The Power (of) Lunch and the Role of Incentives for Fostering Productive Interactions

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Abstract
We carried out a field experiment in a sales organization to investigate the effects of employee interactions on productivity. Encouraging agents to talk about their sales process with a partner over lunch substantially lifted sales, with average increases of 20% that persisted after the study. These gains are larger than for the agents that were provided a weekly $50 prize per partner to improve joint sales, with the prizes doing little for agents receiving the combination of treatments. The gains are largest for agents paired for lunch with above-median partners. Survey responses indicate that agents who were encouraged to interact shared best practices whereas other groups did not.

JEL: D8, J3, L2, M5.
Keywords: management practices; organizational design, randomized controlled trial (RCT).

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1 Introduction

Production varies tremendously across workers in identical industries, jobs, and firms. One contributing factor is that some individuals have adopted or discovered more efficient techniques than their peers. Sharing knowledge regarding superior techniques may substantially change the distribution of productivity (Marshall, 1898). While existing evidence points to knowledge spillovers as a source of productivity growth (Glaeser et al., 1992a; Barro, 1991), relatively little is known about how these knowledge transfers take place at an individual level or how firms can best facilitate them. A primary reason for the absence of individual level evidence is that observational data lacks exogenous variation (Manski, 1993; Glaeser et al., 2003). We conduct a field experiment with the goal of creating this exogenous variation.

There are two explanations for why knowledge exchange between coworkers may be limited in practice. The first is transaction costs—broadly defined to include search costs, coordination costs, and social costs (Coase, 1937; Williamson, 1981). Firms and people lower search costs by clustering in locations like Silicon Valley and Route 128 to increase the probability of interactions (Jacobs, 1968; Glaeser et al., 1992b). Within firms, open office designs and collaboration tools may reduce both search and coordination costs (Myers, 2015; Ibarra and Hansen, 2011; Lazear and Shaw, 2007). Social costs, such as how to approach someone to ask for or to offer help, can be alleviated with direction. Managers may provide an icebreaker or a prompt that alters the perceived repercussions when revealing to strangers ones’ lack of knowledge (Chandrasekhar et al., 2016; Edmondson and Lei, 2014).

The second is contracting costs—specifically, the problem of one worker capturing the value associated with increases in another’s production. In fact, many models of person-to-person knowledge transfer begin with the assumption that knowledge sharing or mentoring is difficult to contract over (Morrison and Wilhelm Jr, 2004; Garicano and Rayo, 2017; Fudenberg and Rayo, 2017). Lack of incentives to help others improve, especially in competitive

\(^1\) Relatedly, Becker (1962) discusses the contracting costs associated with a firm sharing knowledge with employees. Specifically, trainees disproportionately benefit in the long-run while firms pay an up-front cost, leading to under-provision of general skills training in firms.
environments, is likely to limit the flow of best practices.

Our field experiment creates exogenous variation in transaction costs and incentives to interact. The experiment took place in an inbound-sales call-center where agents randomly receive calls.\(^2\) Agents are continually reoptimizing their sales pitch because of changing product mixes, geographic differences in product availability, and idiosyncratic customer eligibility for products. Difficulty codifying how to respond to different customer needs likely contributes to large differences across agents. In this firm, agents in the 75th percentile sell twice as much as agents in the 25th percentile (in revenues). Because all work is individual, our setting provides a unique lens to measure knowledge spillovers between employees and the practices that facilitate them.

Despite the fact that there are few physical barriers in the offices and agents do not compete for clients, potential transaction and contracting costs remain. First, agents reported an intimidation factor that prevented interacting with others even though they knew who the best salespeople were. Many reported that they believed these sales stars would be helpful if approached. Part of this intimidation factor may stem from norms, where asking for help is not observed in others. Second, agents receive a commission that is (weakly) determined by the relative performance of other agents, reducing the incentive to share knowledge with others.\(^3\) The interventions we test are aimed at encouraging interactions by overcoming these frictions.

The experiment included 736 agents we assigned to one of four treatment cells. After assignment to a cell, agents were randomly paired with a partner who also received the same treatment.\(^4\) The interventions took place over a four week period, and we incorporate twelve consecutive weeks of data in our analysis. These data contain the pre-treatment, treatment, treatment,

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\(^2\)Call-centers focused on inside selling represent the fastest growing segment of the 14.5 million sales jobs in the United States. See the BLS website for sales employment: https://www.bls.gov/oes/current/oes410000.htm. See Krogue (2013) in Forbes on the shift to inside sales “What is Inside sales? The Definition of Inside Sales.”

\(^3\)Agents are paid a base salary and a commission. An agent’s commission depends on the revenue they generate and a commission rate that depends on their performance relative to other agents.

\(^4\)The agents are spread across three geographic locations. We use one location (located over 600 miles away from the other two) as an external control group that was unaware of the experiment.
and post-treatment periods. In the first treatment, labeled the *Internal Control*, agents learned the identity of their partner and received no other instructions. The second treatment, labeled *Structured Meetings*, lowered transaction costs by encouraging agent-pairs to meet early in the week while filling out a worksheet that discussed their sales techniques. The third treatment, labeled *Pair Incentives*, reduced contracting frictions by providing monetary incentives to pairs of agents to increase their joint production. The fourth treatment, labeled *Combined*, included all the elements of both the *Structured Meetings* and the *Pair Incentives* treatments to see if addressing both transaction costs and contracting frictions simultaneously is required. We measure agent productivity throughout the experiment via the firm’s focal performance metric, individual agents’ revenue-per-call (RPC). We also recorded agent productivity in an off-site, *External Control* group, where agents were unaware of the experiment, controlling for Hawthorne effects, seasonal demand variation, and the possibility of rank-incentive effects in the *Internal Control* group.

The primary findings are:

1. The experimental intervention uncovered practices that increased worker productivity. Agents in the three active treatment groups experienced higher sales performance during the treatment period relative to both the two control groups and relative to their pre-treatment performance. The increase is present in every sales measure tracked by

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5 We limit the post-treatment window to four weeks so as not to contaminate our results with a subsequent re-organization that reallocated agents to different teams and brands. This re-organization was announced six weeks after the experiment ended.

6 One side of the worksheet asked agents to report detailed information regarding their performance that week (e.g., their most difficult call and how (in hindsight) it could have been improved), and the other side had the agent solicit the same feedback from their partner. Pairs who returned their worksheets were rewarded with a free lunch towards the end of each week—provided both agents arrived simultaneously, and the pair agreed to eat together (to facilitate conversation). This treatment was designed as an HRM process. While incentives are typically classified as a type of HRM practice, we explicitly differentiate between *incentives* and *HRM processes*, where the latter is any HRM practice that does not involve monetary incentives.

7 We commonly refer to the *Structured Meetings*, *Pair Incentives*, and *Combined* treatments as active treatments.

8 We find no evidence that these results are spurious. In particular, there were no Hawthorne effects; agents in the *Internal Control* group performed similarly to those in the *External Control* group, who were unaware of the experiment. In addition, none of the observed productivity differences across treatments can be attributed to differential turnover, employee attrition, changes in scheduling, or changes to time spent selling.
the firm, including revenue-per-call (RPC), revenue-per-hour (RPH), and total revenue per week.

2. The \textit{Structured-Meetings} treatment was particularly effective. The \textit{Structured-Meetings} treatment yielded a 24\% increase in revenue-per-call during the treatment period compared to a 13\% increase in the \textit{Pair-Incentives} treatment. The per-agent cost of implementing the \textit{Structured-Meetings} treatment was also approximately 50\% lower than that of the \textit{Pair-Incentives} treatment, resulting in higher margins.\footnote{While the experiment had two levels of incentive compensation ($0$ and a prize worth about $50$ per agent), extrapolation based on a linearity assumption suggests it would have taken a prize with a monetary value of about $100$ per agent to replicate the \textit{Structured-Meetings} results. This extrapolation, however, is not experimentally identified, nor does it distinguish between agent effort and learning.} The return-on-investment (ROI) from the \textit{Structured-Meetings} treatment was approximately 500\% across the four week treatment period. All other active treatments had positive, albeit smaller, ROIs during the same 4-week period.

3. At this firm, monetary incentives and managerial practices are substitutes. Agents in the \textit{Combined} treatment had smaller gains than would be implied by the sum of the \textit{Structured-Meetings} and \textit{Pair-Incentives} estimates. Explicit incentives were not necessary for the \textit{Structured-Meetings} treatment to yield productivity gains during the treatment period.

4. Treatments involving \textit{Structured-Meetings} induced knowledge transfers between peers, while the \textit{Pair-Incentives} treatment did not.

(a) The \textit{Structured-Meetings} and \textit{Combined} treatments yielded persistent performance increases across the post-treatment period.

(b) Agents in the \textit{Pair-Incentives} treatment had post-treatment productivity that was statistically indistinguishable from either control group.

(c) Heterogeneous effects by partner ability distinguish knowledge transfers from self-improvement and sentiment increases. Agents in the \textit{Structured-Meetings} and
Combined treatments performed better across the treatment and post-treatment periods when paired with stars—agents with pre-treatment productivity above the median. Star agents improved in the Structured-Meetings and Combined treatments, though only when paired with other stars.

(d) Survey responses from participants and anecdotes from the firm indicate that the Structured-Meetings treatment induced agents to share best practices, while the Pair-Incentives treatment did not.

In this setting, transactions costs, which we model as a fixed cost before information exchange, hinder knowledge flows. The source of this transaction cost is not lack of knowledge about productivity dispersion. Workers know when they are not at the frontier. It is also not “search” costs finding the best producers. Surveyed agents were able to estimate the dispersion in sales productivity within the firm accurately and to identify star agents.\(^\text{10}\) Instead, the intimidation factor appears substantial and, because few agents ask others for help, doing so may look out of place or counter to normal behavior. The results imply that the Pair Incentives were not large enough to get the agents across the transaction cost threshold. Instead, the joint incentives raise productivity through transitory increases in effort. However, for agents in the Combined group who did manage to get over the transaction cost threshold, the incremental effect of additional incentives to interact was small.\(^\text{11}\)

Given the magnitude of our empirical findings, an obvious question is why were these practices not attempted earlier? First, the outcomes were not obvious to the firm’s management (nor to the authors). In particular, many leaders on the sales teams believed that incentive-based interventions would be sufficient to induce knowledge transfers, while oper-

\(^{10}\)In other contexts, the gains from interaction appear to come from surfacing knowledge gaps. Studies of pre-surgery checklist interventions find structured communications improve outcomes in part by making team members realize knowledge gaps are present among others (Lingard et al., 2008).

\(^{11}\)There exists a large literature in economics and psychology investigating the crowd-out effects of monetary incentives; see Bénabou and Tirole (2006), Ederer and Manso (2013), Titmuss (1970), Frey and Oberholzer-Gee (1997), Ariely et al. (2009a), Ariely et al. (2009b), and Gneezy et al. (2011) and Deci et al. (1999).
ations and human resource managers wanted to test the efficacy of non-monetary practices. Second, experimentation, which had not been previously attempted at scale, was necessary to uncover these findings. Simple process interventions in other contexts also yield large, unanticipated results that required experimentation. Jackson and Schneider (2015) find large productivity gains through the introduction of checklists in auto repair shops. In that setting, management had not recognized the potential benefits associated with simple experimentation around this intervention. Based on the favorable outcomes of our experiment, the firm’s management has replaced their traditional on-boarding process with a mentoring program to train all newly hired sales agents and to nudge their seasoned agents (mentors) to become more conscious of their own work.12

2 Related Literature

Our work relates to several literatures, but we believe this is one of the first papers to link management practices inside the firm (Bloom and van Reenen, 2011; Bloom and Van Reenen, 2011) to how these practices influence “social learning” (Conley and Udry, 2010; Hanna et al., 2014) from peers. This is a topic that takes a central role in the literature on strategy and organization in the knowledge-based theory of the firm (Grant, 1996; Spender, 1996), but testing how firm organization influences knowledge spillovers has been elusive. The role for management practices in our setting is to alleviate transactions costs from interacting with others. Recent work finds large effects from interventions to alleviate social pressure or, in our phrasing, these transactions costs, suggesting that the study firm is unlikely to be unique (Bursztyn and Jensen, 2017).

The mechanism at work, peer knowledge spillovers, has an obvious connection to the substantial literature on peer effects and mentoring in the workplace (Mas and Moretti, 2009; Lyle and Smith, 2014; Lazear et al., 2015). Much of the focus is on tasks where  

12The firm’s positive reaction to the experimental intervention is similar to that of the study firm in Bloom et al. (2015). The results underscore that field experiments are a useful tool to implement and test new institutions before attempting firm-wide adoption (Carpenter et al., 2005).
there are effort externalities (Mas and Moretti, 2009), the need to coordinate production or encourage teamwork (Friebel et al., 2017; Chan et al., 2014), or social spillovers that come from selecting other coworkers (Bandiera et al., 2005, 2013). Less studied are the potential gains from peer interactions in production settings with minimal interdependencies among co-workers but substantial knowledge dispersion. The closest is the literature on peer effects in education, with several studies underscoring the need for controlled experiments.\(^\text{13}\)

Our work identifies spillovers similar to the burgeoning work on interfirm interactions. This work—ranging from urban economics to the economics of technology adoption—identifies powerful spillovers (Cai and Szeidl, 2016; Hasan and Koning, 2017; Catalini, 2017). The mechanism does not appear to be search costs, like the gains from randomly pairing scientists in Boudreau et al. (2017), but instead come from breaking down social transactions costs and focusing team members on discussing the sales task. Our findings align with the growing body of evidence on the importance of management practices (Bloom et al., 2016, 2013; Bloom and van Reenen, 2011) and highlight the need for active management to unlock the spillovers inside firms.\(^\text{14}\)

### 3 Experimental Setting

#### 3.1 The Study Firm

The experiment took place in an inbound-sales call-center from July to August of 2017. The firm employs over 730 sales agents across three geographically separate offices,\(^\text{15}\) contracting with television, phone, and internet providers to market and sell goods and services. Sales

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\(^{13}\)The education literature has long favored RCTs to evaluate alternate policies (e.g. Garlick (2014) and Carrell et al. (2013)), and there are many examples of research where RCTs uncover evidence which would be invisible to observational data (e.g. Nagin et al. (2002); Bertrand and Mullainathan (2004); Fehr and Goette (2007)).

