

# EMRE EKINCI

## Vitae

September 2018

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### CURRENT POSITION

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#### Universidad Carlos III de Madrid

Assistant Professor, Department of Business Administration      September 2012-present

### PROFESSIONAL EXPERIENCE

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#### Johnson Graduate School of Management, Cornell University

Visiting scholar      April 2016-July 2016

#### Cornell University

Research and Teaching Assistant      2007-2012

#### Koç University

Research and Teaching Assistant      2004-2007

### FIELDS OF INTEREST

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Labor Economics, Organizational Economics, Economics of Innovation, Industrial Organization.

### EDUCATION

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#### Cornell University, Ithaca, NY

Ph.D., Economics, 2012

Dissertation Title: "Essays on Personnel Economics"

Committee: Michael Waldman (chair), Kevin F. Hallock, Francine D. Blau

#### Koç University, Istanbul, TURKEY

M.A., Economics, 2007

B.A., Economics, 2005

### PUBLICATIONS

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"Employee Referrals as a Screening Device," *The RAND Journal of Economics*, 2016, Vol. 47 (3), pp. 688-708.

"Bonuses and Promotion Tournaments: Theory and Evidence," Forthcoming, *The Economic Journal* (co-authored with Antti Kauhanen and Michael Waldman).

## WORKING PAPERS

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“Discretionary Bonuses and Turnover,” mimeo, revised June 2018, second revision requested by *Labour Economics*.

This paper develops a signaling model to investigate the effects of discretionary bonuses and wage increases on turnover. When the worker’s output is not contractible and the firm privately learns about the match quality between the firm and the worker, bonus payments and wage increases can convey the firm’s private information to the worker. If the firm credibly communicates favorable information about the match quality to a worker, the worker develops higher expectations concerning her career outcomes at the firm (such as future wage increases and promotions) and, consequently, becomes less likely to separate. The analysis demonstrates that although a wage increase and a bonus reflect the same information regarding the match quality, each serves a distinctly different role in terms of the worker’s turnover decision. Therefore, in equilibrium the firm uses both bonuses and wage increases to credibly signal to the worker that the match quality is good. The model yields testable predictions that concern how bonuses are related to wage increases and promotions and how bonuses and wage increases are related to turnover. To test the implications of the model, I employ data constructed from the personnel records of a large firm in the financial services industry. The empirical analysis provides support for the model’s implications.

"Firing Costs, Hold-up and Employee Turnover: Evidence from Wrongful-Discharge Laws," mimeo, September 2018 (co-authored with David Wehrheim).

This paper explores, both theoretically and empirically, how firing costs affect worker productivity and turnover. We develop a model in which workers are essential to knowledge transfer between firms and worker effort is firm-specific in the sense that a worker can be fired before reaping any returns from effort (i.e., before acquiring knowledge valuable to competing firms). Our model shows that the hold-up risk faced by workers induces them to curtail their innovative effort. However, an increase in firing costs inhibits the firm’s ability to hold up the worker and thereby leads the worker to exert higher effort. The increased productivity, in turn, results in a higher probability of turnover when the worker’s knowledge stock is sufficiently transferable to competing firms or it is accessible to the incumbent firm in the worker’s absence. In our empirical analysis, we consider the passage of the wrongful discharge laws in the U.S. as a mechanism that increases firing costs. Using individual-level data constructed from patents issued to inventors by the United States Patent and Trademark Office (USPTO), we find supporting evidence for the model’s implications.

“Informal Delegation and Training,” mimeo, revised February 2018 (co-authored with Nikolaos Theodoropoulos).

This paper investigates the relationship between the firm's incentives to provide training and to delegate authority. We consider a principal-agent model in which the firm is not able to commit to delegation contractually and the conflict of interest between the firm and the worker arises both because the latter is biased towards certain decisions and because players interpret information differently (i.e., they have differences of opinion). Our theoretical analysis consists of two parts. First, we examine the equilibrium behavior when the degree of incongruence between the firm and the worker is public information. Second, we analyze the equilibrium behavior when the firm is privately informed about its type wherein the type refers to the level of differences in opinion between the firm and the worker. This exercise shows the extent to which the firm can use training provision to convey its private information to the worker, thereby committing not to retract the agent's authority it initially granted. In our empirical analysis, we use a cross section of matched employer-employee data of British establishments to examine the extent to which the model's predictions are supported by data.

“Entrepreneurship in Equilibrium: A Signaling Approach,” mimeo, revised February 2017.

Firms launch formal programs to identify promising employee ideas and to provide support for their commercialization. This paper examines an alternative role of the firm’s internal screening process in employee turnover. I argue that because the firm has better information vis-a-vis the market about the quality of a project proposed by a current employee, its decision to implement the project serves as a signal of quality. Thus, the firm has an incentive to distort the implementation decision in order to conceal information from the market. The analysis presents the conditions under which the incumbent firm uses its informational advantage to distort the implementation decision and retains the employee either with or without implementing her project. The analysis reveals that the presence of distortion depends mainly upon the opportunity cost of the employee not working in the incumbent firm’s core business and the informational rents associated with distorting the implementation decision.

“Rescaled Additively Non-Ignorable (RAN) Model of Generalized Attrition,” mimeo, revised May 2018 (co-authored with İnsan Tunalı and Berk Yavuzoğlu).

