combined Payoff	50	337.510	36.094	50	334.224	53.516	t = -0.36	p = 0.720

Table 5: Does Contextualization Affect the Wage Paid?

	Period Fixed Effects			Interacted by Period		
	Est	S.E.	p-value	Est	S.E.	p-value
Intercept				46.831	1.129	<0.001
Contextualized	-4.412	1.887	0.044	-4.359	1.609	0.024
Period				0.140	0.066	0.063
Period × Contextualized				-0.010	0.099	0.924
Adjusted R^2	0.036			0.041		
Number of observations	1,000			1,000		

Table 6: Does Contextualization Affect the Effort Returned?

	Period Fixed Effects			Interacted by Period		
	Est	S.E.	p-value	Est	S.E.	p-value
Intercept				0.510	0.016	<0.001
Contextualized	0.070	0.028	0.033	0.049	0.024	0.075
Period				-0.003	0.001	0.018
Period × Contextualized				0.004	0.002	0.029
Adjusted R^2	0.046			0.053		
Number of observations	1,000			1,000		

Table 7: Does Contextualization Affect the Wage Sensitivity of Effort?

	(1)		
	Est	S.E.	p-value
Contextualized	-0.164	0.136	0.257
Wage	0.001	0.002	0.582
Wage × Contextualized	0.006	0.003	0.077
Adjusted R^2	0.184		
Number of observations	1,000		

Table 8: Does Contextualization Affect the Participant's Payoffs?

	(1)		
	Est	S.E.	p-value
Intercept	416.580	11.680	<0.001
Firm	-158.140	20.415	<0.001
Contextualized	-60.700	18.212	0.001
Firm × Contextualized	114.828	28.417	<0.001
Adjusted R^2	0.315		
Number of observations	200		

Table 9: Reasons

Panel A: Reasons for Wage Decision

	Neutral			Contextualized			Tests for Differences	
	N	Mean	SD	N	Mean	SD		
Mentions Payoff	500	0.694	0.461	500	0.902	0.298	$^2 = 65.81$	$p < 0.001$
Mentions Other	500	0.916	0.278	500	0.972	0.165	$^2 = 13.79$	$p < 0.001$
Cares About Own Payoff	500	6.866	1.322	500	7.112	1.122	$t = 3.17$	$p = 0.002$
Cares About Other Payoff	500	5.728	1.289	500	5.592	1.375	$t = -1.61$	$p = 0.107$
Cares About Fairness	500	7.156	1.481	500	6.584	1.483	$t = -6.10$	$p < 0.001$
Cares About Reciprocity	500	6.089	1.657	500	6.046	1.590	$t = -0.42$	$p = 0.673$

Panel B: Reasons for Effort Decision

	Neutral			Contextualized			Tests for Differences	
	N	Mean	SD	N	Mean	SD		
Mentions Payoff	500	0.934	0.249	500	0.968	0.176	$^2 = 5.49$	$p = 0.019$
Mentions Other	500	0.880	0.325	500	0.854	0.353	$^2 = 1.25$	$p = 0.264$
Cares About Own Payoff	500	6.940	1.242	500	7.522	1.073	$t = 7.93$	$p < 0.001$
Cares About Other Payoff	500	5.442	1.540	500	5.224	1.797	$t = -2.06$	$p = 0.040$
Cares About Fairness	500	7.136	1.574	500	6.516	1.909	$t = -5.60$	$p < 0.001$
Cares About Reciprocity	500	4.242	1.793	500	4.080	1.711	$t = -1.46$	$p = 0.144$

