

# Oded Ravid

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## Education

**Ben-Gurion University of the Negev**  
Ph.D., Economics, May 2018 (expected).  
M.A., Economics, 2013. (*Magna Cum Laude*).  
B.A., Economics, 1999. (*Summa Cum Laude*).  
**Tel-Aviv University, Recanati Business School**  
M.B.A., Business management, 2003. (*Magna Cum Laude*).

## Research Interests

Experimental Economics, Labor Economics, Happiness Economics, Public Economics

## Publications

**"The Effect of Economic Cycles on Job Satisfaction in a Two-Sector Economy"**  
With Ro'i Zultan and Miki Malul. *Journal of Economic Behavior & Organization*.

## Working Papers

**"Public Sector Mission and the Productivity Gap"**  
With Ro'i Zultan and Miki Malul (*Job Market Paper*)  
**"The determinants of countercyclical job satisfaction in the public sector"**  
With Ro'i Zultan

## Teaching Experience

**The Open University of Israel**  
Lecturer, Macroeconomics, 2006-Today  
**Ben Gurion University of the Negev**  
Lecturer, Introduction to Economics, 2013-Today  
**Peres Academic Center**  
Lecturer, The Firm and the consumer economy, 2013-2016  
Lecturer, The Israel economy, 2013-2016

## Scholarships and Awards

**Outstanding PhD Student in the fields of Israel Economy award**  
Ministry of Finance, Israel, 2015  
**President Honor roll, B.A.**  
Ben Gurion University, 1999  
**Excellence Scholarship**  
Ben Gurion University, 1996-1999

## Invited Conferences and Workshops

ESA World Meeting, University of California, San Diego, USA, 2017  
ESA World Meeting, The Hebrew University of Jerusalem, Israel, 2016  
ESA European Meeting, Heidelberg University, Germany, 2015  
ESA European Meeting, Prague University, Czech Republic, 2014

## Professional Experience

**Israel Ministry of Finance, Budget Division, Jerusalem, Israel**  
Section Head of the Transportation Department, 2001-2002  
**Comverse Network Systems Tel Aviv, Israel**  
Project Manager and Software Programmer, 1999-2001

## References

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|--|---|
| Dr. Ro'i Zultan<br>Department Of Economics<br>Ben-Gurion University of the Negev<br>zultan@bgu.ac.il,+972 8647-2306        | Prof. Eyal Winter<br>The Federmann Center for the study of rationality<br>The Hebrew University of Jerusalem<br>mseyal@mscc.huji.ac.il,+972 2658-4514 |
| Prof. Tomer Blumkin<br>Department Of Economics<br>Ben-Gurion University of the Negev<br>tomerblu@bgu.ac.il, +972 8647-2298 | Prof. Miki Malul<br>Department of Public Policy & Administration<br>Ben-Gurion University of the Negev<br>malul@bgu.ac.il,+972 8647-2275              |

## Paper Abstracts

### **The Effect of Economic Cycles on Job Satisfaction in a Two-Sector Economy**

Economic growth improves the material well-being of all workers. However, when remuneration in the public sector is less sensitive to economic cycles than in the private sector, as is typically the case, economic growth will worsen the position of workers in the public sector relative to workers in the private sector, even though their income has improved in absolute terms. As a result, job satisfaction may be countercyclical in the public sector. We test this counter-intuitive hypothesis in a real-effort laboratory experiment that simulates an economy with two sectors differing only in remuneration scheme. Economic cycles are introduced in order to test for their effect on job satisfaction and productivity in each sector. We find that job satisfaction in the "public" sector is negatively correlated with the state of the economy. This effect, however, does not carry over to productivity: Even though an increase in a worker's productivity in the public sector reduces his relative income, in comparison to a similar private sector worker, we find that this does not have a negative effect on job satisfaction.

### **Public Sector Mission and the Productivity Gap**

We develop an experimental paradigm to study the incentives-based productivity gap between the public and private sectors and the role of public sector mission. We distinguish the two sectors by their respective incentive power. Participants in the experiment engaged in a real effort task and were paid according to their performance. In the "private sector", remuneration was more sensitive to individual performance than in the "public sector". We find that the high-powered incentives in the private sector induce more effort and attract higher-ability workers. We then incorporate an intrinsic reward in the public sector—to represent public sector mission—whereby a worker's output generates a donation to a selected charity. The results show that public sector mission induces a shift of workers from the private to the public sector, results in greater effort in the public sector and raises the average level of ability of public sector workers, thus reducing the productivity gap between the two sectors. Adding public sector mission has no effect on average productivity, work time or average ability in the private sector. These results highlight the importance and efficacy of imbuing workers in organizations that produce a public good with a sense of purpose. Intrinsic rewards in such organizations play a similar role to that of material rewards in the private sector by increasing worker motivation and attracting higher-skilled workers. This in turn may enhance competition for workers between the sectors.

### **The Determinants of Countercyclical Job Satisfaction in the Public Sector**

It has been shown in a laboratory setting (Ravid et al.,2017) that job satisfaction in the public sector is negatively correlated with economic cycles. We analyze data from a real-world panel survey —The German Socio-Economic Panel—to confirm the results found in the lab. The results also indicate that men respond more strongly to the effect than women. Several studies on other gender differences strengthen the plausibility of this result. We therefore conduct a revised laboratory experiment with a different real-effort task in order to test whether there is an underlying basic difference between the genders and to explore possible underlying mechanisms. The experiment simulates an economy with two sectors differing only in their remuneration scheme. Economic cycles are introduced in order to test for their effect on job satisfaction and productivity in each sector. We include a new stage that simulates a two-provider household, in which one contributes more than the other to the salary pool. Participants also complete a series of tests in order to determine their competitiveness level and social value preferences. The results show that women have higher job satisfaction and are less competitive than men, which is in line with previous results in the literature. In addition, the results reproduce the main result observed in the previous experiment, namely that job satis-

faction in the public sector is countercyclical. However, we surprisingly do not find any correlation between the countercyclical effect and gender or with any of the other tested variables (provider status, social value orientation and competitiveness level).