**Appendix 1: Experimental instructions for condition *n*3/*δ*0.1**

Real time small group decision-making

This experiment has been designed to study decision-making behavior in small groups. The instructions for this experiment are simple. If you follow them carefully and make good decisions, you may earn a considerable amount of money. The participants may earn different amounts of money in this experiment because each participant's earnings are based partly on his/her decisions and partly on the decisions of the other group members. The money you earn will paid in cash to you at the end of the experiment. Therefore it is important that you try doing your best. A research foundation has contributed the money we will pay you in order to study group decision-making.

In case you have any questions after reading these instructions, please raise your hand and the supervisor will come to you and answer them.

Description of the task

You will play 90 periods. At the beginning of each period, the computer will divide all the players in the room into separate groups of <u>three</u> players each. Thus, on each period the computer will randomly match you with <u>two</u> other players whose identity will not be disclosed. On the next period you will be randomly matched with <u>two</u> different players; group composition changes from period to period (i.e. the people you play with in one period won't necessarily be the same people you play with in the next round).

During each period, a clock on your computer screen will run from 0 to 45 seconds. As the clock progresses, a pot of money will increase in size. The period will end when one of the three players in your group stops the clock or when the clock reaches 45.00 seconds, whichever comes first. If a player chooses to stop the clock, he/she will receive the amount of money equal to the value of the pot. The other two players (those who did not stop the clock) will receive <u>one-tenth (i.e. 10%)</u> of the value of the pot each. The longer the clock is allowed to run without being stopped, the larger the value of the pot. However, if no one stops the clock within 45.00 seconds, all the players in the group will earn nothing.

Once all the players have indicated that they are ready to begin the game, a solid aqua-colored screen will appear on the monitor for 3 seconds to let you know that the period is about to begin. You then will see the main screen with the clock and payoff pot (see the example on the next page). Along the sides of the screen you will see indicator lights. The red lights will begin to flash followed by a series of four yellow lights and a solid green light. Once the green light appears, the clock will start. The moment the clock starts, the computer will re-center the mouse pointer will be moved to the center of a small white box in the middle of a red target. To stop the clock, all you need to do is move the mouse pointer OUTSIDE of the white box.

In the example printed here, the result shows what would happen if you stopped the clock at 22.45 seconds. The result is that you earned $1.12 whereas the <u>two</u> other players in your group earned $0.11 each.

You will also see a graph in the middle of the screen that plots the payoff pot (*y*-axis) against the elapsed time (*x*-axis). The pot of money grows very slowly at first and then progressively accelerates. The table below illustrates the value of the pot in 5-second intervals up to 40 seconds and then in 1-second intervals from 40 to 45 seconds.

Target area

Mouse cursor
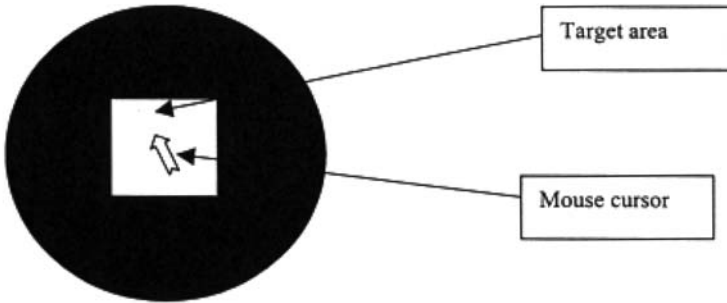
Clock

Below is a pictorial representation of the game screen that you will see.

Payoff pot

**Period 17 is over...**

22.45 seconds

$1.12



You stopped the clock and earned $1.12. The other players earned $0.11.

Go to next period

History

| Time | Payment | Time | Payment |
|------|---------|------|---------|
| 0    | $0.05   | 35   | $6.40   |
| 5    | $0.10   | 40   | $12.80  |
| 10   | $0.20   | 41   | $14.70  |
| 15   | $0.40   | 42   | $16.89  |
| 20   | $0.80   | 43   | $19.40  |
| 25   | $1.60   | 44   | $22.29  |
| 30   | $3.20   | 45   | $0.00   |

As mentioned before, you will be participating in 90 periods all having the identical struc-
ture. The only thing that will change between periods is group composition. The computer
will randomly shuffle people in and out of different groups between each period. However,

groups will always have <u>three</u> players in them and every player will be in a group for each of the 90 periods.

All of your decisions are anonymous. You will not know the identity of the other group members, nor will they know your identity. Communication between players (besides the decisions you make in the game) is strictly forbidden during the duration of entire experiment.

Between periods, you may review your entire payoff history if you wish. To do so, click the button labeled "History" that is visible at the end of each period.

Payment at the end of the experiment

The computer has already randomly selected 6 out of the 90 periods on which your payment will be based. At the end of the experiment, the computer will inform you which of the 90 periods were chosen as payment rounds. Further the computer will calculate your total earnings. You will be paid in cash for your earnings on these 6 randomly selected periods.

Getting started

Once you have completed reading the instructions, please click on the "Enter Experiment" button in the middle of your computer screen. You will then be shown a demonstration of how you can stop the clock by simply moving the mouse. You may repeat the demonstration as many times as you like until you feel comfortable with the program. Once you are finished with the demonstration, click on the "I'm ready to start playing" button. Once everyone has clicked on his or her "I'm ready to start playing" button, the experiment will begin.

**Appendix 2: Screen shot of the RTTG mid-round**