

CURRICULUM VITAE

Zhenda Yin

CONTACT

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EDUCATION

Cornell University - Ph.D. Candidate in Economics - 2012~2018 (*expected*)
Graduate Committee: Michael Waldman (chair), Justin P. Johnson, Marco Battaglini.
University of Melbourne - Bachelor of Commerce (*1st Class Honors*) - 2007~2011
University of Pennsylvania - Exchange Program - 2009

RESEARCH INTERESTS

Labor/Personnel Economics; Industrial Organizations; Applied Microeconomics.

WORKING PAPER

“Positive Selection of Employees.” #job market paper#
“A Dynamic Theory of Customer Retention.”
“Delegating the Hiring Process: Theory and Evidence.”

TEACHING INTERESTS

Labor/Personnel Economics; Organizational Economics; Industrial Economics; Micro Theory.
Managerial Economics; Pricing Strategy; Business Strategy; Economics of Online Markets.

TEACHING EXPERIENCE

NBA 5200: Managerial Economics - Johnson GSM (×2)/Tsinghua PBCSF (×2)
ILR 5400: Labor Economics - School of Industrial & Labor Relation
PAM 2040: Public Economics - School of Policy Analysis & Management
ECON 4020: Game Theory (×2)
CS/ECON 2040: Social Networks (×2)
ECON 1110: Introductory Microeconomics (×2)

WORK EXPERIENCE

Data Analyst - Center for Ideas and Economy - Melbourne Business School - 2011
Vacation Scholar - Department of Mathematics and Statistics - University of Melbourne - 2009

PROFESSIONAL SERVICES

Ad Hoc Referee: *Journal of Industrial Economics*; *Journal of Labor Economics* (×2).
Student Ambassador: University of Melbourne, 2014 Open Day in Shanghai.

COMPUTATIONAL SKILLS

L^AT_EX/TikZ; Maple; Mathematica; Matlab; Python; R; Stata.

HONORS, PRIZES AND SCHOLARSHIPS

R. Sage Foundation Graduate Fellowship (2012-14).

E. R. Love Prize in Pure Mathematics (*top student in the highest-level real analysis*).

C. S. Soper Scholarship in Economics.

Dean's Honors List (2008-11).

State Chamber of Commerce Prize in Economics.

Melbourne Mobility Scholarship.

Vacation Scholarship in Mathematics.

Tuition Scholarship in Science.

DETAILS OF WORKING PAPER

“Positive Selection of Employees.”

Abstract. This paper takes a step towards bridging the theory of external labor market (ELM) and internal labor market (ILM). A dynamic framework is constructed to understand how the personnel policy (e.g., retention and promotion) shapes the careers of employees with job moves both across and inside firms. The key insight of this paper is that firms benefit from the positive selection of valuable employees in long-term employment relationships. In particular, an employee is valuable if she is highly skilled and/or likes her job. To begin with, the baseline model focuses on the retention policy in a labor market with firms competing for worker services. During working, each employee privately experiences a job taste, i.e., how much she likes a job, so she may change firms to find a better job. In equilibrium, firms are shown to adopt a dynamic screening mechanism – wages are lowered in both the early careers and late careers of employees – to positively select valuable employees, from whom a rent is captured. By embedding a job ladder in the baseline model, the extended model allows firms to also enhance the value of employment by promoting more able employees. The equilibrium of this integrative model characterizes the personnel policy (e.g., retention and promotion) of firms, which is often treated as a black box in macro-labor models. Most importantly, our model captures three sets of stylized facts in a single setting: (i) ELM results (e.g., findings concerning job moves across firms); (ii) ILM results (e.g., findings concerning job moves inside firms); (iii) mixed results concerning ELM and ILM (e.g., findings concerning the relationships between job moves across firms and job moves inside firms). *Keywords.* integrative model of labor markets; personnel policy; positive selection; dynamic screening; job mobility; career paths.

“A Dynamic Theory of Customer Retention.”

Abstract. This paper provides a dynamic theory of customer retention, when firms charge on a recurring basis. In particular, we consider the effects of conducting mandatory leaving interviews and analyze the optimal pricing with both dynamic contracts and spot contracts. First, leaving interviews increase cancellation costs, and hence the stickiness of customers to the firm's product/services. This explains why nowadays more firms start charging on a recurring basis because, thanks to the digitization of business such as AI, running leaving interviews becomes less costly. Second, when firms cannot commit to future prices, leaving interviews suggest additional chance of price discrimination. Specifically, firms may offer retention discounts

in order to retain leaving customers. However, retention discounts also induce the opportunistic behaviors of customers – many customers bluff cancellation when the costs of attending leaving interviews are low – which could hurt the firms’ overall profits. Third, firms can randomize retention discounts to reduce the benefits of such opportunistic behaviors. *Keywords.* dynamic pricing; customer retention; recurring payment; mandatory leaving interviews; retention discounts; opportunistic behaviors.

“Delegating the Hiring Process: Theory and Evidence.”

Abstract. This paper provides a micro-foundation for the hiring strategy of employers in staffing opening positions. In particular, we study the incentive design in delegating the hiring process to recruiting agents, e.g., headhunters or employees, who select and recruit suitable candidates from their social network. Due to bilateral asymmetric information, the optimal incentive is in the form of option contract. This matches the common observations that the payments are often made in 2 installments. That is recruiting agents received an upfront fee upon successful placement of candidates and a fraction of salary if the hired candidates are not fired after a certain periods. Our model also speaks to the choice of hiring channels, which often vary across jobs/firms. We then test our model’s theoretical predictions using the Multi-City Study of Urban Inequality (MCSUI), a cross-sectional telephone survey in four U.S. metropolitan cities conducted during 1992–1994. The empirical evidence is in general support of our model. *Keywords.* delegated search; headhunter; employee referral; option contract; choice of hiring channels.

Date: 12-20-2017