

Instructions for the Team Communication treatment. Other instructions were modified accordingly. Italicized text was read aloud by experimenter.

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## INSTRUCTIONS

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*Thank you for participating in today's experiment. Please put away your cell phones and listen carefully as we go through the instructions.*

This is an experiment in the economics of decision making. The National Science Foundation and the Ohio State University have provided the funds for this research. Feel free to ask questions while we go over the instructions. Please do not speak with any other participants during the experiment and do not take out your cell phones.

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## GROUP FORMATION

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1. In this experiment, you will be asked to make decisions over several rounds. Decisions will be made by two person groups. Your group will consist of you and one other person in the room that you have been randomly paired with. The two of you will be in the SAME group throughout today's session. There are two types of Groups involved in each round – Group “**A**” and Group “**B**.” **A**'s and **B**'s will be randomly matched together in each round (more on this below). The amount of money you will earn depends on the decisions made by your Group and the Group you're matched with.
2. Your assignment as an **A** or **B** group will be determined randomly at the start of the session, and will be the SAME in all rounds.
3. In each round, **A** and **B** Groups will be randomly matched. The computer matches Groups in such a way that no **A** Group will ever be matched with the same **B** Group more than once, and vice versa. The Group you are matched with in the current round is called your “matched group.” This means that your matched group will be DIFFERENT in every round.
4. To help each group coordinate their decisions, you will have an on-screen chat box where you can send text back and forth to one another, like an instant messaging system. This chat box is only for you and the other member of your group -- no other participants will be able to see your chat.

In communicating with each other we request that you follow two simple rules: (1) Be civil to one another and don't use profanity, and (2) Do not identify yourself IN ANY WAY. This chat service is intended for discussion and coordination on decisions and should be used as such.

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## EXPERIMENT OVERVIEW

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5. Group **A** Decision:
  - In each round, **A**'s will see a decision screen indicating whether they want to choose IN or OUT. If Group **A** chooses OUT, they and the **B** Group they have been matched with will

receive \$5. If **A**'s choose IN, the amount of money that Group **A** and Group **B** will receive depends on what Group **B** chooses. (Note, any payments mentioned will go to EACH member of a group – payments are NOT shared between group members.)

6. Group **B** Decision:

- **B**'s will see a decision screen where they choose ROLL or DON'T ROLL (referring to the roll of a 6-sided die).
- If Group **A** has chosen IN and Group **B** chooses DON'T ROLL, Group **B** receives \$14 and Group **A** receives \$0.
- If Group **A** has chosen IN and Group **B** chooses ROLL, Group **B** receives \$10 and the computer will roll a six-sided die to determine Group **A**'s payoff.
  - If the die comes up 2-6, Group **A** receives \$12.
  - If the die comes up 1, Group **A** receives \$0
  - Note the computer will be rolling the die – that is using a random number generator to determine which number between 1 and 6 will be drawn. Each number is equally likely to be drawn.
- If Group **A** has chosen OUT, both Group **A** and Group **B** will receive \$5 regardless of whether Group **B** chooses ROLL or DON'T ROLL.
  - When Group **B** makes their choice, they will not know whether Group **A** has chosen IN or OUT (this is referred to as the “strategy” method). However, since Group **B**'s decision is binding only if the **A** they have been matched with has chosen IN, we ask **B**'s to presume, for the purpose of making their decision, that **A** has chosen IN.

Payoffs are summarized in the chart below and will be available on your computer screens for reference throughout the experiment:

	Each member of Group A Receives	Each member of Group B Receives
<b>A chooses OUT</b>	\$5	\$5
<b>A chooses IN, B chooses DON'T ROLL</b>	\$0	\$14
<b>A chooses IN, B chooses ROLL, die=1</b>	\$0	\$10
<b>A chooses IN, B chooses ROLL, die=2,3,4,5, or 6</b>	\$12	\$10

7. Prior to Group **A** making their decision on IN or OUT, the **B** Group they have been matched with has the option to send a message to Group **A** via the computer terminal. In these messages, Group **B** is not allowed to identify themselves IN ANY WAY. Other than this restriction, **B** may send anything they wish in this message.

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## TIMING

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8. The sequence of the experiment will work as follows:

First, **B** Groups will send a message to the **A** Group they have been matched with.

After receiving **B**'s message, **A** Groups will decide whether they are IN or OUT.

After **A**'s decide IN or OUT, **B** Groups will decide ROLL or DON'T ROLL

*Now, we will go over the specifics of how you will make these decisions. While we do this, I will show you what your computer screens will look like in these different stages.*

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## MESSAGE STAGE

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9. **B** Groups will have 2 minutes to decide on whether they want to send a message and, if so, what the message will say. As a Group, the two of you must agree on the content of the message. So in order to do that, either group member can propose a message for the other member to review before sending to your matched **A** Group.