Figure 3: Wage by Period and Condition

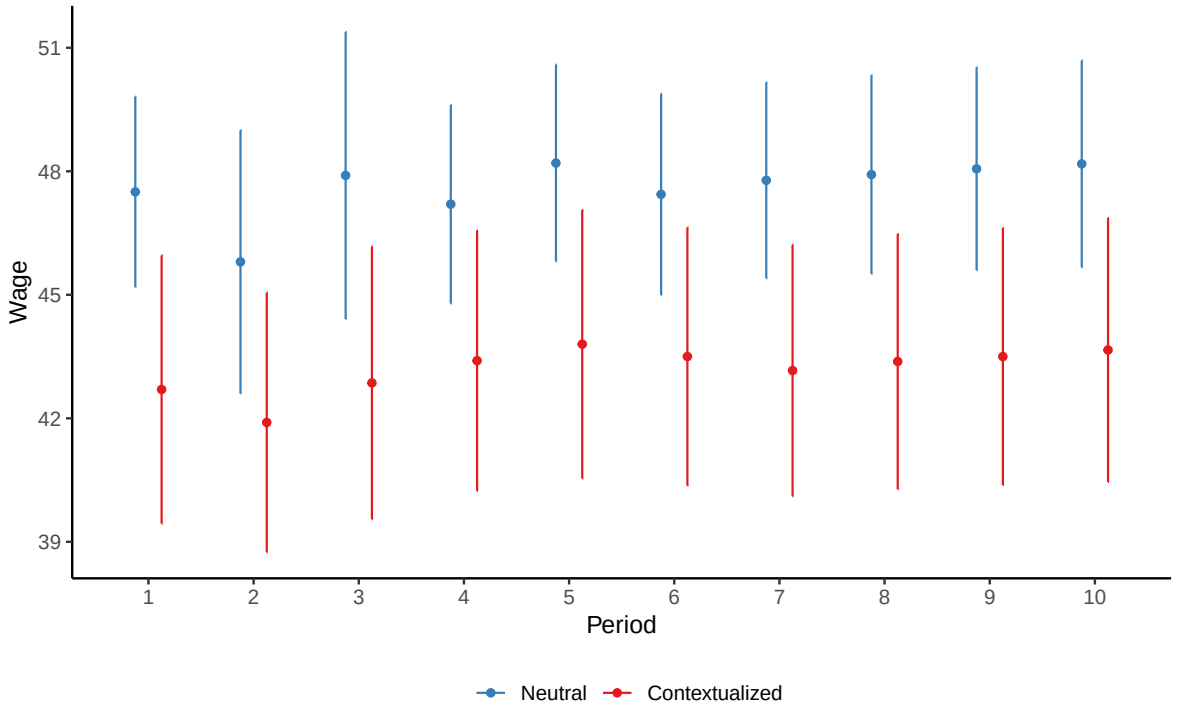


Figure 4: Effort by Period and Condition

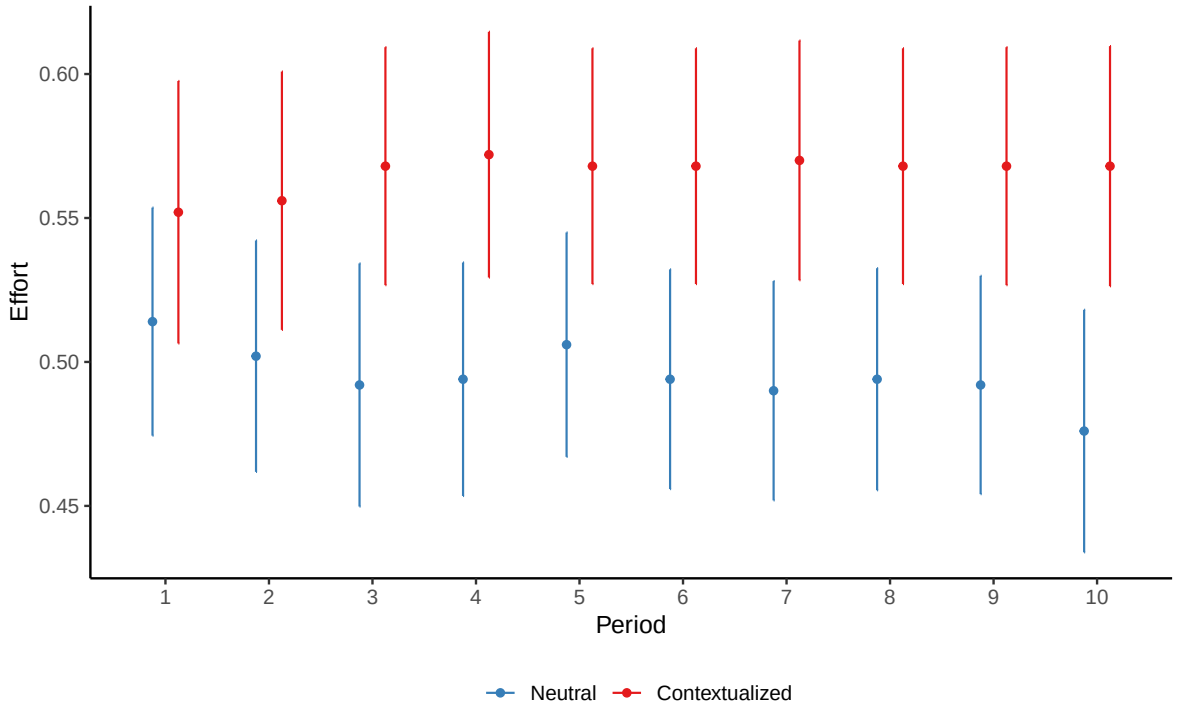


Figure 5: Wage Sensitivity of Effort by Condition

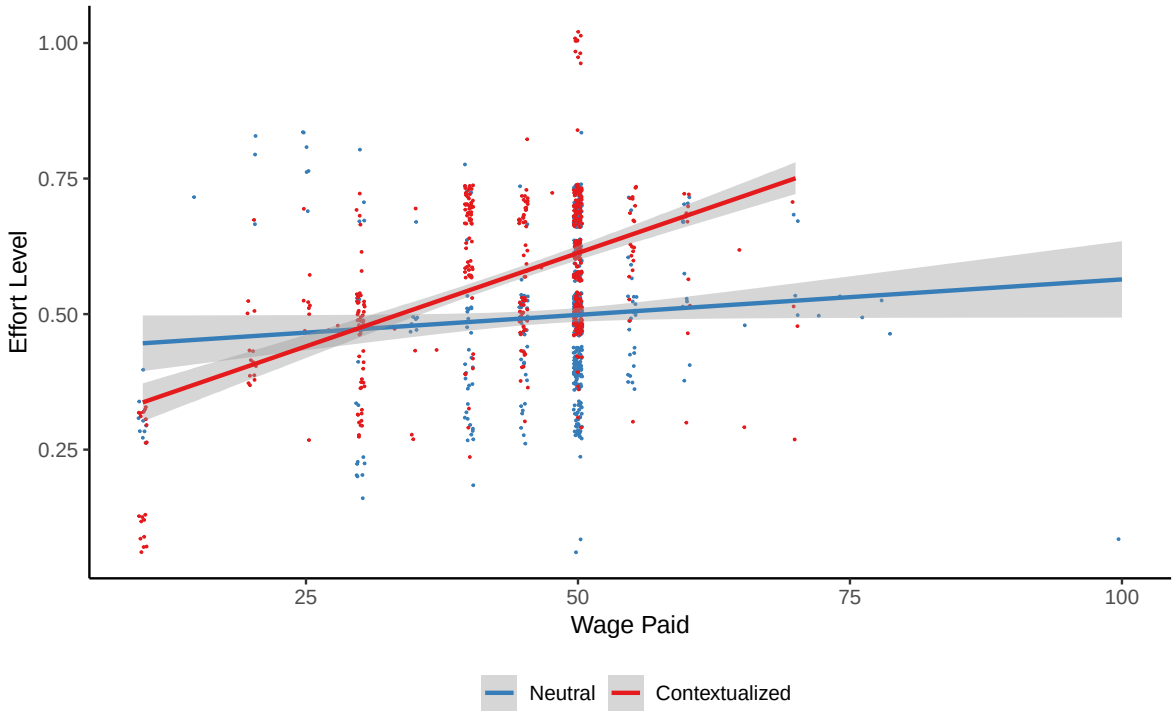


Table 10: Trust Experiment: Descriptive Statistics

Panel A: Dyad-period Level

	Neutral			Contextualized			Tests for Differences	
	N	Mean	SD	N	Mean	SD		
Investment	500	53.920	10.755	500	57.890	14.921	t = 4.83	p < 0.001
Dividend	500	73.876	21.264	500	78.772	27.461	t = 3.15	p = 0.002
% Returned	500	0.455	0.081	500	0.451	0.094	t = -0.60	p = 0.548
Payoff Investor	500	119.956	14.041	500	120.882	17.851	t = 0.91	p = 0.362
Payoff Manager	500	87.884	19.521	500	94.898	27.993	t = 4.60	p < 0.001
Combined Payoff	500	207.840	21.510	500	215.780	29.842	t = 4.83	p < 0.001

Panel B: Participant Level

	Neutral			Contextualized			Tests for Differences	
	N	Mean	SD	N	Mean	SD		
Understood Role of Multiplier	100	0.970	0.171	100	1.000	0.000	^{2} = 1.35	p = 0.245
Recalls Role	100	0.990	0.100	100	1.000	0.000	^{2} = 0.00	p = 1.000

Panel C: Dyad Level

	Neutral			Contextualized			Tests for Differences	
	N	Mean	SD	N	Mean	SD		
Average Payoff Investor	50	1199.560	139.516	50	1208.820	176.375	t = 0.29	p = 0.772
Average Payoff Manager	50	878.840	180.717	50	948.980	253.283	t = 1.59	p = 0.114
Average Combined Payoff	50	1039.200	95.780	50	1078.900	129.934	t = 1.74	p = 0.085

Table 11: Does Contextualization Affect the Amount Sent by the Sender?

