

# Conclusion

The main purpose of chapter 1 was to justify a re-examination of the behavioral assumptions on which relies conventional analyses of the employment relation. PTWO performances reveal the need for behavioral analyses of the employment relation by putting forward non-pecuniary dimensions of work motivation. Compared to traditional work organization, pTWO make a more intense use of labor without recourse to individualized wage incentive schemes nor reinforcing supervision. To this extent, the switch from a traditional work organization to an pTWO questions conventional analyses of the employment relation. Experimental economics, statistical attitudinal surveys and ...eld surveys lead to some consistent conclusions which allow us to draw up the picture of the different dimensions of work motivation. An observation particularly consistent with pTWO lies on the fact that workers' motivation is sensitive to non-wage conditions of the employment relation such as the autonomy they enjoy: experimental economics suggest that signals of trust increase workers' motivation while attitudinal surveys show that autonomy is among the motivational properties attached to a job.

On this empirical ground, we have presented in chapter 2 theoretical behavioral approaches to the employment relation that we believe echo the empirical concerns raised in chapter 1. Considered analyses have in common to endogenize the disutility of effort. Microeconomic analyses revolve around the notion of intrinsic motivation and study the ways high-powered incentives could crowd out such a motivation. An alternative approach (that of behavioral macroeconomics) consist in directly applying the results of psychology to (macro-)economic issues. Works by Akerlof and co-authors represent this approach: the purpose is to connect economic and sociologic mechanisms, to put various motives of action (narrow self interest and social norms) into dialogue. This leads Akerlof

and Kranton to suggest identity as a tool for economic analysis. Applied to the issue of employment relation, this allows to address the theme of corporate culture and to provide a precise foundation to such mechanisms as those invoked in Kandel and Lazear (1992) mentioned in chapter 1. Akerlof and Kranton's analyses put the stress on the notion of identity externalities. But identity is also a specific way to address the endogeneity of preferences within the employment relation. The notion of identity such as introduced by Akerlof and Kranton allows to make explicit a channel by which social experiences frame the form of preferences.

In the spirit of what social psychology has taught us, we have considered, in chapter 3, agents whose actions are partially motivated by self-esteem concerns. Following Akerlof and Kranton (2000), we address this issue in terms of identity building: agents choose between achieving self-esteem through their job (workplace identity) or through outside-work activities (out-of-the-workplace identity). Relying on studies in psychology, we specify the behavioral prescriptions (notably in terms of effort) defining the workplace identity as well as the agent's preferences according to his choice as regards his identity. We then explore the consequences of our hypotheses within the framework of a moral hazard model where a principal, willing to induce an agent's effort, seeks the optimal contract. The principal is aware of the influence of her wage offer on her employee's choice of identity. The offered contract depends on the type of job the principal wants to fill. We actually define three types of jobs: strongly fulfilling jobs, weakly fulfilling jobs, and unfulfilling jobs. Strongly fulfilling jobs description is such that it arouses the workplace identity for modest wage amount (relatively to the degree of demands of these jobs). Weakly fulfilling jobs description only arouses the workplace identity when wage amounts are large enough. Finally, arousing the workplace identity from agents having an unfulfilling jobs would be too costly so that the principal offers wage amounts arousing the out-of-the-workplace identity. Thus, non-wage characteristics of jobs influence both the profitability and the efficiency of employment relations. Our model predictions as regards profitability and efficiency appear to be consistent with the results of the literature on work organization - see chapter 1, Levine (1995), Ichniowski et al. (1997): developing non-wage gratification opportunities (notably by granting frontline workers with more discretion as regards their method) seems to actually lead to gains in productivity.

Chapters 4 and 5 apply the argument of chapter 3 to the issue of socio-demographic disparities in the labor market.

In the chapter 4, we have suggested that the various manifestations of socio-demographic disparities in the labor market should be studied together, and that analyses connecting these manifestations are valuable. After presenting elements curbing the explanatory appropriateness of theories of direct pay discrimination, we tried to show the expected benefits of an analysis accounting for disparities in the distribution of different socio-demographic groups between available jobs - and particularly with respect to vertical occupational segregation. From the model of chapter 3, the emergence of socio-demographic differences as regards optimal strategies of self-esteem achievement has led us to draw some conclusions which we believe could be interesting: 1) the relative spontaneity with which agents hold the workplace identity may involve a selective hiring or not depending on the characteristics of the job under consideration; 2) selective hiring - as a consequence of differentiated self-esteem concerns - occurs for jobs which are at most (resp. at least) weakly fulfilling for working persons of the dominated (resp. dominant) group; 3) when effort is observable, the potential share of selective jobs is a strictly increasing function of the wage standard under consideration.

The last chapter has been devoted to the exploration of the conditions for a transmission from socio-demographic occupational segregation to earnings gap introduced in chapter 4. We have considered a series of configurations illustrating how our argument of self-esteem achievement through work interplays with labor market functioning. The case of no significant competition between employers corresponded to the situation examined in chapter 4. We have established that, if the "dominant" socio-demographic group could benefit from a guaranteed access to employment, nothing in our micro model assumptions predetermine a gap in average earning favorable to this group. The average earnings gap favorable to agents of type 1 does not trivially derives from their predisposition to the workplace identity. Indeed, this predisposition may lead them to accept "low" pays relatively to the degree of demands of the jobs under consideration, pay levels that a 0 agent would not have accepted. In the example we consider, when unfulfilling jobs are the majority, group 1 has an expected average pay lower than that of the group 0. This is only when fulfilling jobs are a majority that the earnings gap becomes favorable to

the group 1. The example shows that, all other things equal, a job is all the more likely to require the workplace identity (and then to be selective) that it is more demanding and then better paid. We have also explored the consequences of a shortage of type 1 agents. Our results however, remain temporary conclusions. Definitive results require the analytical characterization of the labor market equilibrium in the general case, which still need to be achieved. The general model provided in appendix of chapter 5 allows to make oneself ideas as regards to the obstacle we meet.