

RESEARCH STATEMENT

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I am an applied microeconomist and interdisciplinary behavioral scientist with research interests in labor and population economics. My research aims at understanding the causes and consequences of human behavior using microeconomic methods guided by (behavioral-)economic as well as psychological theory.

In my dissertation I put a special focus on economic psychology and personality psychology by analyzing the empirical relationship between personality traits and individual behavior on the labor market. All dissertation projects are devoted to the personality concept locus of control (LOC), a measure that has been attributed substantial explanatory power for economic outcomes since it depicts how much people believe in their ability to affect life outcomes and thus is a crucial determinant of subjective expectations about rewards to one's own efforts.

Personality and Female Labor Force Participation My job-market paper, titled “The Independent Women - Locus of Control and Female Labor Force Participation” is devoted to the question whether locus of control might be one of the missing pieces in the female labor force participation puzzle. Research on female labor force participation has a long tradition in economic research. While many open questions have been answered on the gender gap in labor market participation, the prevalent heterogeneity between women still keeps economists busy. While traditional economic theory attributed unexplained differences in decision-making to idiosyncratic shocks, modern empirical approaches are more and more interested in investigating this psychological black box behind participation decisions. The paper contributes to this research by discussing the role of LOC for differences in participation probabilities between women. In line with the existing literature, especially a crucial importance of LOC for independence preferences as well as subjective beliefs about returns to investments are proposed.

The connection between LOC and participation decisions is tested using German survey data, finding that internal women are on average more likely to be available for market production. LOC adds explanatory power in addition to commonly known traditional socio-economic determinants of participation. Additional analysis identifies a strong heterogeneity of the relationship with respect to underlying monetary constraints and social working norms.

The Stability of Personality Traits Together with my colleague Malte Preuss (FU Berlin) I questioned the common assumption of stability of locus of control in a project with the title “Biased by success and failure: How unemployment shapes locus of control” which has just been published in *Labour Economics* (August 2018, Volume 53, pp. 63–74). The goal was to identify how much at risk the growing body of existing studies, which use locus of control as explanatory variable in their economic models, is with respect to exogeneity of LOC due to reverse causality. Using the SOEP, we find that a job loss due to a plant closure has no long-lasting effect on locus of control. The common assumption of its stability is thus not rejected. However, during unemployment, control perception decreases by 30 percent of one standard deviation. The effect holds true independent from unemployment duration or socio-demographic characteristics and vanishes as soon as the unemployed find a new job. We embed this findings into the psychological theory of a trait-state model of personality development. We therefore conclude that reported locus of control is temporarily affected by unemployment. Using this trait as explanatory variable can thus lead to biased estimations when this temporary deviation in measurement is not accounted for.

Personality and Regional Mobility Closely related to my research for the job-market paper, I started my research on behavioral consequences of locus of control in my first project with the title “Locus of Control and Internal Migration” which is joint work with Marco Caliendo (University of Potsdam), Deborah Cobb-Clark (University of Sydney) and Arne Uhlendorff (CREST) and has been published as IZA Discussion Paper No. 9600 in 2015. We model regional labor market mobility by assuming that job seekers form subjective beliefs about the return to search effort that are related to their locus of control. Internal individuals are thus more likely to search across larger geographic areas and, if job-search occurs prior to migration, also expected to be more likely to be regionally mobile. The implications of our model are tested using the same German panel data from the SOEP in a reduced form approach. In the empirical analysis, we indeed find that individuals with an internal LOC not only express a greater willingness to move, but also undertake internal migration more frequently.

Personality and Risky Health Behavior A third project on the behavioral implications of LOC concentrates on the explanatory power of LOC for alcohol consumption as a highly important domain of risky health behavior. The project with the title “Drinking is Different! Examining the Role of Locus of Control for Alcohol Consumption” is early stage work in progress and joint work with Marco Caliendo. The existing empirical literature on alcohol consumption shows that drinking is linked to extreme risks for the consumer’s physical and mental health and thus preventable micro- and macroeconomic costs. Nevertheless, it is at the same time associated with a high level of uncertainty about future consequences. This is why individual perceptions and expectations about risks as well as personal efforts and abilities are likely to play a crucial role when explaining individual differences in health behavior with respect to drinking. In this context, the paper analyses the effect of LOC on the probability of moderate and heavy alcohol consumption. We use German panel data from the Socio-Economic Panel (SOEP) to analyse the relationship and find a significant positive effect of having an internal LOC on the probability to consume moderate levels of alcohol while the probability to be a heavy drinker is only marginally affected by LOC. We discuss two potential mechanisms for these results. Firstly, internals might be more likely to drink while investing into their social and occupational networks. Additionally, if uncertainty and the perception of risks do play a role for alcohol consumption, we could also expect internals to consume more alcohol on average as they believe in their personal ability to cope with or prevent those consequences. Based on a number of ancillary analyses, we conclude that very likely both channels are at play.

Additional Ongoing and Future Research In line with my existing projects and due to the focus of my dissertation on the personality trait locus of control, I am currently working on a number of additional research ideas about economic consequences of locus of control. Together with Marco Caliendo, I started investigating regional variation in locus of control and its consequences for macroeconomic outcome variables such as economic performance and migration flows as well as the migrant-native gap with respect to locus of control and its pre- and post-migration causes as well as consequences for gaps with respect to economic outcomes.

In addition to the ongoing work on the behavioral implications of locus of control, I started investigating multiple other interesting and highly relevant research questions in labor and population economics together with various national and international colleges. Among others, I am working on empirically investigating the effect of working together with the partner or being employed in a similar occupation, industry or level of occupational autonomy on individual life

and job satisfaction of men and women. Moreover, I started working on a project on the effect of flexible working environments for men on the labor force participation of their partners especially in the presence of children in the household. Thus, large parts of my ongoing work have a specific focus on topics related to family and gender economics.

In addition to improving and completing the ongoing projects, I am planning and looking forward to extending my research to other fields of labor and population economics in general. My dissertation projects taught me a lot about the importance and advantages of interdisciplinary. So, also for my future research, I still hope to maintain my specialization to behavioral-economically as well as psychologically motivated theory behind my empirical investigations. Considering this, I am nevertheless open for new fields of research. I am interested in the question of what drives and restrains human behavior in all aspects of life. In line with earlier projects, for example, I think that a lot of further research can be done on the determinants and obstacles of e.g. (female) labor force participation and labor mobility (regional as well as occupational), to name just a few.