**[Put up message proposing screen]** *Both members of the B group will see this screen as they decide on their message. On the top of the screen, you see a reminder that you are a B group. Your Group ID is just a number that identifies your group. If the experimenters ever need to get your attention, we will address you by your Group ID. The top of the screen also reminds you which round it is. There is a timer in the upper right corner which tells you how many seconds are left in the stage. You have 2 minutes to decide on your message, so the timer starts at 120.*

*(point to payoffs) This box will remind you of the payoffs. This table is the same as the one you have on your instructions sheet.*

*(point to chat box) This is the chat box where you can communicate with the other person in your group. To send something, first click your mouse into this darker box at the bottom and then type. You have to click "Enter" on the keyboard for your chat to send. Remember, this chat is only for you and the other member of your group. Members of your matched A group cannot see this chat.*

*(point to message proposing box) You can propose a message by typing it in this box. You must click this "Propose" button for the message to be sent to the other member in your group for review.*

**[Put up message accept/reject screen]** *If the other member of your group proposes a message, you will see the message here along with these two buttons – “Accept and Send” and “Reject and Rewrite.”*

If you are in agreement with the proposed message, click the “accept” button, and it will be sent to your matched **A** Group at the end of the message stage. If you don’t agree, you can click “reject” and propose another message. Each group member only gets one opportunity to propose a message. If the group members cannot agree on a message within the 2 minutes, one of the members will be randomly selected and he will have 30 seconds to write a message on behalf of the Group. The chat box will be closed during this 30 second period.

If **B**’s do not want to send any message, just type “No Message” or leave the message space blank.

Note that messages from **B**’s will only be delivered after ALL **B** Groups have written their messages.

While **B**’s decide on their messages, **A**’s will be able to chat with each other.

**[Put up A message stage screen]** *A groups will see this screen while B groups are deciding on their messages. On the top of the screen, you see a reminder that you are an A group, as well as your Group ID, round number, and timer.*

*(point to payoffs) Here is the payoff table. It is the same as in your instructions.*

*(point to message box) The message from the B group will be displayed in this box once it is sent. For now, it just reminds you that B groups are deciding on their messages.*

*(point to chat box) Here is your chat box where you can communicate with the other person in you’re a group. Remember, you have to click “Enter” on the keyboard for you chat to send.*

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## DECISION STAGES

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### 10. Group A:

Once **A**’s receive a message they will have 1 one more minute to decide between IN or OUT.

**[Put up A decision screen]** *This is what A groups will see while they make their decisions.*

*(Point to message box) If you matched B group has sent a message, it will show up here. You can use the chat box to coordinate your decision with the other member of your group, and you input your decision here.*

*(Point to decision box) You will indicate your decision where it says “My Decision.” When the other member of your group makes a choice and clicks one of these options, you will see that*

*button fill in under the “Partner’s Decision” column. Once you and the other member of your group have clicked on the same decision, your decision will be automatically accepted.*

If you cannot come to agreement during the time allotted, the chat box will close and one member will be randomly chosen to make the decision on behalf of the Group.

**Group B:**

11. While **A**'s are deciding on IN or OUT, **B**'s will be able to chat with each other. Once ALL the **A** Groups have made their decisions, **B**'s will have an additional minute to choose whether to ROLL or DON'T ROLL.

***[Put up B decision screen]** This is what B groups will see while they make their decisions. (Point to message box) Whatever message you sent will show up here. Remember, you won't know whether your matched Group A has chosen IN or OUT, but you should make your decision as if they chose IN. You can use the chat box to coordinate your decision with the other member of your group, and you input your decision here. Like the A groups, you and the other member of your group must select the same decision, and then it will be automatically recorded.*

Once you have agreed and clicked on the same decision, your decision will automatically be recorded and your decision is binding. If your Group is unable to come to agreement on the decision within the allotted time period, one member will be randomly chosen to make the decision on behalf of the Group.

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## FEEDBACK & PAYMENT

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12. Once all **B** Groups have made their choices, you will proceed immediately to the next round. You will receive NO feedback regarding the choices made in the previous round. At the end of the session you will get to see a record of your choices and the payoff you would have received in each round.
13. Your payment will be determined by ONE RANDOMLY SELECTED round. Each round you play is equally likely to be the round selected for payment. This means that you should treat each round as if your decisions in that round will directly determine your payment.

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## SUMMARY

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1. You will be making decisions in Groups. Your Group consists of you and one other person. You will be paired with the SAME person in your group for the entire experiment.
2. Your role as either Group **A** or Group **B** will be the SAME for the entire experiment.

3. In every round, each Group **A** is matched with a DIFFERENT Group **B** (and vice versa). You will never be matched with the same Group more than once.
4. **B**'s will first have an opportunity to send a message to the **A** Group they have been matched with.
5. After these messages have been delivered, Group **A** will decide IN or OUT.
6. After Group **A** has decided on IN or OUT, Group **B** will decide ROLL or DON'T ROLL.
7. The experiment will consist of 5 separate rounds, and you will not receive any feedback between rounds.
8. One randomly selected round will determine your payment. In addition to these earnings, everyone will receive a \$5 show-up fee.

