EXPERIMENT AND SURVEY SUPPLEMENTAL MATERIAL FOR “EQUILIBRIUM EFFECTS OF PAY TRANSPARENCY IN A SIMPLE LABOR MARKET” (NOT FOR PUBLICATION)

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### TABLE 1: SUMMARY STATISTICS, $9 NEGOTIABLE TREATMENT

<table>
<thead>
<tr>
<th></th>
<th>Not Transparent</th>
<th>Transparent</th>
<th>T-Statistic (diff)</th>
<th>T-Statistic $9-$5 Not Transparent</th>
<th>T-Statistic $9-$5 Transparent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(mean)</td>
<td>(mean)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Workers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>35</td>
<td>36</td>
<td>-0.98</td>
<td>1.63</td>
<td>0.55</td>
</tr>
<tr>
<td>Share female</td>
<td>0.51</td>
<td>0.40</td>
<td>1.90</td>
<td>0.67</td>
<td>2.56</td>
</tr>
<tr>
<td>Share w/ at least some college</td>
<td>0.91</td>
<td>0.91</td>
<td>-0.03</td>
<td>2.12</td>
<td>0.81</td>
</tr>
<tr>
<td>N</td>
<td>168</td>
<td>141</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Managers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>37</td>
<td>34</td>
<td>1.03</td>
<td>0.11</td>
<td>1.66</td>
</tr>
<tr>
<td>Share female</td>
<td>0.57</td>
<td>0.49</td>
<td>0.78</td>
<td>-0.03</td>
<td>1.71</td>
</tr>
<tr>
<td>Share w/ at least some college</td>
<td>0.96</td>
<td>0.96</td>
<td>0.13</td>
<td>-0.79</td>
<td>-1.42</td>
</tr>
<tr>
<td>N</td>
<td>56</td>
<td>47</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: This table describes the sample assigned to negotiate in either a split or common chat room with a $9 manager budget. The first two columns describe the demographic characteristics of Not Transparent and Transparent groups, respectively. The last three columns report the t-statistic of a test of the null hypothesis that the difference in means between Col. 1 and Col. 2 is 0 (Col. 3), the difference between Col. 1 and the Not Transparent $5 negotiable treatment is 0 (Col. 4), and the difference between Col. 1 and the Transparent $5 negotiable treatment is 0 (Col. 5). We report the total number of participants in our analysis as the observation count, however we ask demographic characteristics after all interactions are complete and give the option to opt out of any particular question. Hence for our regressions we impute missing values using the average of all non-missing values. In this table we only compute means and statistical tests using non-missing values. Up to 11% of managers, and 37% of workers opted out of answering a particular demographic characteristic.
Figure 1: Bids as function of Willingness to Accept

Notes: Each panel plots the outside option of a participant (horizontal axis) as measured by our BDM procedure against the participant’s bid on the job for completion of a page of transcription (vertical axis), both at a minimum accuracy of 95%. In the first panel, we fit the data to a best linear fit of outside option, and in the second, we display the quadratic function that best fits the data.

Interface

Here, we show the experimental interface for workers and managers in our experiment. We show the following treatment: $9 manager budget per page, per worker; common chatroom (pay transparency); managers and workers are able to negotiate pay. Other treatments are similar, with changes on Page 5 of these instructions as described in the main text. Note that we did not actually complete any of the transcription task for the purposes of this illustration, and so the accuracy on “Page 13, Workers” is calculated at 0.0% for all pages.
Introduction

There are 4 people simultaneously assigned to this group. You will either manage or carry out a transcription task. Those who successfully complete this task earn over $10 on average, some earn more than $20.

First we'll ask you some questions. Then you will interact with other participants. Please do this first part promptly so other participants do not have to wait for you. But read questions carefully because you will not be able to return to your answers after proceeding to the next page.

The transcription part, for the bonus, can be done any time in the next 48 hours.
Example of Transcription Work

Transcription Example

Text Image:

<table>
<thead>
<tr>
<th>1,096</th>
<th>9</th>
<th>581</th>
<th>156</th>
<th>8</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>23</td>
<td>6</td>
<td>8</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>727</td>
<td>1</td>
<td>428</td>
<td>95</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

Transcription:

1,096, 9, 581, 156, 8, 7
5, 3...
23, 6, 8, 1
727, 1, 428, 95, 6, 7

Now look at the sample page below. How many minutes do you think would it take you to transcribe the page below? This information will not affect your eligibility for a bonus in any way.

How many minutes?

[ ] [ ] [ ] [ ] [ ]

Sample Page:

[Image of sample page with numbers and characters]
Page 3, All Subjects

Cash Preferences

Below you are presented with 5 scenarios. In each you will be given the choice between being paid for completing a page of transcription at 95% accuracy within 48 hours, or receiving $9 without having to do any transcription, also 48 hours from now.

If you are one of 20 survey respondents selected at random, we will randomly select one of your choices and enact it. You should answer honestly, because one of your choices might happen. (Note, information on this page will be kept private from all participants.)

Which would you prefer?
○ $15, for 5 pages transcribed ($3 per page, 95% accuracy)  ○ $9, no transcription required
Which would you prefer?
○ $20, for 5 pages transcribed ($4 per page, 95% accuracy)  ○ $9, no transcription required
Which would you prefer?
○ $25, for 5 pages transcribed ($5 per page, 95% accuracy)  ○ $9, no transcription required
Which would you prefer?
○ $30, for 5 pages transcribed ($6 per page, 95% accuracy)  ○ $9, no transcription required
Which would you prefer?
○ $35, for 5 pages transcribed ($7 per page, 95% accuracy)  ○ $9, no transcription required

Next

Page 4, All Subjects

Bid for Work

Now tell us your single page bid (the price for ONE page) to do up to 5 pages just like the example (with 95% accuracy).
The manager will start with this information to negotiate a price for your services.

