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**WAGE EXPECTATION DYNAMICS IN THE
TURKISH LABOR MARKET**

MASTER'S THESIS

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RESUME

Cette thèse examine les facteurs déterminant les attentes salariales des demandeurs d'emploi au cours du processus de candidature et analyse les disparités entre ces attentes et les salaires réels sur le marché du travail turc. Le principal facteur qui souligne l'importance de cette étude est le défi associé à la collecte de données sur les attentes salariales des demandeurs d'emploi ; par conséquent, le sujet a reçu une attention limitée dans la littérature existante. Dans ce contexte, l'accent mis par l'étude sur ce sujet moins exploré accroît son importance et met en évidence sa contribution significative au domaine de l'économie.

Nous avons utilisé un ensemble de données unique fourni par une importante plateforme de recrutement en Turquie, Kariyer.net. L'ensemble de données comprend des données transversales répétées pour 2018 à 2022. Il couvre un large éventail d'informations sur les caractéristiques démographiques des demandeurs d'emploi et les salaires attendus. En plus de l'ensemble de données Kariyer.net, nous avons utilisé l'ensemble de données de l'enquête auprès des ménages concernant leurs statuts et leurs activités vis-à-vis du marché de travail par l'Institut statistique turc (Turkstat) pour analyser la dynamique des salaires dans le marché du travail turc.

Les résultats montrent que les femmes ont des attentes salariales inférieures à celles des hommes. Selon les résultats par groupe d'âge, il existe une tendance claire à l'augmentation des salaires attendus jusqu'à un certain point. Les diplômés des universités publiques ont des attentes salariales inférieures à celles des diplômés des universités privées. Les chercheurs d'emploi qui ont postulé pour les professions de gestion ont les attentes salariales les plus élevées parmi les chercheurs d'emploi. Les personnes ayant étudié à la faculté de médecine ont des attentes salariales considérablement plus élevées que celles en économie et en administration. Sur la base des indicateurs de performance académique, la variable de classement des universités montre que les diplômés des universités les mieux classées ont des attentes salariales nettement plus élevées que ceux des universités les moins bien classées.

Mots clés : Disparités salariales, attentes salariales, marché du travail turc

ABSTRACT

This thesis examines the factors determining job seekers' wage expectations during the job application process and analyzes the disparities between these expectations and the actual wages in the Turkish labor market. The primary factor that underscores the significance of this study is the challenge associated with gathering data on job seekers' wage expectations; therefore, the subject has received limited attention in the existing literature. In this context, the study's focus on this less-explored subject heightens its importance and highlights its significant contribution to the field of economics.

We used a unique dataset from a major recruitment platform in Turkey, Kariyer.net. The dataset includes repeated cross-sectional data for 2018 to 2022. It covers a wide range of information on job seekers' demographic characteristics and the expected wages of job seekers. In addition to the Kariyer.net dataset, we utilized the Household Labor Force Survey dataset provided by the Turkish Statistical Institute (Turkstat) to analyze wage dynamics in the Turkish labor market.

The results show that females have lower wage expectations than males. According to the age groups' results, a clear pattern exists of increasing expected wages until a certain point. Individuals who graduated from public universities have lower wage expectations than private university graduates. When examining the occupational category, job seekers who applied for managerial positions have the highest wage expectations among the occupational groups. Individuals who studied in the faculty of medicine have considerably higher wage expectations than those in the economics and administrative. Based on academic performance indicators, the university ranking variable shows that graduates from the highest-ranked university have significantly higher wage expectations than those from the lowest.

Keywords: Wage Differences, Wage Expectations, Turkish Labor Market

ÖZET

Bu tez, iş başvurusu sürecinde iş arayanların ücret beklentilerini belirleyen faktörleri incelemekte ve bu beklentiler ile Türkiye işgücü piyasasındaki fiili ücretler arasındaki farklılıkları analiz etmektedir. Bu çalışmanın önemini belirleyen temel faktör, iş arayanların ücret beklentileri hakkında veri toplamanın zorluklarıdır; bu nedenle konu, mevcut literatürde sınırlı bir ilgi görmüştür. Bu bağlamda, çalışmanın bu az araştırılmış konuya odaklanması önemini daha da artırırken iktisat alanına sağladığı önemli katkıyı da daha belirgin kılmaktadır.

Bu araştırmada Türkiye’de önde gelen bir işe alım platformu Kariyer.net tarafından sağlanan özgün bir veri setini kullandık. Veri seti, 2018 ile 2022 yılları arasında yatay kesit verilerini içermektedir. Veri seti, iş arayanların demografik özellikleri ve beklenen ücret gibi çok çeşitli bilgileri kapsamaktadır. Kariyer.net verisine ek olarak, Türkiye işgücü piyasasındaki ücret dinamiklerini analiz etmek için Türkiye İstatistik Kurumu (TÜİK) tarafından yayınlanan Hanehalkı işgücü anketi veri setini kullandık.

