5637: Applied Microeconometrics (P) (Exam presentation file)

Daniel. R. Behr[1][2]

[1]Department of Economics and Business Economics
Aarhus University
[2]3 semester IMSQE student

fall 2023

Introduction

- Project title: "*Strategic Substitutions: Microeconometric Insights into the Effects of Firing a Head Coach in Danish Football*"
- Motivation: two tracks (corporate and own interest)
- Research Question: "*What is the causal effect of firing a head coach in football, on team performance?*"
- Data is used
- Existing literature

Empirical strategy I

Why can't we use OLS?

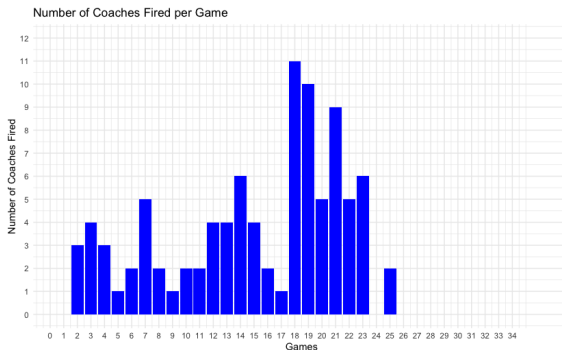Endogenity problem

Prolems?

Figure: No clear cutoff

Empirical strategy II

- ▶ Solution: Matching
    - ▶ Average points last four games (short term)
    - ▶ Average points within season (long term)
    - ▶ Coach tenure (coach specific)
    - ▶ Rank (position in table last season)
    - ▶ Stadium size (proxy of budget)
- ▶ Model specification:

$$Y_{tsm} = \beta_{ts} + \sum_{j=-5, j\neq -2}^{j=5} \gamma_j \times 1(j=t)_{ts} + \sum_{j=-5, j\neq -2}^{j=5} \delta_j \times 1(j=t)_{ts} \times 1(\text{Treatment}=1)_{ts} + \beta_m + X_{tsm} + \epsilon_{tsm}$$

- ▶ Why balanced panel?

Results

(a) Probability of winning

(b) Probability of not losing

(c) Probability of winning

(d) Probability of not losing

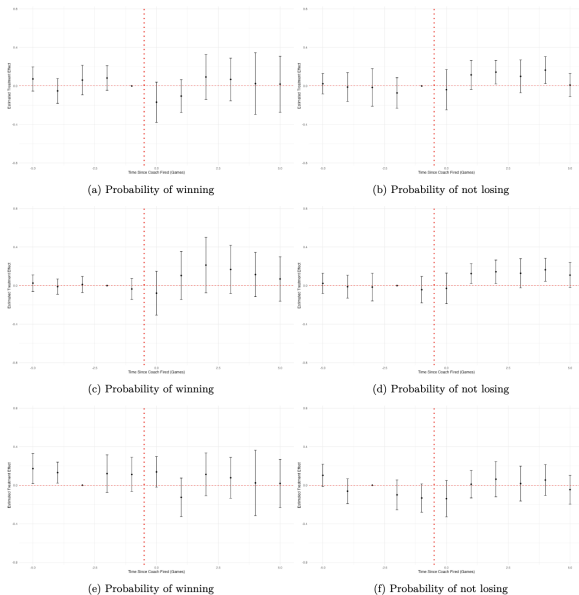(e) Probability of winning

(f) Probability of not losing

Figure 5.1: Matching results from matching 1

Conclusion

- ▶ Main finding is that it has causal effect on performance
- ▶ Mixed in terms of probability to win and probability not to lose