

“Topics on financial incentives”

(Summer Term 2021)

Prof. Dr. Lea Cassar

Preliminaries: The seminar will take place as an online *block course* on THURSDAY June 17 and FRIDAY June 18, 2021, and we will use the platform Zoom. The seminar will be taught in English.

Outline: The course is paper-based and covers 2 topics related to financial incentives: 1) the effect of financial incentives on creativity and innovation, and 2) the effect of financial incentives on sorting. Each session is centered around one of the core references on the respective topic on the reading list, to be presented by groups of two students, followed by a general in-class discussion. Students are expected to read and be familiar with the all the listed core references on their topic. The written seminar paper is supposed to build on a larger base of the relevant literature.

Prerequisites: This seminar is open to BSc and MSc students. Students should have solid knowledge in microeconomics, game theory, and (micro)econometrics.

Registration: Due to the special format and the time schedule of the seminar, the number of places is limited to 12, and you need to register by email to sekretariat.Cassar@ur.de by April 9 at the latest. Slots will be reserved on a first-come-first-serve basis.

Questions: All of your question will hopefully be addressed during the startup meeting. Any questions before that may be directed at lea.cassar@ur.de.

Assessment:

1. Seminar presentation (ca 30 min, 70%)
2. Written seminar paper (12-15 pages, 30%)

Group work (presentations and seminar papers) will be graded for the group as a whole, and each group member receives the same grade. Students who insist on individual grades must notify us **in advance**. Active participation in the general class discussions following the presentations is strongly encouraged and can upgrade your final grade by up to 0.4.

Summary of the Important Dates:

- April 22, 2021, 12:00 - 13:00: **Startup meeting** and assignment of groups for the presentations. Please look at the papers in the reading list before the startup meeting so that you can make a more informed choice. The meeting will take place online under the following zoom link: <https://uni-regensburg.zoom.us/j/62984761456?>
- June 11, 2021, 23:59: **Deadline** for submitting the **slides of the main presentations** by email to `sekretariat.Cassar@ur.de`.
- June 17-18,2021: Seminar takes place
- July 2, 2021, 23:59: **Deadline** for submitting the **written seminar papers** by email to `sekretariat.Cassar@ur.de`.
- Note that the slides of the main presentations must be submitted **before the seminar takes place!**

Seminar Topics

I. Financial incentives and creativity/innovation

Bradler et al. (2019)

Charness and Grieco (2019)

Gibbs et al. (2017)

II. Financial incentives and sorting

Ashraf et al. (2020)

Dal Bo et al. (2013)

Deserranno (2019)

Guzman et al. (2020)

References

ASHRAF, N., O. BANDIERA, E. DAVENPORT, AND S. S. LEE (2020): “Losing Prosociality in the Quest for Talent? Sorting, Selection, and Productivity in the Delivery of Public Services,” *American Economic Review*, 110, 1355–94.

BRADLER, C., S. NECKERMANN, AND A. J. WARNKE (2019): “Incentivizing Creativity: A Large-Scale Experiment with Performance Bonuses and Gifts,” *Journal of Labor Economics*, 37, 793–851.

CHARNESS, G. AND D. GRIECO (2019): “Creativity and Incentives,” *Journal of the European Economic Association*, 17, 454–496.

DAL BO, E., F. FINAN, AND M. A. ROSSI (2013): “Strengthening State Capabilities: The Role of Financial Incentives in the Call to Public Service,” *The Quarterly Journal of Economics*, 128, 167–201.

DESERRANNO, E. (2019): “Financial Incentives as Signals: Experimental Evidence from the Recruitment of Village Promoters in Uganda,” *American Economic Journal: Applied Economics*, 11, 277–317.

GIBBS, M., S. NECKERMAN, AND C. SIEMROTH (2017): “A Field Experiment in Motivating Employee Ideas,” *The Review of Economics and Statistics*, 99, 577–590.

GUZMAN, J., J. J. OH, AND A. SEN (2020): “What Motivates Innovative Entrepreneurs? Evidence from a Global Field Experiment,” *Management Science*, 66, 4808–4819.