Sonuçlar, kadınların erkeklere kıyasla daha düşük ücret beklentisine sahip olduğunu göstermektedir. Yaş grupları sonuçlarına göre, beklenen ücretlerin belirli bir noktaya kadar arttığına dair net bir örüntü vardır. Kamu üniversitelerden mezun olan bireyler, özel üniversitelerinden mezun olanlara kıyasla daha düşük ücret beklentisine sahiptir. Meslek kategorisi incelendiğinde, yöneticilik pozisyonuna başvuran iş arayanlar meslek grupları arasında en yüksek ücret beklentisine sahiptir. İş arayanların üniversitede okudukları fakülte dikkate alındığında, tıp fakültesinden mezun olanların iktisadi ve idari bilimler fakültesinden mezun olanlara kıyasla oldukça yüksek ücret beklentileri olduğu görülmektedir. Akademik performans göstergelerine dayalı olan üniversite sıralama değişkeni, en yüksek sıralamalı üniversiteden mezun olan bireylerin, en düşük sıralamalı üniversiteden mezun olanlara göre belirgin bir şekilde daha yüksek ücret beklentilerine sahip olduklarını göstermektedir.

Anahtar Kelimeler: Ücret Farklılıkları, Ücret Beklentileri, Türkiye İşgücü Piyasası

1. INTRODUCTION

In the job search, people create a salary expectation by considering their qualifications, abilities and skills, market conditions, and past experiences. In the field of economics, this concept is often referred to as the “expected wage.” Wage expectations play a crucial role in a job seeker's decision to accept job offers. When job seekers receive a job offer, they often assess the alignment between their wage expectations and the wage offered by a company or organization. If there is a significant disparity between the offered and the expected wage, job seekers may decline the offer, resulting in adverse consequences for the economy.

One of the consequences for the economy is high and persistent unemployment. Unemployment duration of job seekers may continue to increase if their wage criteria are unmet. Consequently, the percentage of long-term unemployed among all unemployed increases, making it challenging to lower unemployment. This, in turn, gives rise to structural unemployment issues, a prominent challenge in the Turkish labor market, which hinders the achievement of desired reductions in the unemployment rate. Similarly, the disparity between expected and offered wages can lead job seekers to lose hope in their job search. This mismatch can prolong their unemployment duration and ultimately push them to withdraw from the labor market due to a growing sense of hopelessness.

Moreover, despite the high unemployment rate in Turkey, individuals are often unwilling to accept wages below their expected level due to the failure of offered wages to compensate for the impact of soaring inflation and the cost of living. This reluctance on the part of job seekers can pose challenges for firms when their wage expectations exceed the firm's offered wage, as it leads to increased labor costs.

Understanding the underlying causes of the disparity between expected and offered wages holds significant importance for policymakers, employers, and job seekers. It is instrumental in formulating effective strategies to enhance labor market functionality. Furthermore, the insights derived from this study can be a valuable resource for job seekers during their job application processes, as they better

understand their value in the labor market based on the comprehensive investigation of wage expectations across various demographic characteristics.

This research is particularly notable as it comprehensively analyzes the variables that influence how individuals evaluate their market value. This study holds a distinct significance as the topic it addresses has been minimally explored in existing literature, primarily due to constraints related to data availability. As a result, the current study's focus on this underrepresented area amplifies its significance and underscores its contribution to the economics literature.

This thesis is structured as follows. Chapter 2 provides a review of related literature. Chapter 3 introduces data and research design. In the following chapter, Chapter 4, descriptive and empirical results are presented. The closing chapter, Chapter 5, contains a summary of the study.

2. LITERATURE REVIEW

Wage expectations of job seekers have gained significant attention in labor economics. Job seekers' expected wage determinants play a crucial role in understanding labor market dynamics, individual decision-making, and broader social issues such as gender equality. The literature focuses on a wide range of topics, such as the impact of individual characteristics and expectations about future earnings on the wage expectations of job seekers.

