The thesis studies empirically and theoretically personnel policies of economics departments, evaluates the validity of different theories of incentives and sorting regarding the internal organization of the firm and tries to determine the relative importance of incentives provision and sorting in personnel policies. The focus on economics departments allows me to use data on productivity as the outcome of the most important aspect of the job of economists in research universities, i.e. research, is publicly observable. The contribution of the empirical analysis is therefore twofold. The use of individual and firm performance allows me to perform a deep analysis of the internal policies of economics departments but also allows me to disentangle the many theories that could explain the results. On the side of the theoretical part of the thesis, the novelty comes from combining personnel policies and incentives to status issues.

The first chapter investigates what drives the careers of economists. I consider two potential explanations for the determinants of careers: sorting and career concerns. I look at the mobility and promotion patterns of a sample of top economists over thirty years and link it to their productivity and other personal characteristics. I test whether there is evidence of a learning process, which theory fits careers in economics departments and if the way careers are designed impacts the behavior of economists.

The second chapter considers a specific aspect of careers: the timing of promotions. The focus is on the existence of "fast tracks" or whether agents promoted quickly at one level of the hierarchy will be promoted more quickly at the next level. With respect to previous studies, the advantage of using data on individual performance is that it allows me to test the reasons behind the existence of fast tracks.

The third chapter analyzes the wage policy of U.S. economics departments. Through a series of empirical tests, I try to understand which theories can be helpful to explain the wage policy in place. I consider two very close incentives theories: standards and tournaments, and also take into account the effect of the outside labor market on the wage setting of economics departments.

In the fourth and last chapter, I construct a theoretical model on status and hierarchies where the reference case is academia. Individuals value status and their status is derived from their own prestige, the position they have in the firm and the prestige of the firm they belong to. I consider the effect of status on incentives and sorting in a multitasking environment and analyze the implications of introducing different promotion schemes.