\(^{14}\)For discussion, see Glaeser and Gottlieb (2009), Glaeser, Kallal, Scheinkman, and Shleifer (1992a), and Agrawal, Kapur, and McHale (2008).

\(^{15}\)The two offices involved in the experiment are within 50 miles of one another, whereas the third office is located over 600 miles away.
agents field inbound calls from potential customers and are tasked with determining customer needs and explaining the benefits of premium service packages (up-selling) when appropriate. Third-party sales contracting is a common practice in the United States, especially for nationwide service providers.

The sales department of the firm consists of six large sales divisions and several smaller sales divisions. Sales divisions are headed by one or two division presidents and are uniquely characterized by the bundles of products, services, and brands offered for sale.\textsuperscript{16} Divisions are comprised of multiple groups consisting of approximately ten to fifteen sales agents led by a single sales manager. The 653 workers eligible for treatment included all sales agents from the six large sales divisions in the firm’s two largest offices. Workers in the third location, 83, were not eligible for assignment to a treatment group, constituting a hold-out control group. Because there is minimal interaction between workers at different locations and because the hold-out location is geographically distant, workers at the third location were unaware of the experiment. Consistent with this lack of awareness, we find no break in productivity for these agents around the experiment.

Sales agents spend about 80\% of their workday on the phone or waiting to field a call. When a call arrives, it is assigned to the next available agent in the queue. Only a small percentage, 3\%, of calls are outbound, and most of these arise from agents following up with existing customers or returning a dropped call. When not receiving phone calls, agents participate in group- and division-wide meetings as well as in one-on-one discussions with managers. Most agents, 87\%, work full-time schedules.\textsuperscript{17} The sales floor is predominately male, 68\%, and is relatively young, with 50\% of sales agents under the age of 24. In a given week, the average agent takes 62 calls, approximately two calls for every hour available to answer the phone.

\textsuperscript{16}For example, one division might only sell internet packages from provider A, while another might sell internet packages from provider B and satellite television packages.

\textsuperscript{17}The threshold for full-time employment at the firm is 32 hours per week. The maximum number of weekly hours observed in our data is 46.
3.2 Sales Agent Training and Development Practices

When first hired, agents are enrolled in a formal, on-site sales training regimen for two-weeks. Throughout training, agents are paid to absorb information delivered largely through lectures and by listening in on other agents’ phone calls. The trainees then spend up to four weeks in “integration,” taking calls under the supervision of a temporary “integration manager.” This manager familiarizes agents with the process of selling and with the specific products and services available for sale. Once trainees reach a threshold level of revenues under the integration-manager, they join a permanent group on the sales floor where they continue to sell the same products and services on which they were trained. Sales agents that do not reach the threshold levels of performance within a designated number of weeks after training are usually let go.

When asked about what separates average sales agents from top performers, one of the division presidents explained, “top performers... have a solid understanding of product and [services] knowledge. More importantly they are the most consistent with following their sales process.” The division president remarked that, while “soft skills” are important for building rapport with customers, the most important determinant of sales success is a comprehensive knowledge of the sales protocols and sales management systems. It is, thus, vital that agents efficiently acquire this combination of (largely) firm-specific knowledge, be it from management or from their coworkers.

3.3 Sales Agent and Manager Compensation Structure

Sales agents are compensated in three ways: (1) they receive an hourly wage for the time they are at work (and not on their scheduled breaks). Sales agents start at an hourly wage of approximately 150% of minimum wage and receive small hourly raises for every three months of tenure, with their hourly rate capped at approximately 200% of minimum wage; (2) they receive a weekly commission\(^{18}\) based on multiple performance measures: the revenue they

\(^{18}\)The average (median) sales agent earns $217.78 ($185.45) per week in commissions.
generate from sales,\textsuperscript{19} their selling efficiency relative to their peers, and the audited quality of their customer service; and (3) they are able to receive bonuses from temporary promotional sales activities.

While the firm’s leadership hierarchy is structured to facilitate ongoing agent development, sales managers’ incentives do not necessarily reward them for allocating energy to train under-performing agents. Managers are compensated based on their group’s aggregate revenues, and—consistent with Bandiera et al. (2007)—our interviews suggest that these contracts induce managers to focus their efforts on wringing out performance from high-ability workers rather than developing less-able workers. Executives at the firm had previously observed such behavior during promotional periods (e.g. short-run contests between groups reporting to different managers), yet we were told the managerial incentive system in place is too coarse to target managerial attention into developing low-skilled workers.

3.4 Pre-Experiment Collaboration Among Agents

While management readily acknowledged the possible value of interactions amongst sales agents, two features of their imposed compensation system discouraged a culture of peer-learning or knowledge-sharing. First, peer-learning requires inter-agent communication, yet any time away from the phone results in fewer revenue generating opportunities for an agent which directly decreases their take-home pay (total commissions). Second, agents’ commission rates—i.e., the fraction of their earned revenue paid out as commission—is a weakly decreasing function of their co-workers’ success.\textsuperscript{20} Accordingly, we did not observe

\textsuperscript{19}Partners pay the firm for every sale in accordance with pre-negotiated schedules—some of which vary with the total number of products or services sold by the firm. To insulate agents from the uncertainty surrounding aggregate sales and periodic contractual negotiations, the firm posts relatively fixed “transfer prices” that form the base revenue upon which agents are paid commissions. All use of the term “revenues” in this paper refers to sales priced in accordance with the internal transfer price schedule.

\textsuperscript{20}Commission rates are bucketed into four to five coarse categories that depend on relative performance on revenue-per-call and revenue-per-hour. For the same level of sales revenue, moving from the bottom bucket to the top bucket changes take-home commissions by about ten percent. Employees are fully aware of the incentive structure, but pre-experiment interviews revealed that employees would be willing to collaborate with others if encouraged to do so. This is likely because the probability of changing categories after helping one other person is small. In particular, agents described these categories as if they are relatively fixed.
significant or regular channels for knowledge-sharing between agents prior to the experiment.

3.5 Collaborating with the Firm

Call-centers—notably, inbound-sales call-centers—tend to have high rates of agent turnover.\textsuperscript{21} The study firm’s management attributed much of the difficulty in retaining sales agents to the variation in performance across workers. Specifically, managers explained that many of their applicants are drawn to the job because of the relatively large earning potential (if an agent is productive). We were told that some of their best-performing agents were also the slowest starters, and the firm felt that very capable agents often leave because they were unable to come up to speed “in time.” Accordingly, management agreed to experiment with processes and incentives that would contribute to agent’s (task-specific) human capital development.

Our collaboration began in June 2016, where we conducted interviews with sales managers and agents. During this time, we built trust with the organization and its leaders by sharing data analysis around significant organizational changes that occurred later that year. The experiment here post-dates those changes, occurring at an otherwise stable time for the firm.\textsuperscript{22}

4 Experimental Design

The design was pre-registered before beginning the experiment.\textsuperscript{23} The study was conducted in two neighboring call-center offices. We began by randomly assigning the 52 sales agent groups (based on the identity of a sales manager) into one of four treatment groups. Once groups were assigned to a treatment, agents within each treatment were randomly paired

\textsuperscript{21}Industry average turnover is approximately 25\% annually (Holman et al., 2007).

\textsuperscript{22}The \textit{Pair-Incentives} treatment resulted in a larger sales response with respect to incentives than found in our prior work with the firm in Sandvik et al. (2018). We discuss the relationship between these estimates in Section 7.4.

\textsuperscript{23}The RCT registry number is AEARCTR-0002332. The IRB at the University of Utah approved the design with approval number IRB 00098156.
so long as they were in the same division and location and had overlapping schedules. The treatments are depicted in the four cells of Figure A (details follow).

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<th>No Meetings Prompted</th>
<th>Meetings Prompted</th>
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<tbody>
<tr>
<td>No Pair-Incentives</td>
<td>Internal Control Group</td>
<td>Structured-Meetings Treatment</td>
</tr>
<tr>
<td>Pair-Incentives</td>
<td>Pair-Incentives Treatment</td>
<td>Combined Treatment</td>
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Figure A: Treatment Assignment Matrix for Agents in Active-Treatment Eligible Locations

4.1 Structured-Meetings Treatment

Pairs in the *Structured-Meetings* treatment were encouraged to complete the following tasks: (1) fill out an individual self-reflective worksheet to prompt discussion prior to meeting with their partner;\(^{24}\) (2) converse with their partner and record their partner’s self-reflective responses on the backside of their own worksheet; and (3) turn in these worksheets to management by Tuesday each week. Completion of these tasks was optional but motivated by the receipt of a free catered lunch on Wednesday or Thursday of the same week (both agents had to be present to receive lunch). During this lunch, agents were provided with high-end, local sandwiches\(^ {25} \) and were asked to discuss several talking-points related to the worksheets while they ate with their partner.\(^ {26} \)

It is important to note that while the *Structured-Meetings* treatment was largely self-guided: (1) it was a process, and (2) the process was directed. The distinction is important because relative to the *Pair-Incentives* treatment discussed below, the *Structured-Meetings* treatment required non-trivial, managerial attention; e.g. creating the worksheets, monitoring worksheet completion, answering questions related to the process, coordinating and

\(^{24}\)Example question: “Think about the least successful sales call you’ve had in the last week. How could you have done better?” These worksheets were (*ex-ante*) viewed as a necessary step to make the ensuing conversations more salient; points of emphasis on the worksheets were sourced from the firm’s leadership to maximize the expected gains from focusing agents’ attention. Documentation of this worksheet can be found in Appendix B.

\(^{25}\)Price for the sandwiches was about $7.

\(^{26}\)Documentation of these talking-points can also be found in Appendix B.
4.2 Pair-Incentives Treatment

Agents in the Pair-Incentives treatment were told that they were competing each week against two other pairs of agents for rewards valued at approximately $50 per person.\textsuperscript{27} The company indicated that tangible prizes rather than monetary payments, historically, were found to better motivate agents in individual contests. Management attributed the effectiveness of prizes to their immediacy, making them salient, rather than a monetary transfer that appears in a paycheck two weeks after the reward date. As a result, prizes for the Pair-Incentives treatment included rounds of golf, on-site massages, or tickets to extracurricular activities. In the surveys, agents reported an average valuations for the prizes of $40.20.\textsuperscript{28} A $40 incentive equates to an 18\% increase in weekly commission pay for the average agent and a 22\% increase for the median agent.

The competition was designed to give each pair similar \textit{ex-ante} odds of winning. In addition to randomly drawing new competitors each week, the tournament was scored according to each pair’s change in productivity \textit{relative to the pre-treatment baseline}. Further details are provided in Sections 4.5 and 4.7. The expected prize values were equal to over 8\% of the median agent’s take-home compensation. Far weaker group incentives, albeit in a setting with complementarity among workers, have been found to generate meaningful productivity increases (Friebel et al., 2017). Accordingly, we expected agents in the Pair-Incentives treatment to, at least, outperform agents in the control groups over the course of the study. While agents in the Pair-Incentives treatment were not explicitly encouraged to transfer knowledge with their partners, they were free (and able) to do so.

\textsuperscript{27}Competitors were chosen randomly at the end of the week so as to minimize the identity effects highlighted in Akerlof and Kranton (2000).
\textsuperscript{28}See Table A.1.
4.3 Combined Treatment

Pairs in the Combined treatment were entered into identical, albeit separate, competitions as those in the Pair-Incentives treatment and they were also prompted to engage in the exact same type of structured conversations (the sharing of weekly self-reflective worksheet responses culminating with a catered lunch) as the agents in the Structured-Meetings treatment.

4.4 Internal Control Group

Agents in the Internal Control group learned they were paired with a partner and had their joint change in productivity score published publicly, but they did not receive: worksheets, guided directions to meet, nor any other monetary incentives. Note, however, that this group is an Internal Control where the baseline comparison is agents who have knowledge of a pairing but no formal incentives to act on that pairing. When designing the experiment, we expected rank incentives to be minimal, but the design does, in principle, allow us to test for the effect of rank incentives. The External Control group, or hold-out group, allows a comparison of each of these cells relative to agents with no pairings, knowledge of the experiment, nor prompts around collaboration. In practice, the Internal Control group tracked the External Control group throughout the 12-week experimental period.

4.5 Allocation of Agents to Treatments

The experiment is a clustered design, with agents allocated into one of the four cells in Figure A based on the identity of their sales manager. Agents were then randomly paired together so long as they worked in the same location, in the same division, had overlapping schedules,

\footnote{Pairs from different treatments never competed against one another.}

\footnote{While other studies have found that the introduction of public rank data (sometimes called rank incentives) may cause deviations from prior productivity (e.g. Bandiera et al. (2013)), rank incentives for individual agents were already present at this firm because commission rates partially depend on relative—albeit private—comparisons of agents. According to the contingency results in Blader et al. (2016), rank displays were in-line with prior practices and therefore may have had minimal effects relative to baseline.}
and were in groups that were designated to the same treatment. Pairings were assigned and publicly announced at the beginning of each week.