Many studies have been conducted to examine the gender differences in wage expectations. Leibing et al.(2023) aim to understand the factors contributing to the gender gap in expected wages among high school students in Germany. The researchers collected data through a survey of high school graduates in Germany. The data includes students' expected earnings in three different educational scenarios when they reach 35 years old. The researchers applied the Oaxaca-Blinder decomposition method to provide a detailed analysis of the components contributing to the gender wage gap across various factors such as socio-demographic factors, intended college major choice, career motives, cognitive abilities, and noncognitive abilities. The study shows that the gender gap in wage expectations is over 15% among high school graduates. Additionally, Males are more likely to have intentions to choose a major in Science, Technology, Engineering, and Mathematics (STEM) and higher academic self-efficacy, which are associated with higher expected wages on average. The study shows that specific factors, such as having intentions to study business or management and prioritizing time for family as a career motive, negatively impact female expected wages more than males.

Similarly, Alonso-Borrego et al. (2016) investigate the expected wages of college students in Madrid universities. Using the dataset that contains individual characteristics and students-reported expected wage information, they find that females expect lower salaries than males in their first year of college. This gender gap in wage expectations persists for more experienced students, but the extent of the gap varies depending on the degree. Besides, the study explores the changes in student's

wage expectations as they advance in their degree program. The results show that initially, college students tend to overestimate their future wages after graduation, but as they progress in their studies, this overestimation decreases. The result indicates that their expectations become more realistic when they get closer to graduation.

Using data on wage expectations of students and wage realizations of graduates from the same University (Bocconi, Italy), Filippin et al. (2005) find that the expected gender wage gap one year after graduation aligns with the realized gap. Additionally, the research shows that the gender gap at the beginning of a career is higher in recent cohorts but lower in previous cohorts. The study also shows that even when males and females have similar human capital and personal characteristics, there is still a 10% gender gap in wage expectations.

Brown and Taylor (2009) examine the duration of unemployment, reservation wages, and expected wages simultaneously using a sample of unemployed individuals. In the study, wage expectations are determined by an exogenous policy shock based on the UK's introduction of Working Family Tax Credits (WFTC). The result shows that it is significant to consider wage expectations when analyzing the behavior and decision-making of job seekers. Furthermore, the research highlights the influence of wage expectations on reservation wages, which indicates that policymakers can potentially impact the reservation wages of the unemployed by targeting the factors that determine expected wages.

Using survey data from students at Saarland University in Germany, Briel et al. (2020) introduce new measures to evaluate an individual's confidence about their expected salary after graduation. They then investigate how confidence levels affect the gender gap in wage expectations among university students. The findings indicate that, on average, females expect a 17 percent lower starting salary than males. Moreover, confidence positively impacts expected starting salaries. According to the Oaxaca-Blinder decomposition, 7.7 percent of the overall gender gap in expected starting salaries can be attributed to male students' higher confidence levels than female students.

Zambre (2018) examines gender differences in wage expectations among high school graduates and investigates the role of anticipated compensation for wage risk in explaining these differences. Using a survey of German high school graduates, the study shows that female students expect to earn approximately 16% less than males because they are willing to accept lower wage risk. By examining various factors such as demographics, academic performance, and career motives, the analysis shows that anticipated compensation for wage risk significantly explains the gender gap in wage expectations.

Based on survey responses from over 6,000 participants, Brunello et al. (2001) present a comprehensive study of wage expectations among European college students. The research examines factors influencing wage expectations and employment probabilities, including field of study, gender, age, college seniority, study duration expectations, perceived ability, and family background. The findings show a significant relationship between these factors and expected college wages and wage gains. Moreover, students with higher perceived ability and a projected college completion within the required time frame exhibit higher expected wages and better job prospects.

3. DATA AND METHODOLOGY

The data comes from an online job application platform, Kariyer.net. The platform is one of the largest employment platforms that gathers job seekers and employers online. The dataset includes repeated cross-sectional data for the years 2018 to 2022. The dataset also includes information about the specific quarter in which job seekers apply for a job. We excluded job seekers under 24 years old who are still studying in university or have recently graduated, as their expected wages may be influenced by their current educational status. By focusing on individuals within the 24-64 age range, we aim to capture a more representative sample of job seekers with a clearer understanding of their expected wages.

The data covers a wide range of information on job seekers' demographic characteristics and expected wages. The demographic characteristics include year of birth, broad educational background such as fields of study in which individuals specialized at the university, and the names of the universities where job seekers obtained their degrees. In the data, the expected wages are expressed as an interval, with both a minimum and maximum wage, rather than as a continuous wage. The dataset also provides information on job seekers' work experience, the specific occupations that job seekers applied for, and the provinces where job seekers applied for a job.

We also included the regional-level broad unemployment rate obtained from Turkish Household Labor Force Surveys, which encompasses discouraged workers who are available to work but not actively seeking a job. The inclusion of this variable is motivated by the potential impact of a high broad unemployment rate in specific years, such as during the Covid-19 pandemic (2020 and 2021), on job seeker's wage expectations.

