DISSERTATION PROPOSAL

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"ESSAYS ON HUMAN CAPITAL AND ORGANIZATIONAL PEFORMANCE"

Friday, February 14, 2020
12:00 pm
Tepper Quad 4242

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 propose to examine the influence of zero-sum rank-order performance incentives on knowledge sharing and learning in organizations. I suggest that intraorganizational competition incentivizes individuals to decrease voluntary knowledge sharing, but that performance pressures will motivate individuals to use impersonal sources of knowledge such as electronic repositories. Furthermore, since individuals are expected to increase task efforts under performance-based incentives, I hypothesize that there will be better retention of self-acquired knowledge. Lastly, I propose that an individual's performance influences their portfolio of knowledge activities, with high performers being more likely to engage in knowledge sharing even amidst competition. To test my propositions, I propose to utilize proprietary data from a regulatory organization that switched from fixed wages to a rank-order tournament. A key feature of my empirical approach will be my application of transaction log analysis to employees' search activities on the firm's knowledge management system, which enables me to leverage individuals' digital traces and construct unobtrusive measures of knowledge and learning behaviors.

In the third chapter, I propose to examine the returns to training for organizational productivity and employees' labor market mobility in a developing country context with ubiquitous foreign labor migration. I suggest that in the absence of contracts, firm-sponsored training is more likely to lead to voluntary turnover in developing countries because labor market frictions are weakened by the presence of both the local external labor market and the foreign labor market, as well as high demand for and low supply of skilled workers. I hypothesize that among individuals who receive training, high performers will be more likely to leverage their training as a signal of quality in the external labor market. I also suggest that despite losses from turnovers, the returns to training will be positive for the training firm because the gains in productivity offset the costs of training. I propose to test these ideas with a field experiment in the Philippines.