

Seminari di Economia

Venerdì 8 aprile 2022

Ore 12:00 – Aula Arcari

Facoltà di Scienze Economiche Giuridiche e Politiche - Viale Sant' Ignazio 86

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Performance Incentives in Multi-Layered Organisations: Evidence from Sierra Leone's Community Health Workers Program

Abstract – A classic problem faced by organizations is to decide how to distribute incentives among their different layers. By means of a field experiment with a large public-health organization in Sierra Leone, we show that financial incentives maximize output when they are equally shared between frontline workers and their supervisor. The impact of this intervention on completed health visits is 61% larger than the impact of incentive schemes that target exclusively the worker or the supervisor. Also, the shared incentives uniquely improve overall health-service provision and health outcomes. We use these experimental results to structurally estimate a model of service provision and find that shared incentives are effective because worker and supervisor effort are strong strategic complements, and because side payments across layers are limited. Finally, through the use of counterfactual model experiments, we highlight the importance of effort complementarities across the different layers of an organization for optimal policy design.