**Name your job posting:** Participate in an Experiment

**Describe the work to be done:**

We need people to participate in an experiment for an economics research project. The task involves making economic decisions in a strategic environment.

This experiment is approved by Institutional Review Board at Iowa State University. Your decision to apply for this project will be construed as your consent to participate in the experiment. If you decide to participate in this experiment you should know that researchers of the project will use non-identifiable information from your upwork profile to do the analysis along with the decisions that you make in experiment.

Since this experiment involves online interaction with other participants, it is required that you specify your available time when applying for this project. Your earning in this project will depend on the choices/decisions that you and other participants make during the experiment. Based on your and other participants’ decisions you can earn anywhere between zero and 10 dollars in one hour.

There are no specific skills required for this project.

**Research Plan:**

We will follow the following steps to execute the experiment.

1. Job description (as outlined in Annex A) will be posted on [www.upwork.com](http://www.upwork.com).
2. Participants who express interest to the posted job will be asked to report the one-hour time slots in which they can work on this task without any disruptions. Content of that is given in Annex C.
3. For each experiment session we need 15 participants. Based on the time preferences from step 2, we will inform participants about the chosen time slot for the experiment session. The message for the chosen slot will be as given in Annex D.
4. Once participant has confirmed their availability in response to step 3, they will be sent the link to the experiment, 5 minutes before the chosen slot. Then the experiment will proceed as follows;
   1. Upon clicking a link, participant will be randomly assigned the role of a worker or an employer.
   2. Based on the role, the instructions will be as given in Annex E (for worker) or Annex F (for employer).
   3. After the instructions, both workers and employers will go through a practice round to familiarize with the portal. Earnings in practice round will not be considered for final earnings.
   4. After the practice period, 12 periods will repeat as explained in the instruction to workers and employers. The information that the participant will see during the experiment in given in Annex G.
   5. Finally, participants earning will be determined based on their earnings in one of the randomly selected period.
   6. Payments to the subject will be paid using upwork’s payment system.

**Available Slots**

This experiment requires approximately 1 hour of your undivided time. Please indicate all possible time slots in which you can participate in this experiment. Only one of the selected time slots will be chosen based on the availability of other participants. If we can’t find enough other participants on your available slot(s), we won’t be able to allow you to participate in this experiment.

Paste the link to your upwork profile against the available time slots.

*List of time slots in Central Time Zone.*

**Chosen Slot**

Thank you for expressing interest in participating in the experiment. Based on your available times (and available times of other participants) we would like you to participate in the experiment at the following date and time.

Date:

Time:

Please respond back to confirm your availability for the stated date and time. If you confirm your availability we will send you a link to an experiment 5 minutes before the stated time.

**Instructions for Worker**

This experiment is part of the research project conducted by Iowa State University. It is used to analyze decision behavior in markets. The instructions are simple and if you read them carefully and make appropriate decisions, you can earn money ranging from zero to 10 dollars.

In this whole experiment consider yourself as a worker who is working for an employer. An employer will make a wage offer which a worker (like yourself) can either accept or reject. You will not know the identity of the employer nor will the employer know your identity at any stage of the experiment.

The experiment will consist of 12 periods. In each period employers (there are 6 of them) will make a wage offer which may be accepted by workers like yourself (there are 9 workers including you). Each worker can only accept one offer, so there are more workers than the available jobs (9 workers, 6 jobs). If an offer from the employer is not accepted, he/she may revisit the offer by posting the higher offer.

The experiment will consist of two stages. In the first stage employers will make wage offers. In the second stage workers will see the wage offers and either accept one offer or do not accept any. If an offer is accepted, the worker will choose the effort level. Both wage rate and effort level will affect worker and employer earnings. Your earning from a period will be as follows;

Worker Earning = Accepted Wage – 26 – Effort Cost

Your employer earning will be calculated as;

Employer Earning = (126 – Wage) x Effort

Putting more effort is costly to you but it benefits your employer. Your cost for allowed level of efforts is as follows;

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Effort | 0.1 | 0.2 | 0.3 | 0.4 | 0.5 | 0.6 | 0.7 | 0.8 | 0.9 | 1 |
| Effort Cost | 0 | 1 | 2 | 4 | 6 | 8 | 10 | 12 | 15 | 18 |

For example, if you accepted the **wage offer of 50** and chose **effort level of 0.5**, your and your employer’s earnings will be as follows;

Worker Earning = (50 – 26 – 6) = 20

Employer Earnings = (126 – 50) x 0.5 = 38

Throughout the experiment you will have access to on-screen calculator in which you can input different values for effort and see your earnings and your employers’ earning for that period before submitting your effort choice. As already mentioned there will be 12 periods in this experiment (other than the practice period), which means you will make effort choice 12 times. At the end of this experiment, one of the 12 periods will be randomly chosen by the computer and your final earnings will be what you earned in that chosen period. It is in your interest to do your best in each period.