To analyze the factors influencing expected wages, we estimate the following equation,

$$\ln W_{itq} = X_{itq}\beta + \varepsilon_{itq}$$

The dependent variable represents the natural logarithm of the expected wage of job seekers in a specific year and quarter. The vector X_{itq} is a vector of explanatory variables, β parameters to be estimated and ε_{itq} is the error term.

X includes age, age squared, work experience, gender, educational background, regional GDP per capita and regional broad unemployment rate, university ranking, occupation category that job seekers apply based on the job advertisements, fixed effects for the provinces where job seekers applied for positions, year, and quarter fixed effects.

It is important to note that Turkey's broad unemployment rate was significantly high during the COVID-19 pandemic in 2020 and 2021. This was primarily due to the various restrictions imposed by the government to control the spread of the virus, which limited people's mobility and activities. The closure of businesses and reduced demand for goods and services led to decreased production, resulting in job losses. Consequently, many individuals remained unemployed but refrained from actively seeking employment due to the challenging circumstances, which contributed to discouragement and a decline in the labor force. Therefore, individuals may adjust their expected wages when the broad unemployment rate is high. The uncertain and adverse labor market conditions during such periods could influence job seekers' perceptions of the wage levels they anticipate or are willing to accept. Therefore, the regression model includes the broad unemployment rate as a control variable. In addition, the regional GDP per capita is included to control the regional economic growth that may affect job seekers' wage expectations.

The university ranking variable used in the estimation comes from URAP (University Ranking by Academic Performance), a research project led by the Middle East Technical University (METU)¹. URAP aims to develop a comprehensive ranking system for universities worldwide by focusing on academic performance indicators. The ranking variable corresponds to the 2022-2023 academic year. To interpret the university rankings more easily, we applied normalization to the original ranking

¹ <https://newtr.urapcenter.org/Rankings/2022-2023/GENEL-SIRALAMASI-2022>

variable ranging from 1 to 176, with 1 representing the lowest-ranked university and 176 representing the highest-ranked university. By applying this transformation, we converted the ranking variable into a new variable ranging from 0 to 1. This scaling allows for a more intuitive and standardized representation of the rankings, where a higher value now corresponds to a better ranking. In this scale, 0 indicates the lowest-ranked university, while 1 represents the highest-ranked university.



4. RESULTS AND FINDINGS

Understanding the factors influencing job seekers' wage expectations during the job application process is essential for job seekers and employers in the labor market. The job seekers' wage expectations signal their perceived value in the labor market and play a significant role before entering a salary negotiation. Therefore, studying the dynamics of wage expectation offers valuable insight into the wage determination mechanisms and provides an overview of the factors that shape job seekers' decision processes.

This chapter investigates job seekers' wage expectation patterns and explores the factors that affect wage expectations when they apply for a job. We begin by presenting descriptive statistics focusing on the key variables used in this study. The data's descriptive analysis will summarize the sample and allow us to identify notable patterns or trends. Following the presentation of descriptive statistics, we employ regression analysis to investigate the key factors affecting job seekers' wage expectations.

Although job seekers state their wage expectations as an interval, we used the minimum value of the salary interval in the calculations. The reason is to mitigate potential problems arising from individuals exaggerating the maximum value of their salary expectation and to ensure a more reliable estimate of expected wages. Additionally, the wage data from 2018 to 2021 were adjusted using the 2022 consumer price index.

4.1 Descriptive Statistics

Table 4.1.1 presents the characteristics of individuals, including average work experience, age distribution, university type, and education type. Males have an average work experience of 7.3 years, while females' average work experience is 5.4 years. Experience level significantly influences salary expectations because more years of experience may result in higher wage expectations.

Table 4.1.1 Demographic Characteristics of the Sample

	Male	Female
Mean Work Experience (Year)	7.3	5.4
Mean Age	32	30
Age Distribution (%)		
24-26	17.9	26.9
27-29	27.4	31.2
30-32	19.2	17.8
33-35	11.0	9.4
36-39	9.4	7.2
40-44	7.4	4.4
45-49	4.3	2.2
50-54	2.2	0.7
55-59	0.9	0.1
60-64	0.3	0.0
Total	100.0	100.0
University Type (%)		
Private	11.8	15.5
Public	88.2	84.5
Total	100.0	100.0
Education Type (%)		
Formal Education	79.9	83.0
Evening education	20.1	17.0
Total	100.0	100.0

Source: Kariyer.net database

Among males, the age range of 27-29 (27.4%) is the highest group, followed by the age range of 30-32 (19.2%). As for females, the highest ratio is seen in those aged between 27-29 (31.3%), while the second largest group is observed in the 24-26 age group (26.9%). The data indicates a relatively balanced distribution of age groups across genders, with slight variations in the proportions between males and females within each age category. This indicates that the dataset mainly contains individuals in their mid/late twenties and early thirties.