All three active interventions and the Internal Control group shared four common traits. First, all agents were randomly paired with a single partner within the same location, division, and treatment. Second, pairs were randomly designated as stable-pairs or rotating-pairs such that roughly half of all agents had a single partner throughout the entire four-week intervention, and the other half were randomly paired with a new partner each week (repeat assignments permitted). Third, all pairs had their joint performance scores published daily on TV monitors and on their internal messaging platform. This joint performance score normalized the change in the pair’s average revenue-per-call (RPC) relative to their RPC in the four weeks immediately preceding the pre-treatment period, allowing for inter-divisional comparisons. Finally, all agents in these four cells were notified that their, and their partners’, individual productivity was being shared with a team of university researchers. Figure B, located at the end of the section, illustrates the allocation of agents to treatments and provides descriptions of the treatments.

4.6 Pre-Experiment Homogeneity Across Treatments

Table 1 describes the demographic makeup and pre-treatment performance of the participating sales agents. These summary statistics highlight the merits of randomly allocating agents to treatments, as all treatment group characteristics and performance averages in

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31 As new agents entered the sample (e.g., newly trained agents or agents moving in from other divisions), they too were randomly paired with a coworker and the pair was randomly designated to remain unchanged or to be repaired in subsequent weeks. Some pairs were dissolved as one or both agents left the sample (e.g., termination of employment, moved to a different division, took a leave of absence, etc.); the partners of these departing agents were paired with a new, randomly chosen, partner.

32 A benefit of publicizing scores on TV monitors is that it kept agents aware of the interventions. However, with dynamic feedback about performance, it is possible some incentivized agents might quit or give up (Brown, 2011). As a result, we randomly assigned three pairs to each competition at the end of each week, meaning all but the bottom two pairs had a chance to win. In addition, agents’ individual commissions on each sale limited the attraction of completely minimizing effort. In later analyses we find minimal evidence that agents changed their effort based on past performance.

33 Management advised us to avoid displaying negative scores, hence scores were normalized around 100, where 100 reflected pre-treatment productivity levels. Employees who joined the sales floor during the treatment period were tagged with the median pre-treatment RPC.
the pre-treatment period are not statistically different from one another in these four cells. P-values of randomization tests of mean differences in the Internal Control and active treatment columns are reported. These tests are computed as the joint-hypothesis test of equality of treatment groups from a regression of the variable of interest on treatment assignment dummies after clustering standard errors based on manager identity (the level of assignment). The agents in the three active treatment groups appear to be quite homogeneous with each other and to those agents in the Internal Control group. Agents in the External Control group are, on average, less productive. We test for, and find, common pre-period trends in productivity between the agents assigned to different treatment arms and agents in the External Control group, giving rise to a difference-in-differences estimator.

4.7 Implementing the Experiment

To communicate both the disclosures and the intervention guidelines, we did the following: (1) we solicited the help of senior executives who shared the details with division and sales managers; (2) we had a designer create and print posters which we placed in the firm’s common areas and on their internal TV monitors in the weeks leading up to and during the experiment; (3) we set up an e-mail and phone hot-line to answer questions; (4) we set up a website that explained all aspects of the initiative including daily scores and frequently emailed questions, and (5) a subset of the authors were physically on-site at least three days a week at both locations to answer questions, distribute worksheets, and administer the catered lunches. Table A.2 in Appendix A reports agents’ answers to several survey questions that suggest participants (1) knew about the treatments, (2) completed the worksheets meant to facilitate knowledge transfer, (3) interacted with their partners in a meaningful way, and (4) valued the rewards.

34 The posters pointed employees to the website but the site itself did not explain the treatments until they were live. In particular, agents did not know their treatment cell, nor the details of any treatment until the treatment period began, and within the treatment period, the website only surfaced details of an agent’s own treatment.
5 Theory Development

We provide a parsimonious agency model to capture the nuances of our study firm and to isolate predictions. Suppose agent $i$ sells product for brand $j$ and has specific human capital $\theta_i \geq 0$. Agents are expected to learn from one another via synchronous interaction and communication, both of which require discrete initiative (effort). Accordingly, the agents in our experiment choose a level of effort, $l$ from a lumpy set of learning effort options $\{0, L\}$ with $L > 0$. On the other hand, the agents’ choice of sales effort consists of how attentively they focus on their callers’ needs, how much mental effort they allocate to anticipating and responding to their callers’ concerns, and how well they represent the offerings available—all of which can be fine-tuned throughout the period, which is why we model sales effort as a continuous variable, $e \in \mathcal{R}^+$. While learning is a stochastic exercise in practice, for simplicity, we assume that learning effort $l_{i,t}$ deterministically increases agent $i$’s firm-specific human capital by $l_{i,t}$ in the present period and forever thereafter, such that agent $i$’s effective level of human capital in period $t$
is given by $\theta_{i,t} = \theta_{i,t-1} + l_{i,t}$. We assume further that the agent’s dis-utility from working is given by

$$c(e, l) = \begin{cases} \frac{e^2}{2} w + W & \text{if } l = L \\ \frac{e^2}{2} & \text{if } l = 0 \end{cases}$$

(1)

where $w > 1$ is a marginal tax on sales effort which captures the trade-off faced between costly learning and productive effort, and $W_t > 0$ is the transaction cost attached to learning itself in period $t$. We model agent $i$’s period $t$ revenue as $Y_{i,t} = e_{i,t}\theta_{i,t} + \varepsilon_{i,t}$ where $\varepsilon$ is idiosyncratic noise. 

In exchange for generating a revenue of $Y_{i,t}$ in period $t$, agent $i$ anticipates a commission rate $B_t > B > 0$ in addition to a minimal hourly wage, which we aggregate into a periodic salary, $\alpha > 0$. To focus attention on the effects of our (temporary) intervention on the agent’s efforts, we limit the model to three periods hereafter referred to as the pre-treatment period $t - 1$, the treatment or interim-period $t$, and the post-treatment period $t + 1$. Suppose further that the agents believe any treatments at time $t$ will not reoccur during their tenure with the firm so as to rule out strategic delay. Finally, we assume that the pre-treatment and the post-treatment periods share the same incentives and learning costs; i.e. $B_{t-1} = B_{t+1}$ and $W_{t-1} = W_{t+1}$, and that the agents opt for no learning $l_{i,t-1} = l_{i,t+1} = 0$ in both periods $t - 1$ and $t + 1$.

In the terminal, post-treatment period, the agent solves:

$$\max_{e_{i,t+1}} B_{t+1}(\theta_{i,t-1} + l_{i,t})e_{i,t+1} - \frac{e_{i,t}^2}{2},$$

and the optimal choice of effort is given by: $e^*_{i,t+1} = B_{t+1}(\theta_{i,t-1} + t_{i,t})$ yielding a payoff of $\Gamma(\theta_t) = B_{t+1}(\theta_{i,t-1} + l_{i,t})^2$.

\[35\text{No learning in the terminal period is assured for sufficiently large learning cost } W_{t-1} = W_{t+1}, \text{ and/or in some circumstances, insufficient expected compensation } B_{t-1} = B_{t+1} \text{ (details follow). This assumption is borne from the observation that all but the greenest agents failed to demonstrate a positive sales drift under the pre-existing } (t - 1) \text{ incentives (which the firm returned to in the post-treatment period).} \]
Because the agent’s choice of sales effort $e_{i,t}$ has no bearing on his period $t+1$ payoff, if the agent exerts no learning effort, then the optimal sales effort is quantitatively identical to that in the post-treatment; i.e., $e^*_{i,t}(0) = B_t(\theta_{i,t-1} + t_{i,t})$ yielding a payoff of $\pi_0 = B_t((\theta_{i,t-1} + l_{i,t})^2 + \delta B_{t+1}(\theta_{i,t-1})^2)$ where $\delta$ denotes the agent’s discount rate. On the other hand, if the agent does exert learning effort $l > 0$ during the treatment period $t$, then his choice of period $t$ sales effort comes from maximizing:

$$B_t(\theta_{i,t-1} + l_{i,t})e_{i,t} - \frac{w^2}{2}e_{i,t}^2 - W_t + \Gamma(\theta_{i,t-1} + l),$$

yielding $e^*_{i,t}(l) = \frac{B_t(\theta_{i,t-1} + l)}{w}$, and a payoff of $\pi_l = \frac{B_t^2(\theta_{i,t-1} + l)^2}{w} + \Gamma(\theta_{i,t-1} + l)$. The ultimate choice of whether to engage in learning or not is determined by whether or not $\pi_l$ exceeds $\pi_0$, or equivalently

$$B_t^2(\theta_{i,t-1} + l)^2 \left( \frac{w}{w} - \frac{(\theta_{i,t-1} + l)^2}{w} - \theta_{i,t-1}^2\right) + \delta(\Gamma(\theta_{i,t-1} + l) - \Gamma(\theta_{i,t-1})) \geq W_t$$

$$B_t^2(\theta_{i,t-1} + l)^2 \left( \frac{w}{w} - \frac{(\theta_{i,t-1} + l)^2}{w} - \theta_{i,t-1}^2\right) + \delta B_{t+1}(\theta_{i,t-1} + l)^2 - \theta_{i,t-1}^2 \geq W.$$

The equivalent inequalities above highlight the trade-offs involved with learning. The first term in (2), captures the impact of learning on the present period output. If $2l\theta_{i,t-1} + l^2 > (w - 1)\theta_{i,t-1}$, then in spite of driving up the marginal cost of sales effort, results in a revenue increase since the immediate human capital gains are more than offsetting. This is likely to be the case when either the human capital gains are significant (large $l$) or the marginal impact on the cost of sales effort, $w$, is sufficiently small (close to 1). The second term in (2) captures the always favorable effect of learning on the agent’s expected future payoffs, as learning deterministically results in greater human capital, which allows the agent to better leverage his efforts in future periods. Yet even when learning has a favorable effect on both the present period revenues in addition to the agent’s future expected payoffs, if the cost of
learning effort, $W$ is excessively large, then the agent will simply avoid learning and choose instead to focus their energies on sales exclusively.

Mapping the interventions to our model, the Pair-Incentives treatment raises $B_t$ to $B'_t = B_t + \Delta B$ and the Peer-mentors treatment lowers $W$ to $W' = W - \Delta W$ with $\Delta B, \Delta W > 0$, whereas the Combined Treatment imposes both changes.

**Proposition 1.** The Pair-Incentives treatment always results in marginal sales revenue.

**Proof.** By assumption, untreated agents will not engage in learning during the treatment period, there the untreated agents’ revenues are simply $\theta_{i,t-1}B_t$. If the treated agent did not engage in learning, then their revenues are given by $\theta_{i,t-1}B'_t = \theta_{i,t-1}(B_t + \Delta B) > \theta_{i,t-1}B_t$. On the other hand, if the marginal incentives were sufficient for the agent to engage in learning, then from (2), it must have been the case that $\left(\frac{(\theta_{i,t-1}+\ell)^2}{w} - \theta_{i,t-1}^2\right) > 0$, therefore $(B + \Delta B)\frac{(\theta_{i,t-1}+\ell)^2}{w} > B\theta_{i,t-1}^2$, or equivalently, revenues are greater in the treated group than the control group. 

The intuition behind proposition 1 is straightforward, if the marginal incentives provided under the Pair-Incentives treatment are insufficient for the agent to engage in learning, then the agent responds to the incentive by simply exerting additional sales effort which results in marginal revenue. On the other hand, if the treatment incentivized the agent to engage in learning, then it must have been the case that learning would increases period $t$ revenue, as was to be shown. We note, however, that the treatment would result in more period $t$ revenues if the agent’s response was focused on sales effort alone, because learning always raised the marginal cost of sales effort.

The consequences of the Structured-Meetings Treatment is more complicated. As modeled, the treatment will only impact revenues indirectly through learning, because the Structured-Meetings Treatment operates exclusively on the fixed cost associated with learning—regardless of the sales effort exerted. Accordingly, we interpret changes in period $t$ revenue under the Structured-Meetings treatment, as evidence of learning. More generally, because
the firm returns to pre-treatment incentives in the post-treatment period, we interpret all revenue gains in the post-treatment period to learnings gleaned over the course of the treatment period. The following proposition summarizes the discussion.

**Proposition 2.** *Revenue gains measured in the post treatment period are exclusively the result of period* \( t \) *learning. Revenue changes from period* \( t-1 \) *to period* \( t \) *in the Structured-Meetings Treatment necessarily involve period* \( t \) *learning.*

**Proof.** Agent \( i \)'s objective function in periods \( t-1 \) and \( t+1 \) may only differ in \( \theta_i \), and since \( \theta_{i,t+1} = \theta_{i,t-1} + l_{i,t} \), therefore any structural differences must involve \( l_{i,t} \neq 0 \) and consequently greater (expected) revenues.

Both the Structured-Meetings Treatment and the Pair-Incentives treatment potentially involved learning and change in sales effort relative to the pre-treatment period. Without parametric estimates, the model is unable to predict the relative efficacy of the two regimes unless the agent engages in learning across both treatments. In this case, the Pair-Incentives Treatment will result in additional revenue as it provides marginal incentives for agents who have learned agents above and beyond those provided in Structured-Meetings. Equivalently, if the Structured-Meetings Treatment results in greater revenue gains than the Pair-Incentives Treatment, then we can rule out learning in the latter. The Combined Treatment affords even less prediction. Intuitively, the Combined Treatment provides the strongest learning incentives, therefore if learning occurs in any of the other treatments, then it is guaranteed to occur in the Combined Treatment. If there is no learning whatsoever, then the Combined Treatment will have the same effect as the Pair-Incentives Treatment. On the other hand, if learning takes place in all but the Pair-Incentives treatment, (e.g. when the fixed cost, \( W \) is relatively large), then the Combined Treatment may have a larger effect on revenues than the sum of the effects when applied independently across the Group-Incentives and the Structured-Meetings treatments (super-modularity), or the contrary may hold (supper-modularity).
6 Results

We present the results first by simply comparing average performance across treatment groups and across the pre-treatment, treatment, and post-treatment periods in Table 2. Subsequent analyses perform a difference-in-differences estimation with controls and week and manager group fixed effects that reinforce the findings from a comparison of unconditional means. We focus our analysis on the firm’s main performance measure, revenue-per-call (RPC), which is comparable across agents who face different demand conditions (number of calls). We later evaluate alternate measures including revenue-per-hour (RPH), revenue-per-agent-week (Receit), and agent turnover, and find qualitatively similar results.

