

Observation unit: set of employer-employee matches governed under a collective bargaining agreement

Key variables:

- Histogram of layoffs by tenure (Y): outcome variable
- Probationary period length (PP): intervention variable that imposes a discontinuity in firing costs at a particular tenure (within 3 months)
- Tenure required for unemployment insurance (UI): at 6 months workers are eligible for unemployment insurance, affecting the histogram of layoffs by tenure
- Tenure required for mediation meetings (MM): at 12 months workers that are fired have a mediation meeting, affecting the histogram of layoffs by tenure
- Union strength relative to employer (US): the stronger the union is relative to the employer, the shorter the probationary period and the more influence it has on who is hired
- Recruitment practices (RP): the shorter the probationary period, the higher the incentive for the employer to improve recruitment practices, thereby affecting the quality of hired employees
- Quality of applicants (QA): the better the pool of applicants, the higher quality of individuals available for hiring
- Quality of hires (QH): the better the hires, the less likely they will be fired during the probationary period
- Scope for learning-by-doing (LD): the more room there is for a worker to learn a job with time, the lower the bar set by an employer is when deciding whether to fire a recent hire, thereby making recruitment practices more important
- Monitoring intensity (MI): the shorter the probationary period, the more intense the employer will monitor recent hires, thereby affecting the timing of firing decisions by the firm