Regarding the university type, 88.2% of males and 84.5% of females graduated from public universities. This distribution of university types highlights the prevalence of individuals with degrees from public institutions². Examining the education type, 79.9% of males studied in formal education, while 20.1% completed evening

² We included only individuals who graduated from the Universities in Turkey in the sample. Additionally, we excluded graduates of open education programs.

education³. Among females, 83.0% studied in formal education, and 17.0% studied in evening school. These findings demonstrate that a majority of job seekers completed formal education.

A significant proportion of both males (57.1%) and females (55.5%) applied for professional positions (Table 4.1.2). The proportion of males and females who applied for service and sales occupation is 16.4% and 23.9, respectively. In the technicians and associate professionals, 12.4% of men and 12.5% of women applied for this position. A small percentage of job seekers applied for the remaining occupation groups, with slightly higher proportions among males than females⁴.

Table 4.1.2 shows that job seekers mainly focus on professional and service-oriented occupational roles. Males and females are relatively balanced in applying for the technicians and associate professionals category. There is gender disparity in specific categories; the proportion of females applying for service and sales positions is 7.5 pp higher than that of males.

According to the distribution of job applications across different regions, the highest proportion of male job seekers (41.3%) applied for a job in Istanbul, followed by the East Marmara region (14.8%) and West Anatolia (13.4%). As for women, 48.0

³ Evening education refers to the educational courses offered during the evening hours within various academic programs at public universities. While the curriculum and educational content are the same, evening education allows students with lower university entrance scores to pursue higher education. A significant departure from formal education is that evening education students must pay tuition fees, distinguishing them from their counterparts enrolled in formal programs. It is essential to note that the diplomas awarded to students in both evening education and formal education are identical; the primary distinction lies in the timing of their classes, with evening education offering a more flexible schedule. Evening education is exclusively available in faculties within public universities. Conversely, private universities do not provide evening education programs, except two-year associate degree programs offered by Higher Vocational Schools. However, individuals having advanced degrees, such as master's or PhDs, in private universities are categorized as evening education graduates in the dataset. Although this may lead to some potential for misinterpretation, it is crucial to understand that this variable was predefined and cannot be altered. The dataset primarily contains information about educational departments and university names, which restricts our ability to differentiate between individuals with bachelor's or graduate degrees. However, the ratio of private university graduates studied in evening education is less than 2% among all job seekers.

⁴ The occupations were grouped according to the ISCO classification. The "Skilled Agricultural" occupation does not exist in the Kariyer.net dataset since this group do not fit the target audience of the company.

percent of job seekers applied in Istanbul, with the East Marmara region (13.3%) and Aegean (12.6%).

Table 4.1.2. Distribution of Job Applications by Occupation and Region

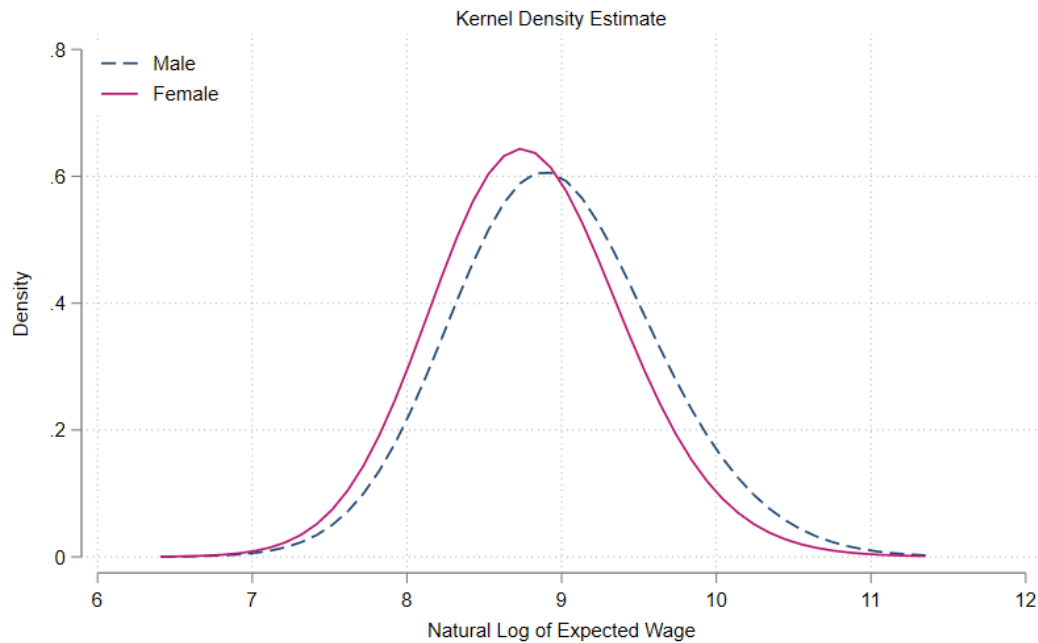
	Male	Female
Occupation (%)		
Professionals	57.1	55.5
Service and Sales	16.4	23.9
Technicians and Associate Professionals	12.4	12.5
Managers	9.2	5.6
Elementary Occupation	2.2	1.3
Plant and Machine Operators, and Assemblers	1.9	0.9
Craft and Related Trades	0.8	0.3
Total	100.0	100.0
Region (%)		
Istanbul	41.3	48.0
East Marmara	14.8	13.3
West Anatolia	13.4	12.1
Aegean	12.1	12.6
Mediterranean	7.1	5.8
West Marmara	3.1	2.8
West Black Sea	1.8	1.4
Central Anatolia	1.6	1.2
East Black Sea	0.9	0.7
Northeast Anatolia	0.5	0.2
Central East Anatolia	0.9	0.5
Southeastern Anatolia	2.3	1.4
Total	100.0	100.0