Table 2 and Figure 1 presents a clear treatment effect (later regression-based analyses present standard errors confirming that differences discussed are precisely estimated). During the treatment period performance is greater in all three treatment groups than in the control group. Average RPC in the pair-Incentives treatment increased to $72 from a pre-treatment baseline of $61. The treatment period increase was larger for the structured-meetings and combined treatments, totaling about $76 in revenue-per-call. In percentages, performance during the treatment period is 24% greater in the structured-meetings group, 17% greater in the pair-incentive group, and 23% greater in the combined group than in the control group. Performance also increased from the pre-treatment to the treatment period for the three treatment groups, while performance stayed the same for the control group.

The treatment effects are persistent in the structured-meeting and combined groups. Performance in the post-treatment period is 10% greater in the structured-meetings group.

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36 The RPC measure also aligns revenue with per-call customer acquisition costs used internally for accounting purposes. The firm did not change their customer acquisition strategy at any point throughout the entire 12-week data collection window, therefore relative RPC increases among treated agents represents incremental profits net of treatment costs (discussed below).

37 Revenue-per-hour aligns revenue with the labor cost of staffing agents, while total revenue accounts for changes in hours worked or hours off the phone.

38 Figure 1 displays RPC (normalized to the grand-mean in the pre-treatment period) by treatment group in the 4-week pre-treatment period and the 4-week treatment period. The normalization is for consistency between Figure 1 and Figure 5. Table 1 presents the non-normalized, average log RPC for each group in the pre-treatment period.
and 14% greater in the combined group than in the control group. In contrast, performance in the post-treatment period is similar in the pair-incentives and control group. The difference in the persistence of the performance gains between treatments with structured meetings and without suggest different underlying mechanisms for the treatment effects observed during the treatment period. In particular, the persistent gains suggest some amount of knowledge exchange between agents, which we explore more in subsequent analyses.

One way we can investigate knowledge exchange between agents is by looking at whether the treatment effects differ between agents that are paired with a star or not. We define an agent as a star if their performance is above median in the pre-treatment period. Table 2 and Figure 3 present evidence that the treatment effect is substantially larger for agents paired with a star in the structured-meetings and combined groups. Specifically, the average RPC is $86 for agents paired with a star in the structured-meetings group compared to $71 for agents not paired with a star and also in the structured-meetings group. The treatment effects are also much more persistent for agents paired with star in the structured-meetings and combined group, as shown in Figure 5.

Figure 5 provides further detail by plotting the mean RPC by treatment group by week (weeks -7 through 8). The treatment effects are present in all three treatments in week 1 and increase for the structured-meetings and combined groups throughout the treatment period, while the effect dissipates in the pair-incentives group—further suggesting a difference in mechanisms. Figure 5 shows that productivity trends before the experiment are parallel, which enables our subsequent analysis that uses a difference-in-differences estimate. The figure also shows that neither the Internal nor External Control groups reacted to the onset of the active treatments.

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39Every group in the figure has productivity normalized in the week prior to the experimental period (which begins in Figure 5 at week 1).
6.1 Productivity During the Treatment

Table 3 presents analysis of percentage changes in RPC and formal statistical tests of differences between treatment effects.\textsuperscript{40} The sample contains the four weeks of data prior in the pre-treatment period and the four weeks of data concurrent with treatments. The estimating equation is:

\[ \log(RPC)_{i,t} = \beta_0 + \beta_1 \text{Structured-Meetings}_i \times \text{Treatment-Period}_t \\
+ \beta_2 \text{Pair-Incentives}_i \times \text{Treatment-Period}_t \\
+ \beta_3 \text{Combined}_i \times \text{Treatment-Period}_t + \lambda_t + \theta_g + \varepsilon_{i,t} \quad (3) \]

where \( i \) represents an agent, \( t \) represents week, \( g \) represents sales manager group, \( \lambda_t \) and \( \theta_g \) are week and sales manager fixed effects, respectively, and \( \varepsilon_{i,t} \) is an idiosyncratic error term. The variables Structured-Meetings \( \times \) Treatment-Period, Pair-Incentives \( \times \) Treatment-Period, and Combined \( \times \) Treatment-Period are set to 1 during the experimental period for those randomly assigned to the treatment and are zero for all agents otherwise. The level effects of the treatment are subsumed by the sales manager fixed effects because all agents reporting to a sales manager are assigned to the same treatment.\textsuperscript{41} Week fixed effects remove common time shocks that affect all treatments. Specifications in Columns (1) to (3) are relative to the Internal Control; Column (4) omits the Internal Control group while adding the External control as the baseline; Column (5) includes the Internal Control and tests for changes in the Internal Control relative to the External Control.

Agents in the active treatment groups had large increases in productivity. Table 3 indicates that agent-pairs provided with the worksheet exercise and catered lunch in the Structured-Meetings treatment increased performance by about 24% relative to either con-

\textsuperscript{40} Table A.3 reports similar results using log revenue-per-hour as the dependent variable. Analysis of total revenue per agent-week is in Table A.5. Across different measures, results are similar.

\textsuperscript{41} The standard errors are clustered at the sales manager level to allow for arbitrary correlation within a sales manager group due to the clustered assignment rule. Standard errors are clustered at the sales manager group level in all subsequent specifications and, for brevity, we do not continue to reiterate this in the text.
trol group. Agent pairs who competed in weekly tournaments for individual prizes against other pairs in the *Pair-Incentives* treatment increased performance by about 13 - 14%. The difference between the productivity gains in the *Structured-Meetings* and *Pair-Incentives* treatments is statistically significant, as indicated by the *p*-value from the Wald test of equality in the penultimate row. As expected in a randomized experiment, the addition of agent or partner demographic controls across these columns minimally changes the estimates. The results are invariant to the choice of control group.

An important result from Column (5) is that the *Internal Control* group (with a partner pairing and a joint productivity score shared publicly) performed similarly to the (off-site) *External Control* group that was unaware of the experiment. This suggests the productivity increase is not due to Hawthorne effects or the monitoring of employee productivity. The difference between the *Internal Control* and the three active treatments shows that merely displaying ranks was not sufficient to improve performance, as agents in the *Internal Control* were aware of the experiment but had no changes in productivity.

Estimates from the treatment period underscore the value of guiding agent interactions (e.g. in the *Structured-Meetings* treatment), as the improvement in productivity with the *Structured-Meetings* treatment was larger than the increase from the *Pair-Incentives* treatment that lacked management direction. The relative cost of these two treatments combined with the productivity gains is decision relevant for firm profits. The *Structured-Meetings* treatment encouraged agents to fill out the worksheet in exchange for a $7 catered lunch ($14 total). In comparison, the *Pair-Incentives* treatment relied on prizes costing approximately $50 (valued by the agents at approximately $40), which were awarded to a third of the participating agents. The cost per six agents was $42 in the *Structured-Meetings* treatment and $100 in the *Pair-Incentives* treatment. Nonetheless, the *Structured-Meetings* treatment induced productivity gains that were 10 percentage points higher than the *Pair-Incentives* treatment while costing only 40% as much.42

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42A different back-of-the-envelope calculation asks what the *Pair-Incentives* would have to be to induce the same productivity increase as the *Structured-Meetings* group if the treatment effect was linear. Accordingly,
The differences in productivity gains across the active treatments provide several insights. First, the increase in performance of the agents in the *Pairs-Incentives* treatment is consistent with previous findings on the effectiveness of group-based incentives to increase effort exertion and productivity (Friebel et al., 2017; Bandiera et al., 2013). Second, the *Structured-Meetings* intervention, meant to test the effectiveness of a management-directed HRM process (Bloom and Van Reenen, 2011), resulted in larger productivity increases than the *Pairs-Incentives* treatment alone. Third, the treatment effect estimates are not due to differential turnover (discussed in Section 7.2) and are similar when including agent fixed effects (Table A.6). Finally, the similarity between the *Structured-Meetings* and *Combined* agents’ average productivity gains suggests these practices are substitutes. The next section details tests for complementarity and implications of the outcome.

### 6.2 Structured-Meetings and Pair-Incentives: Complements or Substitutes?

The model developed in the previous section yields ambiguous predictions regarding whether the *Pair-Incentives* and *Structured-Meetings* treatments would be complements or substitutes. When practices are complements, giving agents both treatments together results in supermodular gains: the *Combined* treatment effect will be greater than the sum of the *Structured-Meetings* and *Pair-Incentives* treatments. Substitute practices means the gains will be submodular: the *Combined* treatment effect will be less than the sum of the underlying component treatments. The last line in Table 3 presents the p-value from a Wald test of the null hypothesis that the *Combined* treatment effect is larger than the sum of the *Pair-Incentives* and *Structured-Meetings* treatments. The hypotheses that the *Pair-Incentives* and *Structured-Meetings* treatments are complements is rejected in the data, indicating the if a $50 incentive resulted in a 14% increase in RPC relative to the control group, then to achieve the same 25% increase realized by agents in the *Structured-Meetings* treatment, the incentives would have to be approximately $86 ≈ (.24 \times $50)/.14 per agent. We postpone a full return-on-investment discussion to section 7.5.
practices are substitutes.

The fact that incentives failed to reinforce the peer-learning associated with structured-meetings was not obvious\textsuperscript{43}, underscoring the benefits of experiments with managerial practices to consider the portfolio of incentives and processes. Because the Combined treatment did have somewhat higher performance than the Structured-Meetings treatment, the optimal mix of practices may include high-powered incentives. Whether pair-incentives should be added to the Structured-Meetings treatment requires an assessment of the marginal benefit of the incentives on top of the structured-meetings. Table 3 reveals that adding pair-incentives to the structured-meetings did not yield a statistically distinguishable difference from the structured-meetings alone. Evaluating the difference in productivity at the point estimates, while recognizing the sampling variance associated with these estimates, the Combined treatment increased productivity by about 1\% per call, which would have resulted in about $40.00 per week in additional revenue for each agent. Given that the per-agent cost of the pair-incentives was about $17 per week, we cannot reject that the incentives in the Combined treatment were optimal.

A comparison of the productivity changes across the post-treatment and treatment periods sheds light on why the Pair-Incentives and Structured Meetings treatments are substitutes. Theory suggests that productivity gains resulting from peer-learning ought to persist beyond the treatment window, though such gains may potentially come at the cost of lower sales-effort during treatment. Unfortunately, treatment-period productivity changes commingle sales- and learning-effort, therefore to differentiate between the two, we next turn to the post-treatment period where any (relative) productivity gains can only be the result of peer-learning.

\textsuperscript{43} Incentives may be necessary to have agents “buy into” a new, non-mandatory process. However, incentives may distort other input choices. In extreme cases, the “optimal incentive structure may require the elimination or muting of incentives... [to inspire] cooperation and coordination” (Holmstrom and Milgrom, 1994). Relative to this extreme case where incentives may detract from productivity, adding the relatively high-powered pair-incentives to the structured-meetings did not appear to reduce the effect of the Structured-Meetings treatment.
6.3 Persistence of Productivity Gains in the Post-Treatment Period

Figure 5 shows that treatments involving structured-meetings had much greater persistence in the post-treatment period than the Pair-Incentives treatment. The productivity increase for agents in the Pair-Incentives group moderately tapered over the treatment period, but once incentives were removed, average RPC for these agents immediately returned to the pre-treatment level. Agents in the Structured-Meetings and Combined treatments, on the other hand, realized productivity gains in the post-treatment period. Consistent with knowledge transfer and learning, agents who had structured-meetings saw persistent gains in average RPC.

Turning to the formal statistical results, we examine the persistence of the observed productivity gains using data from the 4-week pre-treatment period and the 4-week post-treatment period. We restrict attention to the four weeks following treatment rather than a longer time series because a reorganization was initiated six weeks after the treatment ended. This allows us some buffer between the end of the treatment and the re-organization.\footnote{The reorganization involved reassigning agents to managers with some agents reassigned across divisions (i.e. selling different products and services). Part of the re-assignment appears to have been based on lagged productivity.} The estimating equation is:

\[ \log(\text{RPC})_{i,t} = \beta_0 + \beta_1 \text{Structured-Meetings}_i \times \text{Post-Period}_t \]
\[ + \beta_2 \text{Pair-Incentives}_i \times \text{Post-Period}_t + \beta_3 \text{Combined}_i \times \text{Post-Period}_t \]
\[ + \lambda_t + \theta_g + \epsilon_{i,t} \]

where each of the treatment indicators is equal to one in the post-treatment period for agents originally assigned to that treatment cell. The specification mirrors that of Table 3.

The results, reported in Table 4, are consistent with Figure 5. Specifically, agents in the Structured-Meetings treatment continue to have productivity gains that are over 20% higher
than agents in either control group after the study. This increase is precisely estimated. In contrast, agents in the Pair-Incentives treatment group have changes in post-study productivity that are indistinguishable from either control group. Finally, the Combined treatment had positive gains of about 24% after the treatment ended. Although the Combined group appears to offer the most persistence, we cannot reject equality of persistence between the Structured-Meetings and the Combined treatments.

