

# **Multitasking in the Multiverse: Field Evidence from a Virtual World**

David S. Abrams, Alain Cohn, Andreas Nicklish, Ernst Fehr\*

University of Pennsylvania, University of Zurich and University of Hamburg

## **Abstract**

Understanding how worker pay impacts performance is a fundamental question of labor economics. Real-world pay experiments are rare and difficult to observe, and laboratory experiments are typically of such short duration that they lack some of the realism of real employment. We construct a factory in a virtual world and hire employees for an extended period in order to investigate the question. We find that workers increase productivity when they receive piece-rate pay, as standard theory predicts. Surprisingly, we find that quality of production does not decrease when hourly wages are replaced with piece rate. We investigate several potential explanations for these surprising results.