Source: Kariyer.net database, Author's Calculations

Regions with relatively minor variations of job applications between males and females are Aegean and East Marmara. Additionally, job applications of both genders are relatively low in Central Anatolia, West Black Sea, East Black Sea, Northeast Anatolia, Central East Anatolia, and Southeastern Anatolia.

According to the result, there is a significant gender wage disparity. The expected wage of males is 20.7% higher than females (Table 4.1.3). The Figure below compares the distribution of males and females wage expectations. We observe that the expected wage distribution in females slightly falls to the left of the distribution in males.

Figure 4.1.1 Kernel density estimates of expected wage



Source: Kariyer.net Database, Author's Calculations

Table 4.1.3 presents the mean expected wage in different subgroups based on gender. The data shows that the average expected wage for males is higher than that of females across all subgroups. Regardless of gender, expected wages tend to increase as individuals grow older. The second and fourth columns of the table represent the ratio of the expected wages for various categories to the overall mean expected wages by gender breakdown. For age groups 24-26 to 30-32, males have lower expected wages than overall expected wages, with 24%, 18, and 8%, respectively. The expected wages of females for the 24-26 and 27-29 age groups are 16% and 11% lower than the overall average expected wage, whereas the expected wages of the 30-32 age group are 1% higher than the overall average expected wages. While the highest wage expectations are observed in the 55-59 age group for males (71%), females in the 50-54 age group have 84% higher wage expectations than the overall average expected wages.

Table 4.1.3. Mean Expected Wages Across Multiple Groups

	Male		Female	
	Mean(TL)	Ratio of expected wage to the mean	Mean(TL)	Ratio of expected wage to the mean
Entire Sample	8,678	1	7,192	1
Age group				
24-26	6,580	0.76	6,039	0.84
27-29	7,096	0.82	6,401	0.89
30-32	8,014	0.92	7,238	1.01
33-35	9,560	1.10	8,396	1.17
36-39	10,868	1.25	9,454	1.31
40-44	11,900	1.37	10,285	1.43
45-49	13,385	1.54	11,232	1.56
50-54	14,184	1.63	13,223	1.84
55-59	14,802	1.71	12,660	1.76
60-64	13,538	1.56	10,405	1.45
University Type				
Private	8,183	0.94	7,279	1.01
Public	8,744	1.01	7,176	1.00
Education Type				
Formal Education	8,887	1.02	7,329	1.02
Evening education	7,851	0.90	6,520	0.91
Occupation				
Managers	13,172	1.52	10,330	1.44
Technicians and Associate Professionals	9,925	1.14	7,975	1.11
Professionals	8,491	0.98	7,352	1.02
Craft and Related Trade Workers	8,273	0.95	6,729	0.94
Plant and Machine Operators, and Assemblers	7,369	0.85	6,127	0.85
Service & Sales Workers	6,385	0.74	5,806	0.81
Elementary Occupations	6,105	0.70	5,589	0.78
Region				
Istanbul	9,154	1.05	7,766	1.08
West Marmara	8,587	0.99	6,512	0.91
West Anatolia	8,560	0.99	7,034	0.98
East Marmara	8,416	0.97	6,735	0.94
Aegean	8,285	0.95	6,632	0.92
Central Anatolia	8,236	0.95	6,297	0.88
Southeastern Anatolia	8,195	0.94	6,284	0.87
Central East Anatolia	8,140	0.94	6,197	0.86
Esat Black Sea	8,136	0.94	6,108	0.85
Mediterranean	8,060	0.93	6,263	0.87
West Black Sea	7,907	0.91	6,196	0.86
Northeast Anatolia	7,672	0.88	6,157	0.86