The estimates suggest that the Pair-Incentives treatment resulted in increased effort but no knowledge transfer. In the Combined group, once the firm provided agents with the structured-meetings framework, the marginal incentives may have reinforced learning. The difference between the Pair-Incentives treatment and the Combined treatment effects suggests that, without managerial guidance, effort was largely directed at exploiting extant human capital in pursuit of short-run gains, as opposed to being applied to peer-learning.

Finally, these post-treatment results require some clarification regarding whether the treatments are complements. Although the Combined treatment appears to do well in the post-treatment period, this does not suggest the practices are complements; the thought experiment to assess complementarity presumes keeping the practices in place.

6.4 Partner Quality and Knowledge Transfer

We interpret the persistent effects of treatments involving structured-meetings as the result of knowledge transfers. Supporting evidence for this view comes from an examination of whether agents with more knowledgeable partners do better both during treatment and in the post-treatment period. For this analysis, we create a binary classifier to sort agents based on their productivity in the eight weeks preceding treatment (note that this is longer than the 4-week, pre-treatment benchmark used in the regression analysis). Agents are classified as “stars” if their productivity is above the median in the 8-week run-up to treatment. We estimate how being paired with a star partner affects productivity in the different treatments. We also assess whether there are differences based on an individual agent’s own human
capital, allowing us to recover the directional nature of who is gaining in a partner pairing.

The estimating equation is

\[
\log(\text{RPC})_{i,t} = \beta_0 + \beta_1 \text{Structured-Meetings}_i \times T_t + \beta_2 \text{Pair-Incentives}_i \times T_t \\
+ \beta_3 \text{Combined}_i \times T_t + \gamma_1 \text{Structured-Meetings}_i \times T_t \times \text{Star-Partner}_t \\
+ \gamma_2 \text{Pair-Incentives}_i \times T_t \times \text{Star-Partner}_t + \gamma_3 \text{Combined}_i \times T_t \times \text{Star-Partner}_t \\
+ \gamma_4 T_t \times \text{Star-Partner}_t + \gamma_5 \text{Ever-Star-Partner}_i + \lambda_t + \theta_g + \varepsilon_{i,t}
\]  

(5)

where the variable \( T_t \) is interacted with treatments as a placeholder to indicate either the treatment period or the post-treatment period. The parameters of interest are \( \gamma_1, \gamma_2, \) and \( \gamma_3 \), comparing how star partners affect productivity in different treatments. The parameter \( \gamma_4 \) captures the baseline effect of having a star partner for agents in the \textit{Internal Control} group. A further test of random assignment comes through \( \gamma_5 \), which is an indicator that the agent was ever paired with a star partner.

Table 5 shows that agents randomly paired with a star partner in the \textit{Structured-Meetings} and \textit{Combined} treatments were more productive in both the treatment and post-treatment period. Agents in the \textit{Pair-Incentives} treatment did not respond differentially to star partners. In the first 3 columns, star partners are defined based on the concurrent identity of the partner; e.g. the \textit{Star Partner} dummy variable is applied to agent-weeks. Column (1) is the baseline specification that includes the pre-experimental and treatment periods. While all active treatments (coefficients in the last 3 rows) show increases in productivity for agents with non-star partners, agents paired with a star partner increase productivity by an additional 15% in the \textit{Structured-Meetings} treatment and by an additional 14% in the \textit{Combined} treatment. There is no additional productivity increase that comes from being randomly paired with a star partner for agents in the \textit{Pair-Incentives} treatment. Recall from the prior section that agents can only learn from their partners if the latter has similar or higher levels of human capital. Accordingly, we conclude that the positive productivity gains that follow
being paired with a star partner in treatments involving structured-meetings are indicative of knowledge transfer.

Not all agents can be paired with star partners, but some assignment rules may fare better than others at realizing gains. We ask whether the difference in being paired with a star partner depends on the identity of an agent. Columns (2) and (3) split the sample based on whether the agent is himself or herself a star. Comparing these columns, all treatments at baseline with a non-star partner are more effective for non-star agents (Column 2). These non-star agents have positive star partner interaction effects in treatments involving structured-meetings. Having a star partner does not raise productivity for non-star agents in the *Pairs-Incentives* treatment. When the agent in question is a star (Column 3), treatments only increase productivity when the partner is also a star. No treatment induces productivity when star agents are paired with non-star partners. The direction of this result suggests that *star agents provide knowledge to non-stars, while stars only learn from other stars*. Among star agents, however, the *Pair-Incentives* treatment never has statistically distinguishable differences from zero. This is possibly due to pair-incentives having less power for agents who individually earn more than median commissions.

The star interactive effects for treatments involving structured-meetings continue into the post-treatment period. Column (4) adds the post-treatment period and omits the experimental period. In the post-treatment analysis, the star partner interaction equals 1 for an agent who was ever paired with a star partner. Past pairing with a star partner is responsible for most of the detectable productivity increases from structured-meetings in the post-experimental period. Taken together, these results confirm knowledge transfer between more and less skilled agents when management practices dictate a process to minimize peer-interaction frictions.
6.5 Additional Evidence on the Mechanism

Ex-ante, it was not obvious that structured-meetings would result in more knowledge transfer than pair-incentives. Agents in the Pair-Incentives treatment could have replicated nearly identical exchanges as those that occurred in the Structured-Meetings treatment, and former had higher-powered incentives to do find a system to raise the pair’s productivity. And, while the estimates suggest that agents in the Pair-Incentives did find ways to raise their sales, the estimates suggest that the channel was not knowledge-sharing.

Survey responses, participant anecdotes, and information from the worksheet content help to provide context for why treatments involving structured-meetings induced knowledge transfers. Responses on the concluding survey reported that agents in the Structured-Meetings treatment (1) became more familiar with their partners during the study and (2) felt the interactions with their partners positively benefited their sales ability.\footnote{This survey was administered immediately after the final week of the experiment ended.} Specifically, before being paired, only 69% of agents knew their partners, whereas 87% felt they were well-acquainted with their partner after the study. Over 80% felt that the interactions they had with their partners positively benefited their ability to perform their job. More details are available in Appendix Table A.2.

There are many examples of product-specific knowledge that was transferred between agents from the worksheets agents filled out in the Structured-Meetings treatment. For example, one agent shared with her partner that she was able to help customers overcome their initial skepticism by discussing two unique add-on features of the product. Another agent wrote that her customer wanted a very specific product mix, but that the requested mix was not feasible. She used her product knowledge to explain the problem and, instead, sell the customer a high-quality bundle of products. The content of both of these worksheets conveyed job-specific knowledge that could immediately be used by the agents’ partners to interact with customers more effectively (recall that agents solicited their partner’s responses in the treatments involving structured-meetings).
Why didn’t the Pair-Incentives treatment lead to these same conversations between coworkers? A recently hired sales agent in the Structured-Meetings treatment expressed her excitement to us when she learned that she had been paired with a very skilled coworker. Specifically, she said, “I would never have had the courage to approach him for help or advice. But since we are paired together for lunch, I get to learn from one of the best sales agents in the company!” As this anecdote is representative of similar feedback we received, it suggests active management was needed to reduce agent hesitation or other coordination frictions for fruitful peer interactions to occur.

7 Discussion

Our primary results compare the merits of incentives and management processes. While we find evidence suggesting that each approach improves performance via differing mechanisms, several questions remain, particularly around whether the productivity increases can be explained by adjustment on other margins. This section considers alternative explanations and discusses to what extent our findings generalize.

7.1 Did Treatments Detract from Ability to Take Calls?

There is no empirical evidence to suggest that the treatments themselves left the agents with less time to accept calls. Anecdotally, the agents only allowed the treatments to impinge on their slack time at the firm (approximately 20% of their time “on the clock”). The data confirms that an increase in RPC did not mask a change in time spent selling. Appendix Table A.3 shows that the treatment effects are similar when looking at either log revenue-per-call or log revenue-per-hour. Appendix Table A.4 shows that there was no discernible difference in adherence, defined as the time available to take calls, between the Internal Control and other treatments. Appendix Table A.5 also shows that the active treatments
increased total revenue in levels. Importantly, while we have no evidence to suggest that our treatments reduced agents’ time on the phones, any disruption due to treatments was more than offset by increases in sales revenue.

7.2 Are Turnover Differences Responsible for the Results?

In an earlier study, Sandvik et al. (2018) found that small changes at the extrinsic margin (turnover) could quickly drive observed mean performance. To address the possibility of turnover effects, we add agent fixed effects to the baseline results of Table 3 in Table A.6. The similarity of estimates suggest that the productivity gains are due to within-worker changes rather than differential turnover of unproductive agents across the different treatments.

The propensity for agents of (all abilities) to turnover, voluntarily and involuntarily, did not change for those in the Structured-Meetings or Combined treatments relative to the Pair-Incentives, Internal Control, or External Control groups throughout the 12-week experiment window. Panel A of Table 6 shows no difference in turnover rates throughout the entire experiment. Panel B of Table 6 does show increases in turnover for agents in the Internal Control group relative to those in the External Control group, but these increases in turnover reflect seasonal differences in staffing across locations. In particular, locations with active treatments relied more heavily on college students and therefore featured higher natural attrition during the post-treatment period in the Fall. There are, however, no differences in turnover between active treatments and the Internal Control, all of which were located besides two college towns.

7.3 Did Pair-Incentives Agents Forfeit or Become Discouraged?

There is a possible trade-off between performance and quits or forfeitures in high-powered tournaments (Brown, 2011). Manager- and agent-based testimony suggests that agents in

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46 The total revenue figure must be imputed for the External Control due to reporting differences across establishments.
both the *Pair-Incentives* and *Combined* tournaments did not appear to give up.\textsuperscript{47} To test for the possibility of “quitting” in the data, we assess how agents’ performance responds to past tournament outcomes. Winners of the tournament in the last week do slightly less well than non-winners in the prior week (see Table A.7). This might be due to mean reversion after a win or possibly to income effects. The excluded category is past tournament losers, so this evidence is inconsistent with agents “quitting” by means of reducing effort in response to tournament cues.

Another possibility is that some agents simply do not begin to compete in the contest. The tournament was designed to make every agent group ex-ante similar to other groups because pre-treatment productivity was filtered out; the tournament rankings were based on gains. It is possible that star performers find it more difficult to improve their own performance in the tournament, but our pre-experiment discussions with management suggested this tournament design would best encourage non-stars to compete. If a star found it difficult to improve on their own, a more productive path would be to help one’s partner.

### 7.4 Comparing Pair-Incentives and Estimates of Other Incentive Changes

In Sandvik et al. (2018), we analyze sales changes after one division of the firm reduced agents’ effective incentive pay by altering the mapping between sales and commission-eligible revenue. The reduction occurred in the Fall/Winter of the prior year and was not concurrent with this experiment.

Sandvik et al. (2018) primarily find adjustment on the turnover margin while sales effort responses to commission reductions were muted. The elasticities of effort with respect to incentive changes thus varies across the two studies. What potentially explains the differences? First, the *Pair-Incentives* were transitory and avoided the income effects typically associ-

\textsuperscript{47}While agents were provided with daily updates of their pair’s relative ranking, membership in each three-team tournament bracket was randomly determined ex-post.
ated with permanent wage changes (Stafford, 2015). Second, Sandvik et al. (2018) focuses on the limited long-run response to the commission reduction, whereas the effort response to the Pair-Incentives treatment is short-term (and begins to fade out during the treatment period). Hence, the parameters across the two papers capture different time frames for effort adjustment, with the long-run response including income effects that may reduce the substitution response to changes in incentives. Finally, the Pair-Incentives treatment may have had a social component that increased the salience of the group incentives relative to individual incentive changes in Sandvik et al. (2018).

7.5 The Firm’s Return on Investment

The economic significance of our findings was apparent for the firm. The firm previously relied exclusively on marginal incentives aimed to influence agents’ performance. Interviews with management suggest that, while these interventions generally led to increased productivity, all associated gains would evaporate as soon as the incentives were removed. As modeled in Section ??, agent performance is a function of both sales-effort and human capital. The lack of persistent gains suggests that prior incentive changes merely triggered sales-effort. The experiment was designed from the outset to test the efficacy of various incentives at motivating peer-learning as a means of growing agents’ human capital.

The Structured-Meetings treatment attempts to reduce the cost of knowledge transmission, whereas the Combined and Pair-Incentives treatment each contained a component of marginal incentives—albeit such incentives were perfectly aligned with a partner agent so as to incentivize agents to train one another for a common goal. Using the estimated treatment effects, we find that the performance improvement of the treated sales agents resulted in approximately $1M USD of extra-marginal revenue.

At the intervention level, we find that the Structured-Meetings treatment resulted in a return on investment (ROI) of over 530%, where the investment base was the cost of having

\footnote{Examining the short-term responses in the Sandvik et al. (2018) data, we do observe a limited-term reduction in sales, though the design is insufficiently powered to rule out a sales increase.}
catered meals delivered to the firms’ campuses and the top-line value was the sales-margin multiplied by the extra revenue recorded exclusively during the 4-week treatment period (all ROI details can be found in Appendix A.3). We estimate the ROI from the Pair-Incentives treatment at approximately 61%, as the estimated profits therein outperformed the Internal Control group, but the associated incentives were more costly—at least double those of the Structured-Meetings treatment. Finally, the Combined treatment had an estimated ROI of nearly 130%. This intervention was the most costly, as both lunches and monetary incentives were provided, but these sales agents did outperform the control group by the largest margin, hence the relatively large ROI.

We stress that the reported ROI values do not impound the persistent, relative revenue gains identified in the Structured-Meetings and Combined treatments. While doing-so would obviously cause the reported ROI to increase, the post-treatment observation window is too short to reliably forecast and discount back the gains observed in the post-treatment period.

Taken together, the increased productivity resulting from our relatively low-cost interventions made the randomized control trial a success with management. Pursuant to sharing our results, management has prioritized supporting future randomized control trials for organizational design.

