In the first chapter, I examine the influence of individuals’ social identification on performance of regulatory organizations. I argue that regulatory performance can be undermined by social mechanisms beyond agents’ opportunism through heuristics that need not be calculative or strategically employed, and I theorize that social bias can subconsciously drive favorable evaluations and increase moral hazard. Moreover, although past research has almost exclusively characterized favorable regulatory enforcement as leniency, I hypothesize that favoritism can also manifest as stringency when risks of leniency are salient. Lastly, I suggest a solution for improving regulatory performance: strengthening professional identification. To test my predictions, I construct a novel dataset on regulatory inspections in the maritime sector and exploit an industrial accident that dramatically heightened the risks of regulatory leniency to examine a shift in manifestation of ingroup favoritism from leniency to stringency. I further validate my arguments through an online experiment.

In the second chapter, I examine the influence of rank-order performance incentives on knowledge sharing and learning in organizations. I theorize that intraorganizational competition incentivizes individuals to decrease voluntary knowledge sharing with other employees, but that performance pressures will motivate individuals to replace the flows of knowledge by using impersonal sources of knowledge such as electronic repositories. I expect that an individual’s performance moderates his portfolio of knowledge activities, with high performers being more likely to engage in knowledge sharing even amidst competition because they have greater slack. Furthermore, since individuals are expected to increase task efforts under pay-for-performance, I hypothesize that there will be better retention of self-acquired knowledge, leading to greater individual learning. I test my propositions using proprietary microdata from a regulatory organization that switched from fixed wages to a rank-order tournament. A key feature of my empirical approach is my application of transaction log analysis on over 450,000 records of employees’ activities on the firm’s knowledge management system, which enables me to construct unobtrusive measures of knowledge and learning behaviors.

In the third chapter, I examine the returns to training for organizational productivity and employees’ labor market mobility in the context of developing countries. I theorize that in developing countries, training for skilled workers is more likely to lead to turnover because of the presence of what I call a ‘dual external labor market’, namely the local labor market and the overseas labor market. I hypothesize that high performers are more likely to leverage their training as a signal of quality in the overseas labor market to become migrant workers in developed countries. Lastly, I suggest that despite losses from turnovers, the returns to training are positive in this context because the gains in productivity are greater in developed countries, which have lower labor productivity than developed countries even after controlling for differences across resources such as physical capital and levels of formal education. I test these predictions with a field experiment in the Philippines, a country with ubiquitous foreign labor migration.