Source: Kariyer.net database, Author's Calculations

The average expected wages for male graduates from public universities are 6.9% higher than private university graduates and 1% higher than the overall average expected wages. In contrast, the average expected wage of female public university

graduates is 1% less than that of private university graduates and is identical to the average expected wages. The data shows that job seekers with formal education have slightly higher expected wages than the overall average expected wages.

Regarding occupations that job seekers apply for, managerial positions have the highest expected wages among other occupations. Compared with the overall average expected wage, the average expected wage of job seekers applying for managerial occupation is 52% and 44% higher for males and females, respectively. The regional results show that İstanbul is the only province where the wage expectations of job seekers are above the overall average expected wages.

4.2 Determinants of Wage Expectations

This section aims to explore the determinants of wage expectations. For this purpose, we employ regression analysis to understand the relationship between various variables and wage expectations and reveal the key determinants in the wage expectations process. We divided the sample into three groups to account for potential differences in socioeconomic backgrounds. The first group represents the total sample, which includes all job seekers. The second group comprises public university graduates, while the third group includes private university graduates.

This division allows us to consider the potential influence of socioeconomic factors associated with education. Private university students are more likely to come from relatively wealthier backgrounds, which can be attributed to various factors such as access to significant financial resources and potential benefit of well-established connections provided by their families. These advantages can enhance their professional development and contribute to higher wage expectations than public university graduates. By analyzing each group separately, we can develop a deep understanding of the factors that determine wage expectations within these specific contexts.

4.2.1 Results of the Study on the Total Sample

Table 4.2.1 presents the determinants of the expected wages of job seekers. The sample is divided into three subgroups: The first column represents the entire country, while the second column focuses on job applications outside İstanbul. The third column specifically examines job applications within İstanbul. This division is necessary since nearly half of the job seekers applied for positions in İstanbul.

According to the results, females have lower wage expectations than males (between 3 and 5.3 percent). This finding provides a persistent wage gap across the sample regardless of the job application location. Age groups significantly determine wage expectations and show a positive trend across all locations until a certain age. According to the results, older individuals have higher wage expectations than younger individuals. However, the magnitude of the age coefficients in İstanbul is greater than outside İstanbul. In İstanbul, for instance, individuals between the ages of 36-39 have significantly higher wage expectations by 22.6 percent than the age group of 24-26. Outside İstanbul, the expected wage of the 36-39 age group is 11.5% higher than the 24-26 age group. Job seekers between 36-39 expect wages around 16.4 percent higher than those in the 24-26 age group nationwide.

These findings illustrate that although there is a significant relationship between age and wage expectations across all locations, the magnitude of this effect changes. There is a clear pattern of increasing expected wages until a certain point. However, the expected wages start to decrease beyond the 45-49 age group compared to the base group. The coefficients for these age groups are consistently negative and indicate significantly lower expected wages than the reference group. This age-related pattern holds for all three sub-samples.

Job seekers who studied in formal education have higher wage expectations ranging from 1.9 to 3.6 percent compared to those with evening education. The results show that individuals who graduated from public universities have between 6.3 and 6.9 percent lower wage expectations than private university graduates across sub-