	Period Fixed Effects			Interacted by Period		
	Est	S.E.	p-value	Est	S.E.	p-value
Intercept				50.847	0.637	<0.001
Contextualized	3.970	2.300	0.118	0.853	0.416	0.070
Period				0.559	0.242	0.047
Period × Contextualized				0.567	0.403	0.193
Adjusted R^2	0.054			0.058		
Number of observations	1,000			1,000		

Table 12: Does Contextualization Affect the Percentage Returned by the Receiver?

	Period Fixed Effects			Interacted by Period		
	Est	S.E.	p-value	Est	S.E.	p-value
Intercept				0.455	0.009	<0.001
Contextualized	-0.003	0.018	0.853	-0.003	0.014	0.828
Period				0.000	0.001	0.998
Period × Contextualized				0.000	0.002	0.973
Adjusted R^2	-0.010			-0.003		
Number of observations	1,000			1,000		

Table 13: Does Contextualization Affect the Participants' Payoffs?

	(1)		
	Est	S.E.	p-value
Intercept	878.840	25.622	<0.001
Investor	320.720	36.849	<0.001
Contextualized	70.140	44.113	0.115
Investor × Contextualized	-60.880	61.887	0.328
Adjusted R2	0.366		
Number of observations	200		

Table 14: Reasons

Panel A: Reasons for Investment Decision

	Neutral			Contextualized			Tests for Differences	
	N	Mean	SD	N	Mean	SD		
Mentions Payoff	500	0.232	0.423	500	0.282	0.450	$^2 = 3.02$	$p = 0.082$
Mentions Other	500	0.756	0.430	500	0.696	0.460	$^2 = 4.23$	$p = 0.040$
Cares About Own Payoff	500	7.130	1.735	500	8.006	1.114	$t = 9.50$	$p < 0.001$
Cares About Other Payoff	500	5.398	1.693	500	4.316	2.083	$t = -9.02$	$p < 0.001$
Cares About Fairness	500	7.060	1.999	500	5.718	2.121	$t = -10.30$	$p < 0.001$
Cares About Trust	500	7.500	1.353	500	6.776	1.867	$t = -7.02$	$p < 0.001$

Panel B: Reasons for Dividend Decision

	Neutral			Contextualized			Tests for Differences	
	N	Mean	SD	N	Mean	SD		
Mentions Payoff	500	0.112	0.316	500	0.218	0.413	$^2 = 19.63$	$p < 0.001$
Mentions Other	500	0.578	0.494	500	0.766	0.424	$^2 = 39.24$	$p < 0.001$
Cares About Own Payoff	500	4.792	1.596	500	5.164	1.551	$t = 3.74$	$p < 0.001$
Cares About Other Payoff	500	5.640	1.372	500	5.718	1.229	$t = 0.95$	$p = 0.344$
Cares About Fairness	500	8.982	1.002	500	8.480	1.222	$t = -7.10$	$p < 0.001$
Cares About Trust	500	7.880	1.081	500	8.346	1.074	$t = 6.84$	$p < 0.001$

