



## **Intra-firm Wage Dispersion and Cost Coverage of Training: Evidence from German Linked Employer-Employee Data**

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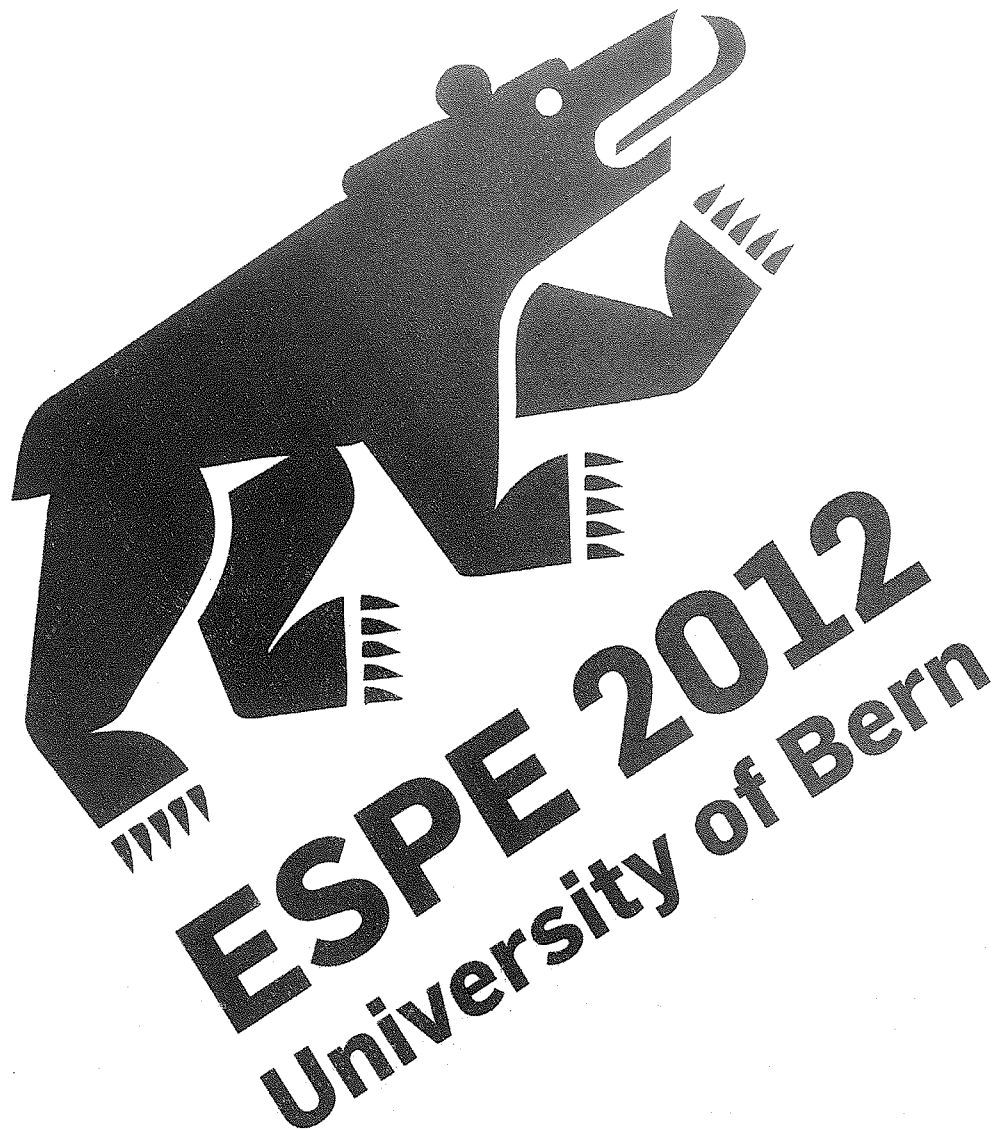
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Annual Conference

June 20—23 2012

European Society for Population Economics

University of Bern, Switzerland

- D74 Birth Order and Human Capital Development: Evidence from Ecuador  
*Erik Plug, Monique de Haan, Jose Rosero*  
*University of Amsterdam, Amsterdam, The Netherlands*