How much is your bid price per single page?

$   

Next
Employee 1 - Chat Room

Everyone is here. You, 2 other employees, and a manager.

Your initial bid to the manager was 0 for each page. The manager is here to discuss it with you. You must agree to a price in order to submit the transcription work for a bonus. It is okay to disagree and exit. You will still be paid for the HIT.

<table>
<thead>
<tr>
<th>Employee 2</th>
<th>Sample text 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee 3</td>
<td>Sample text 3</td>
</tr>
<tr>
<td>Employee 1 (Me)</td>
<td>Sample text 1</td>
</tr>
<tr>
<td>Manager</td>
<td>Sample text M</td>
</tr>
</tbody>
</table>

If there is a discrepancy between what you enter and what the manager enters, then you will not receive a bonus for work completed. Please make sure you agree!

What is the confirmed per-page price you will be paid? $

☐ Check here if you cannot reach a deal.

You and the manager must agree on your per-page price before you proceed! If your work does not achieve at least 95% accuracy, you will not be paid for that page. Selecting Done will end your chat session, you cannot come back.

Done
Manager - Chat Room

You are the Manager. Please chat with the 3 employees below. They should be there now.

You have a maximum budget of $9 per page. The employees were not aware of your budget when they bid. Your job is to negotiate a wage for each employee. Wages can be the same or different for different employees. You can negotiate however you want. If, and only if, you and the employee agree to a wage will the budget be split between you accordingly.

After this chat, employees will be taken to a screen to transcribe scanned pages, which will be checked for accuracy. For each page completed above 95% accuracy, they will receive their bid and you will receive the difference between $9 and the wage you agreed to with that worker. If the work is not submitted, or does not achieve at least 95% accuracy, no one will be paid for that page. For example, if you agree to $8 per page for all three workers, who then complete the work, you will be paid: ($9 - $8) x (3 people) x (5 pages each) = $45

You do not have to come to agreements with all employees. You will still profit from the wage arrangements you make with the other workers, and you will still be paid for the HIT. You cannot agree to a wage above the $9 budget.

Chat Room:

<table>
<thead>
<tr>
<th>Employee 2</th>
<th>Sample text 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee 3</td>
<td>Sample text 3</td>
</tr>
<tr>
<td>Employee 1</td>
<td>Sample text 1</td>
</tr>
<tr>
<td>Manager (Me)</td>
<td>Sample text M</td>
</tr>
</tbody>
</table>

Enter the per-page amounts here.

**Employee 1** bid $0 for each page.

What wage did you and Employee 1 agree to? If the number you agreed is not higher than $9, enter it here.

$  

☐ Check here if **no deal** reached with Employee 1.

**Employee 2** bid $0 for each page.

What wage did you and Employee 2 agree to? If the number you agreed is not higher than $9, enter it here.

$  

☐ Check here if **no deal** reached with Employee 2.

**Employee 3** bid $0 for each page.

What wage did you and Employee 3 agree to? If the number you agreed is not higher than $9, enter it here.

$  

☐ Check here if **no deal** reached with Employee 3.

If there is a discrepancy between what you enter and what the employee enters, then neither party will receive any additional bonus for work completed. Please make sure you confirm!

You will receive any payment owed via an MTurk Bonus

[Done]
Separated chatroom interface, Managers
Notes: We do not include two variables in our analyses: previous experience and daily household income. Half the participants chose not to answer these questions.
Pages 8-12, Workers

Transcription task 1/5

You will be shown 5 pages of transcription, one on each screen. When you click next, your transcription of the first page will be submitted and you will be presented with a fresh link to a second page of transcription and a blank text box, and so on until the fifth page. After you submit the fifth page we ask a few basic demographic questions and give you a code to submit your HIT.

Please transcribe the numbers from the table in the image into the box below.

You will be paid $5.00 for this page if you submit work that is at least 95% accurate, and if $5.00 matches the price the manager confirms. Thank you!

Click here to open image for transcription (opens in new tab or window)

You should only enter the NUMBERS from the table, none of the row or column headings. (No words)

Next

Do not click until you have finished the transcription!

Hint: if you prefer to work in a different format such as an Excel spreadsheet, simply export to csv (comma separated delimiter) copy and paste results here.

Do not complete this transcription if you did not actively AGREE with the manager about the pre-page price.

Page 13, Workers

Summary

<table>
<thead>
<tr>
<th>Statistics for your transcriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transcription #</td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
</tbody>
</table>

You transcribed 0 pages below the 95% accuracy.

Your agreed price per-page was $5.00

Therefore your bonus is $0.00

Next
I. Survey materials

Survey about job descriptions

We present individual job descriptions to approximately 5,000 Mechanical Turk workers to read between 1 and 10 descriptions and answer the following questions.

Instructions:

The following survey is for research purposes and will be used to understand interactions during short-term work arranged online.

Please read the job description(s) and describe the nature of the job by answering short questions. If the job description does not clearly indicate the answer to the question, please provide your best guess based on the information available to you.

When we ask how likely it is that something will occur, please use a scale of 0 through 10. A value of 0 means they definitely will not. A value of 1 means the odds are 1 in 10. In other words, if the job were carried out 10 times, the event would most likely occur on one of those occasions. A value of 10 means that it would happen every time.

[Insert job description]

1. How many people are being requested for this job?

2. How many hours will each worker be required to work in order to complete this job? (please provide the average duration if multiple workers are required)

3. How many hours is it necessary for workers to overlap in the same place at the same time in order to complete this job?

4. How likely is it that workers will talk to each other on the job?

5. How likely is it that any one worker will learn what another worker is being paid for the same job?