General Conclusion

This thesis contains three essays in the microeconometrics of the labor market. The common feature of the three essays is that they all consider labor economics issues involving dynamics in the agents' decisions. In the first essay, we investigate the role of schooling attainments in explaining the difference in early employment contract outcomes between two subgroups of the French population: second-generation immigrants with African parents and their French-natives counterparts. In the second essay, we analyze the first employment contract transitions in the career of young workers, by focusing on the role played by schooling investment. In the third essay, we study the impact of fast tracks (rapid promotions) and the functional area on the promotion of executives in their firm's hierarchy.

The first essay starts from the observation that the access rate to fixed term employment in the early career varies with respect to the ethnic origin of the workers. We investigate to what extent differences in parental background and educational attainments are responsible for this heterogeneity. Our analysis focuses on two subgroups of the French population: those whose both parents are born in an African country, and those whose both parents are born in France. In a semi-structural framework, we model jointly schooling decisions and early employment contract outcomes. The estimation of the model leads to the conclusion that, once controlling for schooling attainments and observed characteristics, ethnic origins explains a small portion (3 to 6%) of the variance in the permanent employment probability. Schooling attainments are responsible of the largest part of this variance (60%). When observed characteristics are equalized

between the two populations, second-generation immigrants who obtain the highest level of education possible, have even a faster access to permanent employment than French-natives. The difference in the access to permanent employment that remains between the two ethnic groups while observed characteristics and schooling attainments are controled, can be supported by two interpretations: a racial difference in returns to skills (discrimination) or a difference in ethnic-specific behaviors (parental investment and/or non-cognitive skills).

In the second essay, we still analyze conjointly schooling decisions and early employment contract outcomes. Our focus, in this essay, is to study how transitions between fixed term contracts and permanent contracts are affected by schooling attainments. We model jointly sequential schooling decisions and the first two employment contract outcomes in a flexible way that permits to disentangle the spurious and causal impacts of both schooling attainments and the first fixed term contract on the access to permanent employment. Our results show that the first fixed term contract has a causal impact on the probability of employment in a permanent contract. The sign and the magnitude of this impact vary with respect to unobserved characteristics and schooling attainments: the impact is positive for a majority of the population and negative for a limited part. We find that workers having a negative effect can benefit from a subsequent period of job search to be employed in a permanent contract. Globally, schooling attainments explain around one third of the probability of permanent employment. Nevertheless, it explains only 17% of the variance in the probability that a first fixed term contract longer than three months is converted into a permanent contract in the same firm. This result can be explained by the presence of employer learning on the worker's ability during employment in a fixed term contract. However, this interpretation is limilted by the assumption that the impact of experience on worker's productivity does not depend on the worker's schooling level.

The final essay analyzes intra-firm promotions of American executives. Following implications of the job assignment models, we investigate the impact of the speed of past advancement in the firm's hierarchy (fast tracks). We also investigate the role

played by the functional area, a factor considered in the management literature, but that have not received a particular interest in personnel economics. We estimate a model of promotions, which controls for sample attrition, introduces unobserved heterogeneity and allows to disentangle between the spurious and the causal impact of the speed of past advancement. Our results show that fast tracks affect future promotion outcomes, but only through their spurious impact (the part due to individual heterogeneity). Functional area appears to be an important determinant of promotions, whose impact is related to the spurious impact of the past speed of promotions. The estimation of non-causal models of promotion (which do not account for unobserved heterogeneity) shows that recent past base pay growths combined with the speed of past advancement measured at the entry in the sample, constitutes a good predictor of the promotion probability, as well as functional area. Even if the speed of past advancement and functional area are correlated to the probability of promotion, the non significance of causal fast tracks, found in the results with with unobserved heterogeneity, does not provide evidence of promotion signaling, as advanced by job assignment models with asymmetric information.

Of course, these three essays contain some limits that constitute baselines for extensions and future research. In the first essay, our model does not permit to isolate the schooling and employment ethnic differential due to heterogeneity in parental input behavior from the differential due to heterogeneity in skill pricing (discrimination). A fully structural approach would be useful to precise to what extent discrimination accounts for different employment schooling attainments and employment outcomes. Moreover, it would be of particular interest to extend the analysis to other employment outcomes, like wages, to make the results more comparable with other studies on the performance of second-generation immigrants. Concerning the second essay, as already mentioned, the economic sector of employment is likely to have an importance in employment contract outcomes. The analysis performed in this essay has therefore to be extended in a model that considers jointly the type of contract and the economic sector of employment, both determined endogenously. Moreover, this extension would gain

to be conducted in a framework that accounts for duration dependence in the different forms of employment contracts. Finally, in the third essay, one limit lies in the nature of the data employed. Indeed, the survey does not allow to follow individuals when they leave a firm. This has two implications regarding our analysis. First, when we model attrition, we are not able to identify if the non-observation of an executive in a firm results from the executive's decision to quit the firm or from the firm's decision either to fire the executive or cease to report information for this particular executive. Second, this does not allow us to separately identify individual from firm specific factors affecting promotions. Using employer-employee datasets where inter-firm moves are observed would permit to model explicitly both firm and worker's decisions in a more complete structure. Another extension of the third essay, as already mentioned, consists in investigating the link between the probability of promotion (assessed by outside employers) and wage growths. Such an extension would bring some insights about promotion signaling, as considered in job assignment models with asymmetric information.