### **Parallel Session D8, Training**

#### **10:30-12:30 Fabrikstrasse 2e; Room 003**

- D81 Hiring Costs of Skilled Workers and the Supply of Firm-Provided Training  
*Marc Blatter<sup>1</sup>, Samuel Mühlemann<sup>1</sup>, Samuel Schenker<sup>1</sup>, Stefan Wolter<sup>1,2,3</sup>*  
*<sup>1</sup>University of Bern, Bern, Switzerland, <sup>2</sup>IZA Bonn, Bonn, Germany, <sup>3</sup>CESifo, Munich, Germany*
- D82 Improving the Employment Rates of People with Disabilities through Vocational Education  
*Kostas Mavromaras<sup>1</sup>, Cain Polidano<sup>2</sup>*  
*<sup>1</sup>Flinders University, Adelaide, Australia, <sup>2</sup>The University of Melbourne, Melbourne, Australia*
- D83 Employer-financed training in Switzerland: Estimation of the Causal Wage Effect with Quasi-Randomization  
*Annina Eymann<sup>1,2</sup>*  
*<sup>1</sup>EHB, Zollikofen, Switzerland, <sup>2</sup>University Bern, Bern, Switzerland*
- D84 Vocational schooling and educational success: comparing apprenticeship to full-time vocational high school  
*Elodie Alet<sup>1</sup>, Liliane Bonnal<sup>2</sup>*  
*<sup>1</sup>Toulouse School of Economics, Toulouse, France, <sup>2</sup>Crief-Teir Université de Poitiers, Poitiers, France*

### **Parallel Session D9, Wages**

#### **10:30-12:30 Fabrikstrasse 2e; Room 004**

- D91 The Establishment Size-Wage Premium: An Analysis Using Propensity Score Matching  
*Syeda Batool*  
*Paris School of Economics, University of Paris-1, Paris, France*
- D92 Changes in Occupational Demand Structure and their Impact on Individual Wages  
*Alexandra Fedorets*  
*Humboldt-Universität zu Berlin, Berlin, Germany*
- D93 Intra-firm Wage Compression and Cost Coverage of Training: Evidence from German Linked Employer-Employee Data  
*Christian Pfeifer*  
*Leuphana University Lueneburg, Lueneburg, Germany*
- D94 High Wage Workers and High Wage Peers  
*Michele Battisti*  
*Simon Fraser University, Vancouver, BC, Canada*

### **Lunch**

#### **12:30-13:30 Fabrikstrasse 6**

D93

**Intra-firm Wage Compression and Cost Coverage of Training: Evidence from German Linked Employer-Employee Data**

Christian Pfeifer

*Leuphana University Lueneburg, 21335 Lueneburg, Germany*

This empirical research note uses linked employer-employee data to estimate the impact of intra-firm wage dispersion on the probabilities that German firms pay for continuous training and make repayment agreements. About half of all firms in the estimation sample cover all direct and indirect training costs; even more firms have repayment agreements to protect their training investments. Main findings are that firms with larger intra-firm wage compression are more likely to cover all direct and indirect training costs, and less likely to make repayment agreements. These findings are consistent with theoretical considerations of the "new training literature".

D94

**High Wage Workers and High Wage Peers**

Michele Battisti

*Simon Fraser University, Vancouver, BC, Canada*

This paper investigates the effect of coworker characteristics on wages. I measure coworker characteristics by the average labor market value of coworkers' observed and unobserved characteristics, i.e. by the average person effect of coworkers in a wage regression. The effect of interest is identified from within-firm changes in workforce composition, controlling for person effects, firm effects, and sector-specific time trends. My estimates are based on a very large linked employer employee dataset of workers and firms from the Italian region of Veneto for the years 1982-2001. I find that a 10-percent increase in the average labour market value of coworkers' skills is associated with a 3.6 percent wage premium. I also find that around one fourth of the wage variation previously explained by unobserved firm heterogeneity is actually due to variation in coworker skills. Finally, decomposing the immigrant wage gap shows that between 10 and 15 percent of the immigrant wage gap can be explained by differences in coworker characteristics.

P21

**Doubly Robust Estimation of Causal Effects with Multivalued Treatments**

Derya Uysal

*Institute for Advanced Studies, Vienna, Austria*

In this paper, I lay out a relatively simple approach for multivalued treatments and apply it to an interesting data set. The approach is basically a generalization of the doubly robust estimation methods for different treatment parameters, which are defined in multivalued treatment effect estimation problem. Doubly robust methods combine weighting and regression methods and stay consistent even if one of the methods uses a misspecified model. Based on the proposed doubly robust method for multivalued treatment, I estimate the returns to schooling using the rich data set of British Cohort Study (BCS). Schooling is used as (ordered) multivalued treatment variable. Average returns are estimated for entire population, as well as conditional on having a specific educational achievement. The analysis is carried out for female and male samples separately to capture possible gender differences. On average males earn more than females for all educational achievement, however, the percentage wage gain due to higher education versus any other lower educational attainment is higher for highly educated females than highly educated males.