



Nanyang Technological University
**ECONOMICS AND ECONOMICS
GROWTH CENTRE** Seminar Series

Economics and Economic Growth Centre invite you to a seminar by
Prof Hodaka MORITA

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- Speaker** : **Prof Hodaka MORITA**
Professor of Economics
University of New South Wales
- Topic** : **"Firm-Specificity of Asset, Managerial Capability, and Labor Market Competition (with Cheng-Tao Tang)"**
- Chairperson** : **Prof AU Pak Hung**
Assistant Professor
Division of Economics
School of Social Sciences
- Date** : **22 November 2017 (Wednesday)**
- Time** : **02.30pm to 04.00pm**
- Venue** : **HSS Meeting Room 4 (HSS-04-71)**
School of Social Sciences
14 Nanyang Drive, Singapore 637332
Nanyang Technological University

About the Speaker:

Prof Hodaka Morita is a Professor of Economics at UNSW Australia, and an Associate Editor of Journal of Economic Behavior & Organization. His research focuses on applied microeconomic theory, where his main fields of interests are industrial organization, organizational economics, labor economics, and international trade.

Prof Morita has published in top academic journals including American Economic Journal: Microeconomics, Economic Journal, RAND Journal of Economics, Journal of Labor Economics, Journal of International Economics, European Economic Review, Journal of Law, Economics & Organization, and Journal of Economic Behavior & Organization. He was appointed as an Australian Research Fellow by the Australian Research Council (2009 – 2013).

Abstract:

Firms let their employees operate their assets to produce and sell goods and services. Specificity of a firm's asset and capability of its top management are two important sources of profitability. We develop a two-period duopoly model that captures the link between specificity of a firm's asset and capability of the firm's top management, where the degree of firm-specificity is endogenously determined through firms' competition in the labor market. In period 1, each firm hires a certain number of workers and determines the degree of asset specificity, and each worker acquires skills and learns firm-specific nature of his/her employer's asset. Each firm's managerial capability realizes and becomes common knowledge, and some workers move from high-capability firm to low-capability firm before period 2 production occurs. We find that, as the importance of managerial capability increases, firms make their asset less firm-specific, making human capital acquisition less firm-specific. Also, firm size becomes smaller and labor mobility increases. Our findings yield empirical implications and predictions, given that the importance of managerial capability differs across industries, countries and time.

Reservation:

Admission is free. Please reply to e-egc@ntu.edu.sg for any enquiries.