

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

Identification:

1. Find good proxies for monitoring intensity and quality of hires in order to condition on these variables. The key assumptions are that union strength and recruitment practices only affect outcomes through the quality of individuals that are hired.

