

FINAL ASSIGNMENT SQM

To be handed in: Monday October 22, 23:59

We are still examining the causal relationships between ISEI (occupation) and MOT (work motivation) in the 1985-1996 OSA panel data. Using a cross-lagged panel design with instantaneous causation, I found evidence for the following pattern:

- There is a positive effect of ISEI on MOT mostly during the initial waves (1988-1992), but it decreases to almost zero in the later waves (1992-1996).
- There is no difference between men and women in this process.

Tasks

- Describe the patterns of missing values on ISEI and MOT as they occur over the waves, for men and women separately. Also describe and interpret the pattern of means over the waves. Compare the full data (assignment 5) and the restricted complete data (sent around).
- Estimate the XTREF FE model using the complete cases observed between 1988 and 1992, with full information on both ISEI and MOT. (Use long file that I sent around.)
- Repeat this on the incomplete data, with missing observation on either ISEI or MOT. Use the full data that are in the zip-file for assignment 5.
- Repeat this analysis for the full data (including missing observations on ISEI and MOT) for the whole period 1988-1996.

Comment on the results in edited tables and bullet style text. Also give an answer to the following questions:

- This XT model assumes like Allison (2009, p.9) a “particular direction of causation” and that “the effects are contemporaneous”. Explain what these two assumptions mean in our example and whether they are realistic.
- The XT panel model shows little or no effect of occupation on motivation (or the other way around, for that matter). However, in the cross-section we see moderate correlations between ISEI and MOT (around 0.15). Explain how the difference can arise and discuss whether this panel design is indeed adequate (powerful enough) to test the relationship between occupation and work motivation. What would you change in the research design to make for a better test of the classical (Weber’s) hypothesis?

