Clerks

(joint work with Kfir Eliaz and Daniel Fershtman).

Abstract:

We study the optimal dynamic scheduling of workers to tasks when task completion is privately observed (hence, workers can delay the release of completed tasks), and when idle time is the only means of providing incentives. Our main result characterizes a scheduling rule, and the equilibrium it induces, maximizing the expected discounted output subject to workers' incentive constraints. When workers are inherently slow, a simple rotation scheme suffices to attain first-best output, but when they are more productive, optimal scheduling alternates between phases with and without delay. Our analysis highlights a trade-off between the quality and size of workforce.