

Title

Reexamination of Upward-Sloping Wage Profile Theories: Evidence from Japan's Police Personnel Data

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Abstract

This paper reexamines the phenomenon of an upward-sloping wage profile using Japan's prefectural police personnel data over the period 1996-2005. If police wage scheme corresponds to productivity growth, the wage bill of prefectural force will reflect their productivity and hence their performance, the number of arrests, should be accounted for solely the wage bill of each prefectural force. Conversely if the scheme follows incentive-compatible contract theory, other related organizational or officers' attributes would still affect their performance even after controlling for the wage bill. The result shows that the wage profile basically corresponds to productivity growth.