

# Firms, Fixed Term Contract Heterogeneity and Mechanism(s)

## A contract is a bundle of many things

- firm/plant, location, tasks, coworkers, interactions, schedule, commute...
- ideal:
  - (1) isolate just the duration effect (vs jumping across job type-space)
  - (2) decompose into channel contributions

## Heterogeneity within Fixed-Term Contracts (FTCs)

- Temporary Promotions
- Maternity/Paternity Leave within Firm
- bad managers/firms can only afford bad bundles

## Mechanism for OEC-premia: Upskilling LT worker investment

- climbing occupation-sector ladder?
- Move to higher (AKM) FE firms and/or job titles within firm?
- lower prob to change sector / region goes some way to support the LT commitment model

### Switchers from FT2OEC versus FT2FT are on different pre-switch trends

- Is this a fair comparison (some FT2FTs are a bit like never-treateds?)
- what about comparisons of treated (FT2OEC) vs not-yet-treated? (FT2FT....2OEC)
- e.g. unemployment scarring regressions (displaced vs not-yet-displaced)
- firm or job-title switchers vs stayers?

### Localised/Industry cycles: (industry $\times$ time) FEs?

- Ideally want to rule out industry (or regional) booms? are driving future positive outcomes associated with FT2OEC switches
  - cash-rich firms can afford more insider-bundles (lower turnover, faster matches, prestige)
  - is wage growth driven by boom-effect or contract-switching
- log TNCs should help absorb cycles, but it enters homogeneously

**Which parts of the Firm-space are being compared?** individual controls make good pairwise comparisons across workers, but they're in potentially very different parts of the firm distribution

- any way to control for industry? Firm size?

## Firm Planning and Optimisation

- Managerial Foresight and Timing:
- “I’ll promote you next year once we get that new Corp X deal signed” (demand boom).
- Future positive shock predicted, FTC expiration is optimally timed? [Fig. 3 with more disaggregated OEC measure]
- any way to block  $E(\text{future conditions}) \Rightarrow \text{Promotion}$ ?  
... in favour of  $\text{Promotion} \Rightarrow \text{worker outcomes} = f(\text{future conditions})$