

Master-Seminar Summer Semester 2024

Company policies, public policies, and the organization of the firm

Firms create and adapt policies to, amongst others, motivate employees and improve hiring of new employees. At the same time, firms are also affected by public policies that are introduced to improve upon societal goals, such as gender equality. The seminar draws on research in personnel economics and labor economics to study company-level and public policies and how they affect company-level outcomes, such as hiring, wages, and career progression.

Please note: all information and updates can be found on the course page:

<https://jansauermann.github.io/master2024/>

How to apply:

- Name of seminar: Company policies, public policies, and the organization of the firm
- Application deadline: 12th December 2023
- The application process runs via <https://flip.wiwi.uni-wuerzburg.de/> with uploading a current transcript of record and an overview of all exams you will be taking this semester.

Time Schedule:

- Tuesday, April 16th, 2024: Kick-off meeting and topic assignment (10:00 – virtual)
- Tuesday, May 14th, 2024: Midterm meeting (10:00 – virtual)
- June 2024: hand in of seminar paper and presentation of seminar paper in the block seminar (exact date and room to be announced) – in person

The number of participants is limited to **12 students**. The grade of the seminar comprises a mark for the seminar paper and a mark for the block seminar (presentation of your paper, presented comments to another paper, and discussion)

The seminar will be held in English. It will be conducted by Prof. Jan Sauermann (Institute for Evaluation of Labour Market and Education Policy (IFAU), Uppsala, Sweden) and Prof. Zwick.

List of topics

1	The impact of workplace training on performance and wages Achyuta Adhvaryu, Namrata Kala, and Anant Nyshadham (2023), Returns to On-the-Job Soft Skills Training, <i>Journal of Political Economy</i> , 131, Number 8 De Grip, A. and Sauermann, J. (2012), The Effects of Training on Own and Co-worker Productivity: Evidence from a Field Experiment. <i>The Economic Journal</i> , 122: 376-399 Training courses in firms are very common in most workplaces. The majority of these training investments are borne by firms despite the problem that training can also increase workers' outside options. Why do firms nonetheless invest in training courses? Do workers make use of outside options?
2	Peer effects in firms Diego Battiston, Jordi Blanes i Vidal, Tom Kirchmaier, Face-to-Face Communication in Organizations, <i>The Review of Economic Studies</i> , Volume 88, Issue 2, March 2021, Pages 574–609 Herbst D, Mas A. Peer effects on worker output in the laboratory generalize to the field. <i>Science</i> . 2015 Oct 30;350(6260):545-9 Most employees have co-workers. Co-workers can have positive impacts on performance, e.g. through learning from peers or through peer pressure. What are the empirical findings for the performance effects of peers and what do we know about the underlying mechanisms? Is there a case for management to strategically mixing workers to maximize firm performance?
3	Working from home Nicholas Bloom, James Liang, John Roberts, Zhichun Jenny Ying, Does Working from Home Work? Evidence from a Chinese Experiment , <i>The Quarterly Journal of Economics</i> , Volume 130, Issue 1, February 2015, Pages 165–218, Michael Gibbs & Friederike Mengel & Christoph Siemroth, 2023. "Work from Home and Productivity: Evidence from Personnel and Analytics Data on Information Technology Professionals," <i>Journal of Political Economy Microeconomics</i> , University of Chicago Press, vol. 1(1), pages 7-41. The COVID-19 pandemic led to a dramatic increase in the use of working from home (WFH). Proponents argue that it saves costs for both firms and workers, while others fear that WFH leads to worse performance of workers. What do we know about the effects of WFH on worker performance? What are potential negative consequences for employers as well as for employees in the short and the long run?

<p>4</p>	<p>Employer learning and beliefs</p> <p>Fabian Lange (2007), The Speed of Employer Learning, Journal of Labor Economics, Vol. 25(1).</p> <p>Alan Benson and Louis-Pierre LePage (2023), "Learning to Discriminate on the Job", unpublished manuscript.</p> <p>Employers have only imperfect information about when hiring new employees. How fast do employers learn about newly hired employees? Does learning about productive (or unproductive) characteristics influence future hiring decisions? What are potential strategies for firms to improve unbiased learning about worker characteristics?</p>
<p>5</p>	<p>Policies to reduce gender gaps within firms</p> <p>Maida, A., & Weber, A. (2022). Female Leadership and Gender Gap within Firms: Evidence from an Italian Board Reform. ILR Review, 75(2), 488-515.</p> <p>Frimmel, Wolfgang and Schmidpeter, Bernhard and Wiesinger, Rene and Winter-Ebmer, Rudolf, External Pay Transparency and the Gender Wage Gap. IZA Discussion Paper No. 16233</p> <p>Persistent gender pay gaps and gaps in career progression have been extensively documented. Which policies can be implemented to reduce these gaps? Have they been successful in reducing gaps?</p>
<p>6</p>	<p>Productivity effects of the minimum wage</p> <p>Decio Coviello, Erika Deserranno, and Nicola Persico (2022), Minimum Wage and Individual Worker Productivity: Evidence from a Large US Retailer, Journal of Political Economy 2022 130:9, 2315-2360</p> <p>Butschek, Sebastian. 2022. "Raising the Bar: Minimum Wages and Employers' Hiring Standards." American Economic Journal: Economic Policy, 14 (2): 91-124.</p> <p>Many countries have introduced minimum wages in order to reduce inequality in societies. While some are worried about negative employment effects and how it might interfere with firms' wage settings, there might be positive effects both at the economy level but also within firms. How should we view the minimum wage in light of this evidence?</p>

<p>7</p>	<p>Networks and promotions</p> <p>Cullen, Zoë, and Ricardo Perez-Truglia. 2023. "The Old Boys' Club: Schmoozing and the Gender Gap." <i>American Economic Review</i>, 113 (7): 1703-40.</p> <p>Laura Hospido & Luc Laeven & Ana Lamo, 2022. "The Gender Promotion Gap: Evidence from Central Banking," <i>The Review of Economics and Statistics</i>, MIT Press, vol. 104(5), pages 981-996</p> <p>Studies have shown that social interactions are important for worker performance, but also for wages. Gender differences in social interactions can thereby contribute to the gender pay gap. Have these gender differences increased by trends such as the trend towards more working-from-home? What can firms do to overcome these gender differences?</p>
<p>8</p>	<p>Individual versus team incentives</p> <p>Bandiera, O., Rasul, I., & Barankay, I. (2013). TEAM INCENTIVES: EVIDENCE FROM A FIRM LEVEL EXPERIMENT. <i>Journal of the European Economic Association</i>, 11(5), 1079–1114.</p> <p>Lazear, E. P. (2000). Performance Pay and Productivity. <i>The American Economic Review</i>, 90(5), 1346–1361.</p> <p>Monetary incentives are widely used to align workers' incentives with the goal of the firm, i.e. profit maximization. While individual level performance and team level performance incentives are both very often used, they have different implications for workers.</p>