8 Conclusion

Harnessing co-worker interactions may dramatically improve workplace efficiency, but getting individuals to interact effectively—either sharing knowledge or encouraging one another—raises a host of economic questions. An extensive literature has examined group incentives for this purpose, but little evidence from the field exists on the role of non-monetary Human Resource Management (HRM) practices. This article compares monetary incentives and HRM processes meant to foster productive co-worker interactions. We ran a field experiment that randomly paired more than 650 call center sales agents together and then assigned the
pairs to different treatments. This design allows us to test whether monetary incentives (in the form of tournaments where pairs of workers compete against other pairs) resulted in similar or superior productivity gains compared to a managerial intervention that established a process for workers to meet and share knowledge over lunch.

The *Pair-Incentives* treatment with group tournaments yielded 13% increases in performance relative to a control group that was unaware of the experiment. The *Structured-Meetings* treatment yielded 24% increases in performance relative to the same outside control group. Importantly, agents in the *Structured-Meetings* treatment had persistent performance gains, while the performance gains from the *Pair-Incentives* treatment subsided at the end of the treatment period. The tournament appeared to increase effort but did not lead to knowledge transfers or other lasting improvements in agents’ human capital. The management-lead process intervention, on the other hand, resulted in greater productivity during the study period and after. A number of additional results suggest that the management-lead process resulted in knowledge transfers, primarily from skilled agents to others.

These findings add to a small but growing set of studies showing that simple management interventions can dramatically raise productivity (Bloom and van Reenen, 2011; Bloom et al., 2015, 2013; Jackson and Schneider, 2015; Haynes et al., 2009). The experimental design also enables a test of whether workers who received both high-powered incentives and peer lunch meetings performed better or worse than the sum of the productivity changes for the individual treatments. While previous research emphasizes the importance of clustering complementary management practices (Ichniowski et al., 1997; Athey and Stern, 1998), few studies have induced experimental variation to estimate what types of practices, when combined, result in output gains that are greater than the sum of their respective parts. Agents in the *Combined* treatment had submodular gains, which suggests the *Pair-Incentives* and *Structured-Meetings* treatments are substitutes.

Although our randomized controlled trial took place in a sales organization, our findings speak more broadly to peer-learning in other organizations. Many settings provide perfor-
mance incentives and opportunities to interact with coworkers. A fruitful area of future research surrounds how to match workers for these purposes.
References


Blader, Steven, Claudine Madras Gartenberg, Andrea Prat. 2016. The contingent effect of management practices .


Fehr, Ernst, Lorenz Goette. 2007. Do workers work more if wages are high? evidence from a randomized field experiment. American Economic Review 97(1) 298–317.


9 Tables and Figures
Figure 1: Mean RPC by Treatment During the Pre-Study and Experimental Period

Notes. Average revenue-per-call (RPC) by treatment group. The bars for each treatment are normalized around the grand-mean of RPC in the pre-treatment period.
Figure 2: Treatment Effects by Week

Notes. Average revenue-per-call (RPC) by week and treatment group. Each series is normalized to the grand-mean of RPC in week 0. The experimental intervention begins in week 1 and continues to week 4. After week 10, the firm began a post-summer re-organization that partially depended on lagged productivity, so we restrict analysis to the 8 weeks that follow the start of the experiment.
**Notes.** Average revenue-per-call (RPC) by treatment group during the treatment period based on whether the concurrent partner is a Star agent (defined as above median productivity in the pre-treatment period).
Figure 4: Mean Productivity During the Post-Experimental Period by Star Partner Assignment

Notes. Average revenue-per-call (RPC) by treatment group during the post-treatment period based on whether the agent was ever partnered with a Star (defined as above median productivity in the pre-treatment period).
Figure 5: Paired With Star and NonStar Treatment Effects by Week

Notes: Average revenue-per-call (RPC) by week and treatment group. Agents are classified as stars if they are above median in productivity in the pre-period. Agent are classified as star partner or nonstar partner if they ever were paired with a star or never paired with a star, respectively. The experimental intervention begins in week 1 and continues to week 4. After week 10, the firm began a post-summer re-organization that partially depended on lagged productivity, so we restrict analysis to the 8 weeks that follow the start of the experiment.
Table 1: Agent Demographics and Productivity Statistics Prior to the Experiment

Sales agent demographic information (age, tenure with the firm, and gender ratio) and weekly performance measures are listed below for the full sample of participating agents and broken out by treatment group. Except for attrition, these numbers are derived from a four-week average immediately before the experiment began. Other than age, tenure, percent female, and attrition, each productivity variable is a weekly measure. A Phone Hour is a measure of time an agent is logged into the phone system, and Adherence is calculated as the sum of an agent’s time available to receive a call and his time on calls, all divided by the total time he is logged into the phone system. Attrition is measured as the number of agents that quit during the pre-experimental period, experimental period, and post-experimental period divided by the total number of agents in that treatment. P-values of randomization tests of mean differences in the Internal Control and active treatment columns are reported. These tests are computed as the joint-hypothesis test of equality of treatment groups from a regression of the variable of interest on treatment assignment dummies after clustering standard errors based on manager identity (the level of assignment).

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<th>Internal Control</th>
<th>External Control</th>
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N₄ (Agents) 736 158 5435 174 186 83
Table 2: **Means of Revenue-Per-Call By Treatments and Period**

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<td>67.63</td>
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<td>62.80</td>
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<td>Control Group</td>
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<td>61.95</td>
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<td>56.67</td>
<td>58.44</td>
<td>59.31</td>
</tr>
<tr>
<td><strong>Agents not paired with a star</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structured-Meetings</td>
<td>59.42</td>
<td>71.15</td>
<td>59.74</td>
</tr>
<tr>
<td>Pair-Incentive</td>
<td>60.41</td>
<td>70.29</td>
<td>64.24</td>
</tr>
<tr>
<td>Combined</td>
<td>61.61</td>
<td>63.50</td>
<td>61.88</td>
</tr>
<tr>
<td>Control Group</td>
<td>59.52</td>
<td>58.32</td>
<td>61.53</td>
</tr>
<tr>
<td><strong>N</strong></td>
<td>1,968</td>
<td>1,869</td>
<td>1,670</td>
</tr>
</tbody>
</table>

*Notes.* “Star” means sales agent was above median performance in the pre-treatment period.
Table 3: Difference-in-differences Estimates of Performance Effects of the Treatments.

This table reports regression estimates of the log of revenue-per-call using data from the 4 weeks before and 4 weeks during the experiment. The variables Structured-Meetings, Pair-Incentives, and Combined are shorthand for “Structured-Meetings x Treatment-Period,” “Pair-Incentives x Treatment-Period,” and “Combined x Treatment-Period” and are set to 1 in the experimental period for those randomly assigned to those treatments, and zero otherwise. Using the abbreviated variable names, the baseline estimating equation is:

$$\log(\text{RPC})_{i,t} = \beta_0 + \beta_1 \text{Structured-Meetings}_{i,t} + \beta_2 \text{Pair-Incentives}_{i,t} + \beta_3 \text{Combined}_{i,t} + \lambda_t + \theta_g + \varepsilon_{i,t}$$

where $i$ represents an agent, $t$ represents week, $g$ represents sales manager group, $\lambda_t$ and $\theta_g$ are week and sales manager fixed effects, and $\varepsilon_{i,t}$ is an idiosyncratic error term. Indicators for treatment assignment in the pre-period are absorbed by $\theta_g$ as randomization is at the sales manager group level. In Columns (1)–(3) the Internal Control (passive pairs) is the omitted category. Column (4) omits the Internal Control group and instead uses the External Control group (that was not aware of the experiment and had no partner pairing) as the excluded category. Column (5) includes both control groups, with an indicator for the Internal Control during the experimental period. Specifications with agent or partner demographics include age, gender, and tenure with the firm. The p-values in the bottom rows report results from Wald tests of two null hypotheses: i) equality of effects between Pair-Incentives and Structured-Meetings and ii) that the Combined group had supermodular gains. Standard errors are clustered at the sales manager level and are reported in parentheses. Statistical significance at the 10%, 5%, and 1% levels are indicated by *, **, and ***, respectively.

<table>
<thead>
<tr>
<th>Control Group:</th>
<th>Internal (Passive Pairs)</th>
<th>External (No Pairs)</th>
<th>Both</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td>Structured-Meetings</td>
<td>0.241***</td>
<td>0.241***</td>
<td>0.241***</td>
<td>0.247***</td>
</tr>
<tr>
<td></td>
<td>(0.045)</td>
<td>(0.044)</td>
<td>(0.044)</td>
<td>(0.073)</td>
</tr>
<tr>
<td>Pair-Incentives</td>
<td>0.131***</td>
<td>0.136***</td>
<td>0.136***</td>
<td>0.124*</td>
</tr>
<tr>
<td></td>
<td>(0.048)</td>
<td>(0.047)</td>
<td>(0.047)</td>
<td>(0.071)</td>
</tr>
<tr>
<td>Combined</td>
<td>0.255***</td>
<td>0.258***</td>
<td>0.256***</td>
<td>0.259***</td>
</tr>
<tr>
<td></td>
<td>(0.043)</td>
<td>(0.044)</td>
<td>(0.044)</td>
<td>(0.069)</td>
</tr>
<tr>
<td>Internal Control</td>
<td></td>
<td></td>
<td>0.004</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(0.065)</td>
<td></td>
</tr>
<tr>
<td>Demographics</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Partner Demo.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Manager FE ($\theta_g$)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Week FE ($\lambda_t$)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Adj. R-Square</td>
<td>0.470</td>
<td>0.482</td>
<td>0.483</td>
<td>0.459</td>
</tr>
<tr>
<td></td>
<td>3.418</td>
<td>3.418</td>
<td>3.418</td>
<td>2.856</td>
</tr>
<tr>
<td>Agents</td>
<td>653</td>
<td>653</td>
<td>653</td>
<td>580</td>
</tr>
<tr>
<td>Managers</td>
<td>52</td>
<td>52</td>
<td>52</td>
<td>45</td>
</tr>
<tr>
<td>P-Values:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$H_0$: Meetings = Incent.</td>
<td>0.048</td>
<td>0.051</td>
<td>0.049</td>
<td>0.033</td>
</tr>
<tr>
<td>$H_0$: Meetings+Incent.$\leq$Comb.</td>
<td>0.049</td>
<td>0.042</td>
<td>0.039</td>
<td>0.110</td>
</tr>
</tbody>
</table>

53
Table 4: Do Some Treatments Result in Greater Persistence of Productivity Gains?

This table reports regression estimates of the log of revenue-per-call using data from the 4 weeks before the experiment and 4 weeks after the end of the experiment. The variables Structured-Meetings, Pair-Incentives, and Combined are shorthand for “Structured-Meetings x Post-Period”, “Pair-Incentives x Post-Period”, and “Combined x Post-Period” are set to 1 in the post-experimental period for those randomly assigned to those treatments, and zero otherwise. The baseline estimating equation is the same as in Table 3 except the treatment period is omitted and the post-experimental period is included. Standard errors are clustered at the sales manager level and are reported in parentheses. Statistical significance at the 10%, 5%, and 1% levels are indicated by *, **, and ***, respectively.

<table>
<thead>
<tr>
<th>Control Group:</th>
<th>Internal (Passive Pairs)</th>
<th>External (No Pairs)</th>
<th>Both</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td>Structured-Meetings</td>
<td>0.208***</td>
<td>0.204***</td>
<td>0.204***</td>
</tr>
<tr>
<td></td>
<td>(0.061)</td>
<td>(0.061)</td>
<td>(0.061)</td>
</tr>
<tr>
<td>Pair-Incentives</td>
<td>0.030</td>
<td>0.035</td>
<td>0.035</td>
</tr>
<tr>
<td></td>
<td>(0.057)</td>
<td>(0.057)</td>
<td>(0.056)</td>
</tr>
<tr>
<td>Combined</td>
<td>0.242***</td>
<td>0.246***</td>
<td>0.244***</td>
</tr>
<tr>
<td></td>
<td>(0.062)</td>
<td>(0.063)</td>
<td>(0.063)</td>
</tr>
<tr>
<td>Internal Control</td>
<td>0.005</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.070)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demographics</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Partner Demo.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Manager FE ($\theta_g$)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Week FE ($\lambda_t$)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Adj. R-Square</td>
<td>0.418</td>
<td>0.429</td>
<td>0.430</td>
</tr>
<tr>
<td>Observations</td>
<td>3,252</td>
<td>3,252</td>
<td>3,252</td>
</tr>
</tbody>
</table>
Table 5: How do Partner and Agent Baseline Productivity Influence Treatment Outcomes?

This table examines the effect of star partners on treatment outcomes. An agent is defined as a star if they are an above median performer within their own division 0 to 8 weeks before the study. The Internal Control group is the excluded category. The table reports regressions of log(RPC) that add interactions for treatment assignment and being paired with a star partner. Columns (1)—(3) include the pre-period and experimental period while Column (4) includes the pre-period and post-treatment period. During the treatment, star partner assignment is defined based on the concurrent partner. For the post-experimental period, Star Partner is defined based on whether the agent was ever paired with a star. The variable “Star Partner x Study/Post” is set to 1 if the agent is paired with a star partner. The variable Ever Star Partner is set to one during the entire sample if the agent was ever paired with a star, serving as a test of non-random partner assignment. Columns (2) and (3) condition on the productivity of the agent in question and examine heterogeneous effects of star partnership by agent productivity. Each regression includes time fixed effects and sales manager group fixed effects. Note that observation counts differ due to agents whose assigned partner was not available or was absent that week. These agents are included in prior tables, but based on lack of pair data, are not included in this subsample. Standard errors are clustered at the sales manager level and are reported in parentheses. Statistical significance at the 10%, 5%, and 1% levels are indicated by *, **, and ***, respectively.