Figure 6: Amount Sent by Period and Condition

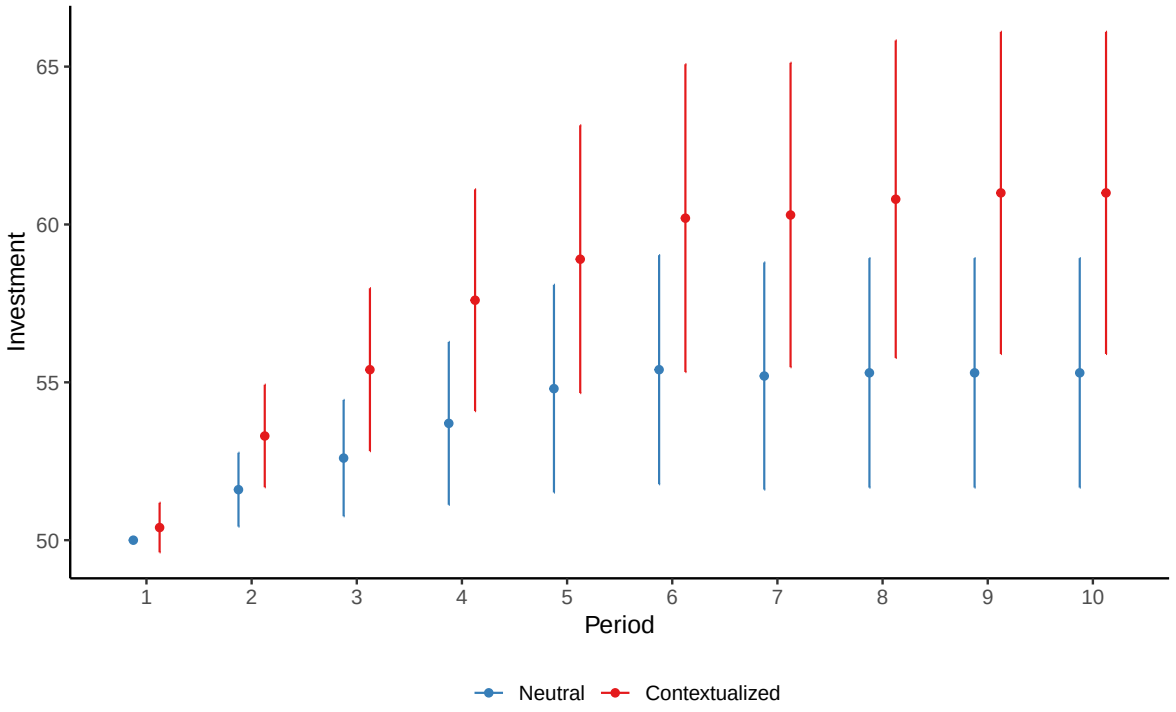
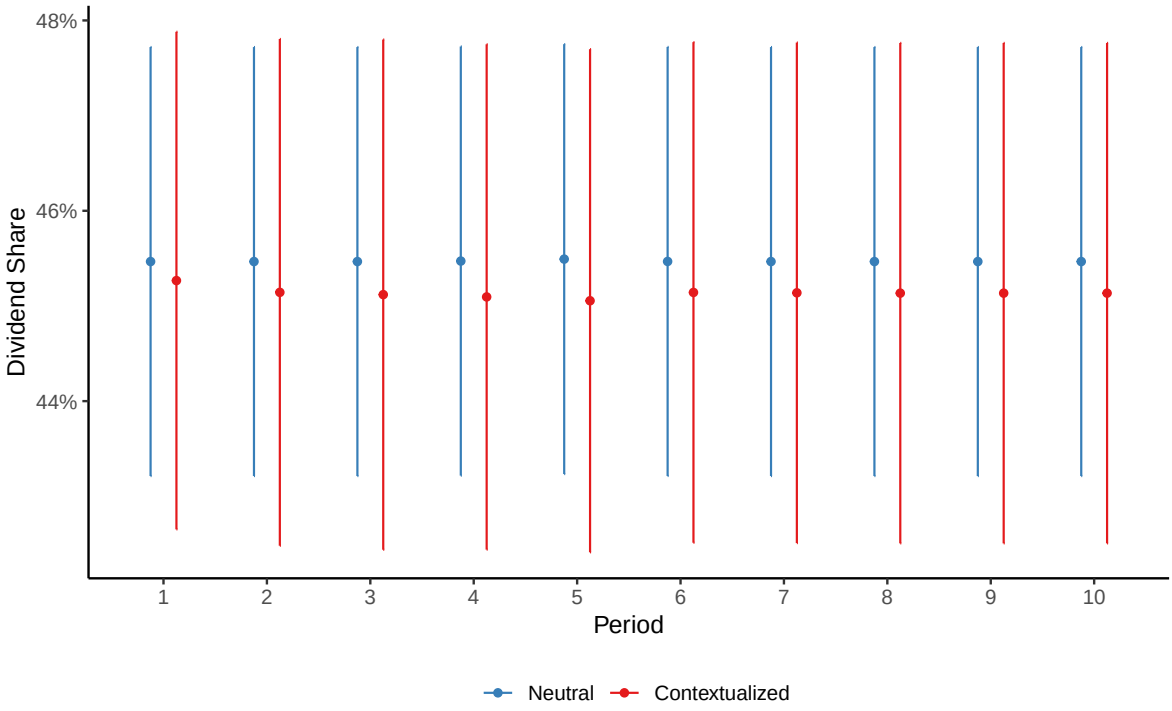


Figure 7: Share Returned by Period and Condition


48%
46%
44%
Dividend Share
1
2
3
4
5
6
7
8
9
10
Period
Neutral
Contextualized