We propose a semi-parametric bias correction framework for repeated surveys with a short panel component. We model two types of selective nonresponse, attrition and reverse attrition (initial nonresponse followed by response). The linear version of our model has a closed form solution, a feature which renders our method computationally attractive. We illustrate our methodology using the Household Labor Force Survey (HLFS) in Turkey, which shares a key design feature of popular surveys (such as the Current Population Survey and the European Union Labor Force Survey), namely a rotating sample frame. The correction amounts to adjusting the observed joint distribution over the state space (inactive, employed, unemployed in our example) using deflation factors expressed as parametric functions of the states occupied in subsequent periods. Our method produces a unique joint distribution and transition matrix that is consistent with externally obtained marginal distributions (in our case published official statistics).

## **WORK IN PROGRESS**

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“Mass Layoffs and Executive Compensation,” work in progress (co-authored with Eduardo Melero and Pablo Ruiz-Verdu)

“Market for Board Directors,” work in progress (co-authored with Pablo Ruiz-Verdu).

“Patents as a Signal of Inventor Ability,” work in progress (co-authored with Eduardo Melero and Neus Palomeras).

“Information Disclosure in Partnerships,” work in progress.

## **SEMINARS AND CONFERENCE PRESENTATIONS**

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2018 Simposio de la Asociación Española de Economía (SAEe), Madrid (scheduled).  
Colloquium on Personnel Economics (COPE), Munich.

2017 Colloquium on Personnel Economics (COPE), Zurich.

2016 Simposio de la Asociación Española de Economía (SAEe), Bilbao.  
Jornadas de Economía Industrial, Mallorca.

2014 Madrid Work & Organizations Workshop, IE Business School\*

2013 European Association of Labour Economists (EALE) Annual Conference, Turin.  
Royal Economic Society (RES) Annual Conference, London.

- Madrid Work & Organizations Workshop, IESE Business School.
- 2012 IAE-CSIC, Barcelona.  
Universidad Carlos III de Madrid, Department of Business Administration.
- 2011 Simposio de la Asociación Española de Economía (SAEe), Málaga.  
Cornell University, Labor Economics Seminar.
- 2009 Society for Economic Dynamics (SED) Annual Meeting, Istanbul.  
(\*Discussant)

## RESEARCH GRANTS

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"Nuevas formas de financiación de la innovación," Comunidad Autónoma de Madrid (S2015/HUM-3353 EARLYFIN-CM), 2016-2018, PI: Josep A. Tribó (193.200€, 12 researchers).

"Corporate Responses to Climate Change: Carbon Management Practices and Their Contribution to the Circular Economy," Spanish Ministry of Economy and Competitiveness (ECO2016-75961-R), 2016-2019, PI: Maria Jose Montes Sancho.

"Supply Chain Management and Smart Cities: A Strategic-Operational Approach," Spanish Ministry of Economy and Competitiveness (ECO2013-46091-P), 2014-2017, PI: Maria Jose Montes Sancho (€22,385, 5 researchers).

## FELLOWSHIPS AND AWARDS

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Vice-Rector Recognition for Excellence in Teaching, Universidad Carlos III de Madrid	2013-2018
Sage Fellowship, Cornell University	2007-2012
Conference Grants, Cornell University	2009, 2011
Scientific and Technological Research Council of Turkey (TUBITAK) Fellowship	2006
Vehbi Koç Foundation Fellowship	2005

## PROFESSIONAL SERVICES

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Referee for *Journal of Labor Economics*, *RAND Journal of Economics*, *Advances in the Economic Analysis of Participatory and Labor-Managed Firms*, *Economic Systems*.

Local organizing committee, 15<sup>th</sup> International Human Resource Management (IHRM) Conference, Madrid.

## TEACHING EXPERIENCE

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### Universidad Carlos III de Madrid

- Instructor, *Organizational Economics* 2012-present
- Compulsory 3<sup>rd</sup> year course for the Business Administration degree (6.0 ECTS)
  - Taught both lectures and small group sessions. Collaborated with course coordinator(s) to improve the teaching materials including slides and problem sets, and to prepare exam questions.
- Instructor, *International Economic Environment* 2014-present
- Elective course in the MBA program (2.0 ECTS)
  - Designed the course. Created all course materials, including slides, weekly assignments, topics for team case study and exams.
- Instructor, *Firms & Industries* 2013-2016
- Compulsory course in the Master in Management program (6.0 ECTS)

- Taught the second part of the course (a 14-week course). Created all teaching materials, including slides, weekly assignments, topics for team case study and exams.

### **Cornell University**

Teaching Assistant

2007-2012

*Microeconomics for Management* (MBA)  
*Introduction to Microeconomics* (Undergraduate)  
*Economics of Wages and Employment* (Undergraduate)  
*Economics of the Welfare State* (Undergraduate)  
*Introduction to Macroeconomics* (Undergraduate)  
*Industrial Organization* (Undergraduate).

### **Koç University**

Teaching Assistant

2004-2007

*Microeconomics* (MA Economics)  
*Mathematics for Economists* (MA Economics)  
*Econometrics I* (Undergraduate)  
*Econometrics II* (Undergraduate)  
*Introduction to Microeconomics* (Undergraduate)  
*Introduction to Macroeconomics* (Undergraduate)

### **SERVICE TO THE DEPARTMENT**

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Member of the job market committee

### **PERSONAL INFORMATION**

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Year of Birth: 1982

Languages: English (fluent), Turkish (native), Spanish (basic)

### **REFERENCES**

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 Charles H. Dyson Professor of Management  
 Samuel Curtis Johnson Graduate School of  
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