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Non-Star Agents</th>
<th>Star Agents</th>
<th>Post-Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td>Meetings × Star Partner</td>
<td>0.150***</td>
<td>0.210**</td>
<td>0.147*</td>
<td>0.153**</td>
</tr>
<tr>
<td></td>
<td>(0.054)</td>
<td>(0.087)</td>
<td>(0.078)</td>
<td>(0.075)</td>
</tr>
<tr>
<td>Incentives × Star Partner</td>
<td>-0.021</td>
<td>-0.031</td>
<td>0.069</td>
<td>-0.104</td>
</tr>
<tr>
<td></td>
<td>(0.067)</td>
<td>(0.088)</td>
<td>(0.085)</td>
<td>(0.081)</td>
</tr>
<tr>
<td>Combined × Star Partner</td>
<td>0.136**</td>
<td>0.250***</td>
<td>0.206**</td>
<td>0.232***</td>
</tr>
<tr>
<td></td>
<td>(0.063)</td>
<td>(0.071)</td>
<td>(0.077)</td>
<td>(0.076)</td>
</tr>
<tr>
<td>Star Partner × Study/Post</td>
<td>-0.031</td>
<td>-0.009</td>
<td>-0.071</td>
<td>0.012</td>
</tr>
<tr>
<td></td>
<td>(0.049)</td>
<td>(0.062)</td>
<td>(0.068)</td>
<td>(0.062)</td>
</tr>
<tr>
<td>Ever Star Partner</td>
<td>-0.016</td>
<td>-0.015</td>
<td>-0.043</td>
<td>0.039</td>
</tr>
<tr>
<td></td>
<td>(0.026)</td>
<td>(0.044)</td>
<td>(0.033)</td>
<td>(0.024)</td>
</tr>
<tr>
<td>Structured-Meetings</td>
<td>0.222***</td>
<td>0.241***</td>
<td>0.068</td>
<td>0.030</td>
</tr>
<tr>
<td></td>
<td>(0.055)</td>
<td>(0.075)</td>
<td>(0.072)</td>
<td>(0.048)</td>
</tr>
<tr>
<td>Pair-Incentives</td>
<td>0.105*</td>
<td>0.290***</td>
<td>-0.012</td>
<td>0.073</td>
</tr>
<tr>
<td></td>
<td>(0.061)</td>
<td>(0.064)</td>
<td>(0.082)</td>
<td>(0.062)</td>
</tr>
<tr>
<td>Combined</td>
<td>0.190***</td>
<td>0.372***</td>
<td>0.061</td>
<td>0.058</td>
</tr>
<tr>
<td></td>
<td>(0.057)</td>
<td>(0.064)</td>
<td>(0.062)</td>
<td>(0.049)</td>
</tr>
<tr>
<td>Manager FE (θg)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Week FE (λt)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Adj. R-Square</td>
<td>0.488</td>
<td>0.491</td>
<td>0.450</td>
<td>0.441</td>
</tr>
<tr>
<td>Observations</td>
<td>3,287</td>
<td>1,465</td>
<td>1,818</td>
<td>3,024</td>
</tr>
</tbody>
</table>
Table 6: Difference-in-differences Estimates of Worker Turnover.

Panel A of this table reports regression estimates of employee turnover using data from the 4 weeks before and 4 weeks during the experiment. Panel B uses data from the 4 weeks before and 4 weeks after the experiment. The variables *Structured-Meetings*, *Pair-Incentives*, and *Combined* are set to 1 in the treatment/post period for those randomly assigned to those treatments, and zero otherwise. The baseline estimating equation is:

\[
\text{Turnover}_{i,t} = \beta_0 + \beta_1 \text{Structured-Meetings}_{i,t} + \beta_2 \text{Pair-Incentives}_{i,t} + \beta_3 \text{Combined}_{i,t} + \lambda_t + \theta_g + \varepsilon_{i,t}
\]

where \( i \) represents an agent, \( t \) represents week, \( g \) represents sales manager group, \( \lambda_t \) and \( \theta_g \) are week and sales manager fixed effects, respectively, and \( \varepsilon_{i,t} \) is an idiosyncratic error term. Indicators for treatment assignment in the pre-period are absorbed by \( \theta_g \) as randomization is at the sales manager group level. In Columns (1)–(3) the *Internal Control* (passive pairs) is the omitted category. Column (4) omits the *Internal Control* group and instead uses the *External Control* group (that was not aware of the experiment and had no partner pairing) as the excluded category. Column (5) includes both control groups, with an indicator for the *Internal Control* during the experimental period. Specifications with agent or partner demographics include age, gender, and tenure with the firm. Standard errors are clustered at the sales manager level and are reported in parentheses. Statistical significance at the 10%, 5%, and 1% levels are indicated by *, **, and ***, respectively.

<table>
<thead>
<tr>
<th>Control Group:</th>
<th>Internal (Passive Pairs)</th>
<th>External (No Pairs)</th>
<th>Both</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td>Structured-Meetings</td>
<td>-0.018</td>
<td>-0.018</td>
<td>-0.018</td>
</tr>
<tr>
<td></td>
<td>(0.021)</td>
<td>(0.021)</td>
<td>(0.021)</td>
</tr>
<tr>
<td>Pair-Incentives</td>
<td>-0.011</td>
<td>-0.011</td>
<td>-0.011</td>
</tr>
<tr>
<td></td>
<td>(0.021)</td>
<td>(0.021)</td>
<td>(0.021)</td>
</tr>
<tr>
<td>Combined</td>
<td>0.006</td>
<td>0.006</td>
<td>0.006</td>
</tr>
<tr>
<td></td>
<td>(0.023)</td>
<td>(0.023)</td>
<td>(0.023)</td>
</tr>
<tr>
<td>Internal Control</td>
<td>0.004</td>
<td>0.004</td>
<td>0.004</td>
</tr>
</tbody>
</table>

Adj. R-Square: 0.029 0.029 0.029 0.020 0.027
Observations: 3,418 3,418 3,418 2,856 3,821

Panel B: Pre-Period and Post-Period

<table>
<thead>
<tr>
<th>Control Group:</th>
<th>Internal (Passive Pairs)</th>
<th>External (No Pairs)</th>
<th>Both</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td>Structured-Meetings</td>
<td>-0.014</td>
<td>-0.014</td>
<td>-0.014</td>
</tr>
<tr>
<td></td>
<td>(0.013)</td>
<td>(0.013)</td>
<td>(0.013)</td>
</tr>
<tr>
<td>Pair-Incentives</td>
<td>-0.011</td>
<td>-0.012</td>
<td>-0.012</td>
</tr>
<tr>
<td></td>
<td>(0.010)</td>
<td>(0.010)</td>
<td>(0.010)</td>
</tr>
<tr>
<td>Combined</td>
<td>-0.010</td>
<td>-0.011</td>
<td>-0.011</td>
</tr>
<tr>
<td></td>
<td>(0.014)</td>
<td>(0.014)</td>
<td>(0.014)</td>
</tr>
<tr>
<td>Internal Control</td>
<td>0.041***</td>
<td>0.041***</td>
<td>0.041***</td>
</tr>
</tbody>
</table>

Demographics: ✓ ✓ ✓ ✓ ✓
Partner Demo.: ✓
Manager FE (\( \theta_g \)): ✓ ✓ ✓ ✓ ✓
Week FE (\( \lambda_t \)): ✓ ✓ ✓ ✓ ✓
Adj. R-Square: 0.010 0.010 0.010 0.009 0.009
Observations: 3,252 3,252 3,252 3,295 3,627
Table A.1: **Preliminary Survey Responses for Treatment-Eligible Agents**

These are selected questions from the preliminary survey that we administered one week prior to the start of the experiment. The survey was not administered to the *External Control* group. The question wording, as it is displayed in the table, has been adapted from its original form to eliminate institutionally unique jargon. Agents were provided with a link to the quiz and were asked to complete it while at work. Agents were not aware of which treatment they were going to be placed in at the time they took the survey. The question regarding the dollar value of the proposed incentives is the average valuation for the set of prizes offered in the *Pair-Incentives* tournament.

<table>
<thead>
<tr>
<th>Question</th>
<th>Full Sample</th>
<th>Internal Control</th>
<th>Pair-Incentives</th>
<th>Structured-Meetings</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>On a scale of 1-5, how connected do you feel to others within the firm?</td>
<td>3.7</td>
<td>3.7</td>
<td>3.4</td>
<td>3.7</td>
<td>3.8</td>
</tr>
<tr>
<td>How many work-related interactions do you initiate in an average work week?</td>
<td>5.8</td>
<td>5.0</td>
<td>5.3</td>
<td>7.1</td>
<td>6.1</td>
</tr>
<tr>
<td>On a scale of 1-5, how beneficial are these interactions to you personally?</td>
<td>3.9</td>
<td>3.9</td>
<td>3.9</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>How many work-related interactions do others initiate with you in an average work week?</td>
<td>6.2</td>
<td>5.8</td>
<td>5.3</td>
<td>6.8</td>
<td>6.9</td>
</tr>
<tr>
<td>On a scale of 1-5, how beneficial do you feel these interactions are for your coworkers?</td>
<td>4.2</td>
<td>4.2</td>
<td>4.2</td>
<td>4.2</td>
<td>4.3</td>
</tr>
<tr>
<td>What dollar value would you be willing to spend on the proposed incentives?</td>
<td></td>
<td></td>
<td>$40.20</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Gosling Personality Measures**

<table>
<thead>
<tr>
<th>Personality Measure</th>
<th>Full Sample</th>
<th>Internal Control</th>
<th>Pair-Incentives</th>
<th>Structured-Meetings</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extroversion</td>
<td>5.1</td>
<td>5.1</td>
<td>5.2</td>
<td>5.1</td>
<td>5.1</td>
</tr>
<tr>
<td>Agreeableness</td>
<td>5.0</td>
<td>5.0</td>
<td>4.9</td>
<td>5.1</td>
<td>5.1</td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>5.8</td>
<td>5.7</td>
<td>5.8</td>
<td>6.0</td>
<td>5.7</td>
</tr>
<tr>
<td>Emotional Stability</td>
<td>5.3</td>
<td>5.4</td>
<td>5.4</td>
<td>5.6</td>
<td>5.2</td>
</tr>
<tr>
<td>Openness to Experiences</td>
<td>5.8</td>
<td>5.6</td>
<td>5.8</td>
<td>6.0</td>
<td>5.8</td>
</tr>
</tbody>
</table>

Nₐ (Agents) 312 86 66 62 98
Table A.2: Intervention Effectiveness/Salience Survey Responses for Treatment-Eligible Agents

These are selected questions that were asked on the concluding survey. The question wording, as it is displayed in the table, has been adapted from its original form to eliminate institutionally unique jargon. Agents were provided with a link to the survey and were asked to complete it while at work. These questions are meant to assess the overall salience of the competition and the effectiveness of the Structured-Meetings and Combined treatments in encouraging and facilitating peer interactions.

<table>
<thead>
<tr>
<th></th>
<th>Full Sample</th>
<th>Internal Control</th>
<th>Pair-Incentives</th>
<th>Structured-Meetings</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>I was aware of the treatment that took place this past month.</td>
<td>82.5%</td>
<td>77.4%</td>
<td>78.3%</td>
<td>84.8%</td>
<td>92.0%</td>
</tr>
<tr>
<td>I was well-acquainted with my partner before the study.</td>
<td>68.4%</td>
<td>54.4%</td>
<td>73.1%</td>
<td>69.0%</td>
<td>76.1%</td>
</tr>
<tr>
<td>I was well-acquainted with my partner after the study.</td>
<td>84.3%</td>
<td>65.6%</td>
<td>83.6%</td>
<td>86.8%</td>
<td>96.8%</td>
</tr>
<tr>
<td>We turned in a completed worksheet each week.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>82.6%</td>
</tr>
<tr>
<td>I spent [ ] minutes with my partner on the worksheet.</td>
<td></td>
<td></td>
<td></td>
<td>6.3</td>
<td>7.3</td>
</tr>
<tr>
<td>These interactions with my partner were beneficial.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>78.6%</td>
</tr>
<tr>
<td>N_A (Agents)</td>
<td>378</td>
<td>115</td>
<td>83</td>
<td>105</td>
<td>75</td>
</tr>
</tbody>
</table>
Table A.3: Does Revenue Per Hour Change with Treatments?

This table replicates the specification in Table 3 but changes the dependent variable to the log of revenue-per-hour, log(RPH). All specifications include week and manager fixed effects. Standard errors are clustered at the sales manager level and are reported in parentheses. Statistical significance at the 10%, 5%, and 1% levels are indicated by *, **, and ***, respectively.