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## QUESTIONS

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1. Suppose you are in Group **A** and your group chooses OUT. Your payoff will depend on the decision made by the Group **B** you have been paired with. (True/False) \_\_\_\_\_
  
2. If you are a Group **B** member and your group cannot agree on a message to send to your matched Group **A**, then the computer will randomly select you or your partner to write a message on behalf of your group. (True/False) \_\_\_\_\_
  
3. Are **B** Groups required to send a message to their matched **A** Group? (Yes/No) \_\_\_\_\_
  
4. Suppose you are in a **B** Group. Even though you do not know the choice of your matched **A** Group, your decision to Roll or Not Roll will be binding if the **A** Group chooses IN. (True/False) \_\_\_\_\_
  
5. Suppose you are in Group **A**. You will be matched with the same Group **B** in every round. (True/False) \_\_\_\_\_  
  
The other member of your group will be the same person in every round. (True/False) \_\_\_\_\_
  
6. Suppose you are in Group **B** and the **A** Group you have been matched with chooses IN. If your Group chooses ROLL, 5 out of 6 times you would earn \$\_\_\_\_\_ and the **A** Group you are matched with would earn \$\_\_\_\_\_. In the remaining 1 out of 6 times, you would earn \$\_\_\_\_\_ and the **A** Group you have been matched with would earn \$\_\_\_\_\_.
  
7. Suppose you are in a **B** Group and your matched **A** Group has chosen IN. If you choose DON'T ROLL, you will earn \$\_\_\_\_\_ and the **A** Group you have been matched with will earn \$\_\_\_\_\_.

You are in Group **B**Group ID: **B 1**

Round 1 of 5

A payoff

B payoff

**Chat Box**Press **ENTER** on the keyboard after you type for chat to be deliveredA chooses **OUT**

\$5

\$5

A chooses **IN** , B chooses **DON'T ROLL**

\$0

\$14

A chooses **IN** , B chooses **ROLL** , die=1

\$0

\$10

A chooses **IN** , B chooses **ROLL** , die= 2,3,4,5, or 6

\$12

\$10

You: Hey  
Partner: Hi**Message**

You may propose a message for your partner to review.

Propose

You are in Group **B**

Group ID: **B 1**

Round 1 of 5

	A payoff	B payoff
A chooses <b>OUT</b>	\$5	\$5
A chooses <b>IN</b> , B chooses <b>DON'T ROLL</b>	\$0	\$14
A chooses <b>IN</b> , B chooses <b>ROLL</b> , die=1	\$0	\$10
A chooses <b>IN</b> , B chooses <b>ROLL</b> , die= 2,3,4,5, or 6	\$12	\$10

**Chat Box**

Press **ENTER** on the keyboard after you type for chat to be delivered

Partner: Hey  
You: Hi

**Message**

Your partner has proposed the following message:

This is a message from Group B.

- Accept and Send
- Reject and Rewrite

You are in Group **A**

Group ID: **A 1**

Round 1 of 5

	A payoff	B payoff
A chooses <b>OUT</b>	\$5	\$5
A chooses <b>IN</b> , B chooses <b>DON'T ROLL</b>	\$0	\$14
A chooses <b>IN</b> , B chooses <b>ROLL</b> , die=1	\$0	\$10
A chooses <b>IN</b> , B chooses <b>ROLL</b> , die= 2,3,4,5, or 6	\$12	\$10

**Message from Group B:**

B Groups are deciding on their messages now.

**Chat Box**

Press **ENTER** on the keyboard after you type for the message to be delivered

You: Hi

You are in Group **A**

Group ID: **A 1**

Round 1 of 5

	A payoff	B payoff
A chooses <b>OUT</b>	\$5	\$5
A chooses <b>IN</b> , B chooses <b>DON'T ROLL</b>	\$0	\$14
A chooses <b>IN</b> , B chooses <b>ROLL</b> , die=1	\$0	\$10
A chooses <b>IN</b> , B chooses <b>ROLL</b> , die= 2,3,4,5, or 6	\$12	\$10

**Message from Group B:**

This is a message from Group B.

**Decision**

You and your partner must agree on whether to choose "In" or "Out."

**My Decision:**  Out  
 In

**Partner's Decision:**  Out  
 In

**Chat Box**

Press **ENTER** on the keyboard after you type for the message to be delivered

You: Hi

You are in Group **B**

Group ID: **B 1**

Round 1 of 5

	A payoff	B payoff
A chooses <b>OUT</b>	\$5	\$5
A chooses <b>IN</b> , B chooses <b>DON'T ROLL</b>	\$0	\$14
A chooses <b>IN</b> , B chooses <b>ROLL</b> , die=1	\$0	\$10
A chooses <b>IN</b> , B chooses <b>ROLL</b> , die= 2,3,4,5, or 6	\$12	\$10

**Message sent to Group A:**

This is a message from Group B.

**Decision**

You and your partner must agree on whether to choose "Roll" or "Don't Roll."

**My Decision:**  Don't Roll  
 Roll

**Partner's Decision:**  Don't Roll  
 Roll

**Chat Box**

Press **ENTER** on the keyboard after you type for the message to be delivered

Partner: Hey  
You: Hi