Make sure you understand the instructions before proceeding. You will have to answer the question in the next screen to proceed. Click next when you are ready.

*(Once the next is clicked, following screen will appear).*

Suppose you accepted a wage offer of 100. How much effort should you chose to earn 70?

*(Once that question is answered, the following question will appear)*

What will be your employer earning?

**Instructions for Employers**

This experiment is part of the research project conducted by Iowa State University. It is used to analyze decision behavior in markets. The instructions are simple and if you read them carefully and make appropriate decisions, you can earn money ranging from zero to 10 dollars.

In this whole experiment consider yourself as an employer who is hiring workers. An employer (like yourself) will make a wage offer which a worker can either accept or reject. You will not know the identity of the worker nor will the worker know your identity at any stage of the experiment.

The experiment will consist of 12 periods. In each period employers like yourself (there are 6 employers including you) will make a wage offer which may be accepted by workers (there are 9 workers). Each worker can only accept one offer, so there are more workers than the available jobs (9 workers, 6 jobs). If an offer from any employer is not accepted, he/she may revisit the offer by posting the higher offer.

The experiment will consist of two stages. In the first stage employers will make wage offers. In the second stage workers will see the wage offers and either accept one offer or do not accept any. If an offer is accepted, the worker will choose the effort level. Both wage rate and effort level will affect worker and employer earnings. Your earning from a period will be as follows;

Employer Earning = (126 – Wage) x Effort

Your worker’s earning will be calculated as;

Worker Earning = Accepted Wage – 26 – Effort Cost

Putting more effort is costly to workers but it benefits employers (like yourself). Worker’s cost for allowed level of efforts is as follows;

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Effort | 0.1 | 0.2 | 0.3 | 0.4 | 0.5 | 0.6 | 0.7 | 0.8 | 0.9 | 1 |
| Effort Cost | 0 | 1 | 2 | 4 | 6 | 8 | 10 | 12 | 15 | 18 |

For example, if you made the **wage offer of 50** and it was accepted by a worker who chose **effort level of 0.5**, your and your worker’s earnings will be as follows;

Employer Earnings = (126 – 50) x 0.5 = 38

Worker Earning = (50 – 26 – 6) = 20

Throughout the experiment you will have access to on-screen calculator in which you can input different values for wages and efforts and see your earnings and your worker’s earning before submitting your wage offer. As already mentioned there will be 12 periods in this experiment (other than the practice period), which means you will make effort choice 12 times. At the end of this experiment, one of the 12 periods will be randomly chosen by the computer and your final earnings will be what you earned in that chosen period. It is in your interest to do your best in each period.

Make sure you understand the instructions before proceeding. You will have to answer the question in the next screen to proceed. Click next when you are ready.

*(Once the next is clicked, following screen will appear).*

Suppose you made a wage offer of 100. How much effort should a worker chose to earn 70?

*(Once that question is answered, the following question will appear)*

What will be your earning, if the worker chose the above effort level?

**Layout for Employers**

|  |  |
| --- | --- |
| Wage Offer | Input values between 30 and 125 in the increment of 5. |
| Anticipated Effort by Worker | Input values between 0.1 and 1 in the increment of 0.1. |
| Earnings if worker choose the anticipated effort | Pre-Calculated Field |
| Worker’s earning for the anticipated effort | Pre-Calculated Field |
|  |  |
|  | Submit Wage Offer |

**Layout for Workers**

|  |  |
| --- | --- |
| Wage Offers |  |
| A | Button to accept the offer |
| B | Button to accept the offer |
| C | Button to accept the offer |
| D | Button to accept the offer |
| E | Button to accept the offer |
| F | Button to accept the offer |

Once the wage is accepted the interface will look something like this.

|  |  |
| --- | --- |
| Accepted Wage Offer | Read only field with accepted wage offer |
| Effort Level | Input values between 0.1 and 1 in the increment of 0.1. |
| Your Earning | Pre-Calculated Field |
| Your Employer Earning | Pre-Calculated Field |
|  |  |
|  | Submit Effort Choice |

**Debriefing**

Thank you for participating in the experiment. We are writing to explain the full purpose of the study. The experiment was designed to investigate whether economic agents in the market setting exhibit reciprocal behavior. Economic theory argues that agents in the market setting maximize their payoff and do not exhibit other regarding preferences. The purpose of this experiment was to document if this prediction from economic theory holds in the online labor market such as upwork. We will be analyzing results and testing this hypothesis among others. We are once again thankful for your participation in this experiment and helping with the research.

If you have any questions about your rights as a research participant, you are welcome to contact the Institutional Review Board (IRB) at Iowa State University by writing to [irb@iastate.edu](mailto:irb@iastate.edu).