<table>
<thead>
<tr>
<th>Control Group:</th>
<th>Internal (Passive Pairs)</th>
<th>External (No Pairs)</th>
<th>Both</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td>Structured-Meetings</td>
<td>0.262***</td>
<td>0.262***</td>
<td>0.263***</td>
</tr>
<tr>
<td></td>
<td>(0.078)</td>
<td>(0.076)</td>
<td>(0.076)</td>
</tr>
<tr>
<td>Pair-Incentives</td>
<td>0.152**</td>
<td>0.158**</td>
<td>0.159**</td>
</tr>
<tr>
<td></td>
<td>(0.060)</td>
<td>(0.060)</td>
<td>(0.060)</td>
</tr>
<tr>
<td>Combined</td>
<td>0.213***</td>
<td>0.218***</td>
<td>0.215***</td>
</tr>
<tr>
<td></td>
<td>(0.061)</td>
<td>(0.061)</td>
<td>(0.061)</td>
</tr>
<tr>
<td>Internal Control</td>
<td>-0.043</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demographics</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Partner Demo.</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager FE ($\theta_t$)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Week FE ($\lambda_t$)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Adj. R-Square</td>
<td>0.470</td>
<td>0.482</td>
<td>0.483</td>
</tr>
<tr>
<td>Observations</td>
<td>3,418</td>
<td>3,418</td>
<td>3,418</td>
</tr>
</tbody>
</table>
Table A.4: **Does Ability to Answer Calls Change with Treatments?**

Here we compare the change in scheduled time to take calls, defined as adherence, across the three different treatment groups using data from the 4 weeks before and 4 weeks during the study. The variables *Structured-Meetings*, *Pair-Incentives*, and *Combined* are set to 1 in the study weeks for those randomly assigned to those treatments, and zero otherwise. Each specification contains week and sales manager fixed effects. The *Internal Control* group is the omitted category, as we do not have data on adherence for the *External Control* group. Standard errors are clustered at the sales manager level and are reported in parentheses. Statistical significance at the 10%, 5%, and 1% levels are indicated by *, **, and ***, respectively.

<table>
<thead>
<tr>
<th></th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structured-Meetings</td>
<td>-0.041</td>
<td>-0.040</td>
<td>-0.041</td>
</tr>
<tr>
<td></td>
<td>(0.031)</td>
<td>(0.031)</td>
<td>(0.031)</td>
</tr>
<tr>
<td>Pair-Incentives</td>
<td>-0.036</td>
<td>-0.036</td>
<td>-0.036</td>
</tr>
<tr>
<td></td>
<td>(0.030)</td>
<td>(0.030)</td>
<td>(0.030)</td>
</tr>
<tr>
<td>Combined</td>
<td>-0.019</td>
<td>-0.019</td>
<td>-0.020</td>
</tr>
<tr>
<td></td>
<td>(0.047)</td>
<td>(0.046)</td>
<td>(0.047)</td>
</tr>
</tbody>
</table>

Demographics ✓ ✓ ✓  
Partner Demo. ✓ 
Manager FE (θγ) ✓ ✓ ✓  
Week FE (λt) ✓ ✓ ✓  

Adj. R-Square 0.114 0.114 0.116  
Observations 2,550 2,550 2,550
Table A.5: **Before and After Analysis of Total Revenue Changes by Treatment**

This table compares total revenue levels using data from the 4 weeks before and 4 weeks during the study. The specification follows that in Table 3. Note, however, that total revenue must be imputed for the *External Control* group as hours and total calls are not recorded for this group. The imputation uses estimates of changes in total calls by division and applies them to the *External Control* group. Standard errors are clustered at the sales manager level and are reported in parentheses. Statistical significance at the 10%, 5%, and 1% levels are indicated by *, **, and ***, respectively.

<table>
<thead>
<tr>
<th>Control Group:</th>
<th>Internal (Passive Pairs)</th>
<th>External (No Pairs)</th>
<th>Both</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td>Structured-Meetings</td>
<td>562.28*</td>
<td>568.68*</td>
<td>575.21*</td>
</tr>
<tr>
<td></td>
<td>(296.54)</td>
<td>(299.77)</td>
<td>(301.92)</td>
</tr>
<tr>
<td>Pair-Incentives</td>
<td>531.18*</td>
<td>544.90*</td>
<td>544.71*</td>
</tr>
<tr>
<td></td>
<td>(294.29)</td>
<td>(298.45)</td>
<td>(297.27)</td>
</tr>
<tr>
<td>Combined</td>
<td>716.80**</td>
<td>733.55**</td>
<td>708.98**</td>
</tr>
<tr>
<td></td>
<td>(317.00)</td>
<td>(321.22)</td>
<td>(326.25)</td>
</tr>
<tr>
<td>Internal Control</td>
<td>-27.78</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demographics</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Partner Demo.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Manager FE ($\theta_g$)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Week FE ($\lambda_t$)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Adj. R-Square</td>
<td>0.286</td>
<td>0.292</td>
<td>0.297</td>
</tr>
<tr>
<td>Observations</td>
<td>3,186</td>
<td>3,186</td>
<td>3,186</td>
</tr>
</tbody>
</table>

61
Table A.6: **Main Results are Robust to the Inclusion of Agent Fixed Effects**

This table replicates the specification in Table 3 while including sales agent fixed effects in addition to week fixed effects. Standard errors are clustered at the sales manager level and are reported in parentheses. Statistical significance at the 10%, 5%, and 1% levels are indicated by *, **, and ***, respectively.

<table>
<thead>
<tr>
<th>Control Group:</th>
<th>Internal (Passive Pairs)</th>
<th>External (No Pairs)</th>
<th>Both</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td>Structured-Meetings</td>
<td>0.241*** 0.241*** 0.241***</td>
<td>0.253*** 0.250***</td>
<td>(0.038) (0.037) (0.037) (0.053) (0.052)</td>
</tr>
<tr>
<td>Pair-Incentives</td>
<td>0.131*** 0.136*** 0.136***</td>
<td>0.134*** 0.145***</td>
<td>(0.038) (0.037) (0.037) (0.052) (0.052)</td>
</tr>
<tr>
<td>Combined</td>
<td>0.255*** 0.258*** 0.256***</td>
<td>0.268*** 0.269***</td>
<td>(0.033) (0.034) (0.034) (0.049) (0.049)</td>
</tr>
<tr>
<td>Internal Control</td>
<td>0.010</td>
<td></td>
<td>0.010</td>
</tr>
<tr>
<td>Demographics</td>
<td>✓ ✓ ✓ ✓ ✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partner Demo.</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager FE ($\theta_g$)</td>
<td>✓ ✓ ✓ ✓ ✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Week FE ($\lambda_t$)</td>
<td>✓ ✓ ✓ ✓ ✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adj. R-Square</td>
<td>0.470 0.482 0.483 0.465 0.485</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Observations</td>
<td>3,418 3,418 3,418 2,856 3,821</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table A.7: Do Agents Give-up After Winning or Losing the Tournament

This table reports regressions of log RPC on an indicator that the agent received a tournament prize in the prior week. The estimate is relative to a baseline of agents who did not win in the previous week. The sample contains only those agents in either the Pair Incentives or Combined treatments during the experimental period.

<table>
<thead>
<tr>
<th></th>
<th>Pair-Incentives</th>
<th>Combined</th>
<th>Both</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td>Won Last Week</td>
<td>-0.035**</td>
<td>-0.027*</td>
<td>-0.033***</td>
</tr>
<tr>
<td></td>
<td>(0.014)</td>
<td>(0.014)</td>
<td>(0.010)</td>
</tr>
<tr>
<td>Demographic Controls</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Manager FE ($\theta_g$)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Week FE ($\lambda_t$)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>R-Square</td>
<td>0.114</td>
<td>0.159</td>
<td>0.136</td>
</tr>
<tr>
<td>Observations</td>
<td>673</td>
<td>770</td>
<td>1,446</td>
</tr>
</tbody>
</table>
A Appendix

A.1 Survey Responses and Robustness Tables

Several survey results are compiled in Table A.1. All surveys were administered through Qualtrics and distributed via email and links on the experiment website. Over 300 agents completed the preliminary survey, answering questions about their social and work-related conversations with coworkers and providing self-reflective personality scores based on the Gosling personality measures of extroversion, agreeableness, conscientiousness, emotional stability, and openness to experiences (Gosling et al., 2003).

Post-experiment survey results are in Table A.2. These questions allow us to get an approximate measure of the effectiveness and salience of the experiment as a whole and of the Structured-Meetings treatment specifically. Several questions were asked on all three surveys (preliminary, intermediate, and post).

A.2 Institutional Detail

A Phone Hour is a measure of time an agent is logged into the phone system and is, therefore, able to receive inbound calls. This measure relates very closely to an important metric within the firm: Adherence, which is the sum of an agent’s time available to receive a call and his time on calls, all divided by the total time he is logged into the phone system (i.e., not in meetings, at lunch, or on scheduled breaks). Agents can be logged into the phone system and mark themselves as “unavailable” (e.g., when they use the restroom or get a drink), and this time goes against their adherence. Agents are required to maintain a level of adherence above 80% or they run a serious risk of being terminated, and this is reflected in the mean (median) adherence being 79% (84%).

A.3 The Study Firm’s Return on Investment

Here we detail the procedure used to estimate the return on investment of each intervention and the total extra-ordinary sales revenue generated by the experiment. The Internal Control group

\[^{49}\text{In fact, in our full data sample, agents achieve weekly adherence above 80\% over 75\% of the time.}\]
revenue-per-call (RPC) during the four week experiment was, on average, $64.01. If we multiply these by our resultant treatment effects (24.1%, 13.1%, and 25.5% for the **Structured-Meetings**, **Pair-Incentives**, and **Combined** treatment, respectively), we get the additional revenue-per-call generated by each intervention.

- **Structured-Meetings**: $64.20 \times 24.1\% \approx $15.50 extra per call.
- **Pair-Incentives**: $64.20 \times 13.1\% \approx $8.40 extra per call.
- **Combined**: $64.20 \times 25.5\% \approx $16.40 extra per call.

We then multiply these numbers by the average number of calls per agent per week within each intervention during the four weeks of the study—58, 64, and 66 calls per week for the **Structured-Meetings**, **Pair-Incentives**, and **Combined** treatment, respectively.

- **Structured-Meetings**: $15.50 \times 58 = $899 extra per agent per week.
- **Pair-Incentives**: $8.40 \times 64 = $538 extra per agent per week.
- **Combined**: $16.40 \times 66 = $1,082 extra per agent per week.

Next we multiply these amounts by the number of agent-weeks in each intervention to get to total amount of extra revenue generated by the four-week intervention.

- **Structured-Meetings**: $899 \times 379 = $340,721 extra revenue earned across all four weeks.
- **Pair-Incentives**: $538 \times 396 = $213,048 extra revenue earned across all four weeks.
- **Combined**: $1,082 \times 353 = $381,946 extra revenue earned across all four weeks.

Now we consider the costs of implementing each intervention.

- **Structured-Meetings**: $7 was spent on all agents for lunch each week: $7 \times 379 = $2,700 in treatment costs (rounded up).
- **Pair-Incentives**: 1/3 of the agents won a prized valued at $50: $50 \times 1/3 \times 396 \approx $6,600 in treatment costs (rounded up)
- **Combined**: Consider both of these two cost structures for the 353 agent-weeks in this intervention: ($7 \times 353) + ($50 \times 1/3 \times 353) \approx $8,400 in treatment costs (rounded up)
Finally, we calculate the return on investment of a individual intervention as

$$\text{ROI} = \frac{(\text{Extra Revenue} \times \text{Profit Fraction}) - \text{Treatment Cost}}{\text{Treatment Cost}}$$  \hspace{1cm} (A.1) \hspace{1cm}$$

where \text{Extra Revenue} equals the extra revenue earned from the given intervention across all four weeks of the experiment, \text{Profit Fraction} equals 5\%, \hspace{0.5cm} ^{50} \text{ and } \text{Treatment Cost} equals the treatment cost calculated above. Performing computations leads to ROIs of 531\%, 61\%, and 127\% for the \text{Structured-Meetings}, \text{Pair-Incentives}, and \text{Combined} treatments, respectively. Summing up the three extra revenue earned numbers results in a total extra revenue earned of ($340,721 + $213,048 + $381,946) = $935,715.

\hspace{1cm} ^{50}\text{This is a conservative estimate that is motivated by conversations had with firm executives.}
B  Documentation

The following are materials that were provided to participating sales agents and their supervisors in an effort to streamline the communication, increase the salience of the competition, and gather self-reported data. The first two sheets show the front and back sides of the collaboration worksheets completed by agents in the *Structured-Meetings* and *Combined* treatments. The next sheet contains the lunchtime talking points that we encouraged partners to discuss as they ate their free lunch (those in the *Structured-Meetings* and *Combined* treatments only).
Sales Representative Collaboration Worksheet
PLEASE PRINT LEGIBLY

Your Full Name: __________________________

Think about the most successful sales call you had in the last week. What did you do that made it successful?

Think about the least successful sales call you’ve had in the last week. How could you have done better?

Describe the most difficult deal-breaker that you’ve come across in the last week; for example: upgrading callers to a specific new bundle.

Please write down two goals for you to work on for the rest of this week; for example: be braver in suggesting products.
Goal 1:

Goal 2:

If you did the same exercise last week: were you successful in executing your goals? If no, why not?
Goal 1:

Goal 2:
Your Partner's Full name and ID: __________________________

Please TALK to your partner about the questions below and write down their responses.

Ask your partner about their most successful sales call last week, what did they do right?

Ask your partner about their least successful sales call from the last week. What advice did you offer your partner?

Was your partner successful in accomplishing their goals last week? If no, why not?
Goal 1: __________________________

Goal 2: __________________________

What are your partner's two goals for rest of this week?
Goal 1: __________________________

Goal 2: __________________________

Please write down one thing your partner recommended you to try:

What day would you and our partner like to pick-up lunch from 12-2? (must hand in with 24 hour notice!): ☐ Thursday ☐ Friday

RXd by Adviser: __________________________ date/time: __________________________
Lunch Talking Points

Tournament 3 & 4

You do not need to turn this sheet in, put please read through it: is
designed to help you make the most of the time with your partner.

1) *Bon Appetit!* 

2) Have either of you had an awesome sale since you last met? What
made it great?

3) Have either of you had a call go completely sideways? What
happened? Does your partner have any advice?

4) Your partner gave you some advice on how to handle difficult stations
earlier this week. Did it help?

5) You and your partner each made goals earlier this week, what
progress have you each made on those goals?

6) If you have suggestions on how this lunch program could be more
productive, please let your adviser know— we greatly appreciate your
feedback.

Thank you!