

The Research Centre of the School of Economics and Business,
in cooperation with **the Bank of Slovenia,**
cordially invites you to a research seminar
on Wednesday, **6th October 2021, at 13:00 CEST**
at the **School of Economics and Business, University of Ljubljana**
and via platform **Zoom**

Chiara Natalie Focacci
Erasmus University Rotterdam

will present the article

Pay to Quit Offers: Do People Work More?

Authors: Tobias Gesche (ETH Zurich), Chiara Natalie Focacci (Erasmus University Rotterdam), Nathan Atkinson (Wisconsin University), Alexander Stremitzer (ETH Zurich, UCL), Ian Ayres (Yale University)

During the first period of employment, e-commerce giants Amazon and Zapato offer their employees the possibility to quit their job in exchange for a generous amount of money. In this article, we investigate whether a pay-to-quit offer increases productivity in those who receive and reject it. We carry out an online laboratory experiment on 105 participants that requires the completion of a real-effort task. Individuals are randomly assigned to a pay-to-quit offer of either 0 Swiss Francs (null offer) or 5 Swiss Francs (real offer). Implementing a proportional hazards model on 1,451 observations, we find firstly, that i) individuals who receive and reject a real pay-to-quit offer are, in general, less likely to quit working, i.e. they complete more tasks; and secondly, that ii) such pay-to-quit offer (5 Swiss Francs) induces a reference point. Having reached a certain number of rounds, of trying to complete a task, the quit rate rises quite dramatically for individuals treated with a real pay-to-quit offer, but not for individuals treated with a null offer.

Please register for the free seminar at <http://raziskave.ef.uni-lj.si/a/1206>
by Tuesday, 5th October 2021.

Access details will be sent prior to the event to signed up users.

We look forward to seeing you!