Table 4.2.1. Determinants of Wage Expectations, Total

	Turkey	Outside İstanbul	İstanbul
Gender (Ref: Male)			
Female	-0.042*** (0.006)	-0.054*** (0.003)	-0.030*** (0.001)
Age group (Ref: 24-26)			
27-29	0.045*** (0.007)	0.034*** (0.005)	0.060*** (0.001)
30-32	0.100*** (0.014)	0.077*** (0.007)	0.131*** (0.002)
33-35	0.152*** (0.020)	0.120*** (0.012)	0.193*** (0.003)
36-39	0.152*** (0.027)	0.109*** (0.019)	0.204*** (0.005)
40-44	0.096*** (0.019)	0.076*** (0.026)	0.125*** (0.007)
45-49	0.024 (0.037)	-0.025 (0.037)	0.089*** (0.010)
50-54	-0.074** (0.028)	-0.095** (0.044)	-0.041*** (0.013)
55-59	-0.193*** (0.032)	-0.208*** (0.052)	-0.162*** (0.016)
60-64	-0.402*** (0.040)	-0.401*** (0.073)	-0.383*** (0.023)
Education Type (Ref: Evening education)			
Formal education	0.024*** (0.004)	0.019*** (0.003)	0.035*** (0.001)
University Type (Ref: Private)			
Public	-0.065*** (0.002)	-0.072*** (0.005)	-0.070*** (0.001)
Occupation (Ref: Elementary occupations)			
Managerial	0.386*** (0.035)	0.324*** (0.014)	0.459*** (0.003)
Technicians and Associate Professionals	0.247*** (0.018)	0.216*** (0.009)	0.286*** (0.003)
Professionals	0.212*** (0.010)	0.196*** (0.007)	0.232*** (0.003)
Craft and Related Trade	0.146*** (0.009)	0.132*** (0.006)	0.165*** (0.006)
Service and Sales	0.060*** (0.005)	0.053*** (0.005)	0.072*** (0.003)
Plant and Machine operators, and Assemblers	0.071*** (0.007)	0.061*** (0.007)	0.079*** (0.004)
University Faculty (Ref: Economics and Administrative)			
Medicine	0.636*** (0.037)	0.690*** (0.046)	0.579*** (0.001)
Pharmacy	0.304*** (0.027)	0.352*** (0.030)	0.262*** (0.014)
Law	0.235*** (0.016)	0.242*** (0.033)	0.215*** (0.005)
Engineering	0.202*** (0.013)	0.223*** (0.003)	0.173*** (0.001)
Informatics	0.089*** (0.025)	-0.047 (0.039)	0.103*** (0.008)
University Ranking			
	0.138*** (0.011)	0.112*** (0.011)	0.153*** (0.002)
Observations	1,894,761	1,063,016	831,745
R-squared	0.451	0.431	0.469

Source: Kariyer.net database, Author's Calculations

Note: Standard Errors were clustered at region level for Across Country and Outside İstanbul; Robust standard errors were used for İstanbul. Standard errors in parentheses.

*** p<0.01, ** p<0.05, * p<0.1

The extended regression table including full list of variables can be found in the appendix table 7.1.1

samples. Based on the results, it is evident that educational background significantly impacts wage expectations.

Individuals applying for positions in certain occupations have higher wage expectations than those who applied for the elementary occupation category. For

instance, professionals (23.6 to 26.1%) and technicians and associate professionals (24.1 to 33.1%) have significantly higher expected wages than the elementary occupations. Managerial occupation exhibits the highest expected wage among the occupational groups. In İstanbul, job seekers who applied for managerial occupations expect 58.2% higher than the elementary occupation.

The university faculty result shows that job seekers who studied in the faculty of medicine have remarkably higher wage expectations than those who studied in economics and administration. Across the country, job seekers from the faculty of medicine expect wages 88.9% higher than those from the economics and administrative faculty. Outside of İstanbul, the wage expectation difference between the two groups is nearly a hundred percent. The corresponding ratio is 78.4 in İstanbul. Job seekers with a pharmacy degree have 42.2% higher wage expectations than the base category outside İstanbul; the ratio decreases to 30% in İstanbul.

The job seekers who studied in the faculty of informatics have higher wage expectations in İstanbul. In İstanbul, informatics faculty graduates have 10.8% higher wage expectations than the base group. Although the coefficient is negative and indicates that job seekers from the informatics faculty have 4.6 percent lower wage expectations, the coefficient is insignificant outside İstanbul. In the three sub-samples, the job seekers studied in the law and engineering faculty have higher wage expectations ranging from 18.9 percent to 27.4 percent.

The university ranking variable captures a critical difference between the highest and lowest-ranked universities. The results show that the university ranking significantly impacts job seekers' wage expectations. In İstanbul, graduates from the highest-ranked university anticipate 16.5% higher wage levels than the lowest-ranked university graduates. Similarly, outside of İstanbul, the wage expectation difference is 11.9 percent between the highest-ranked and the lowest-ranked university graduates.

These findings highlight the importance of university ranking in determining wage expectations. They may indicate that higher-ranked university graduates have a competitive advantage in the job market as they are more likely to have more confidence in their knowledge, skills, and abilities than those who graduated from the

lowest-ranking university. As a result of this, their wage expectations are significantly higher compared to lower-ranked university graduates. On the other hand, graduates from lower-ranked universities may have more modest wage expectations than lower-ranked graduates.

4.2.2 Results of the Study on Public University Graduates

The table below provides results for public university graduates. The results show a consistent pattern where female job seekers expect to earn less, between 3.3 and 5.4%, than their male counterparts. Similar to the previous section's findings, job seekers' expected wages increase as individuals age and decrease after a certain age. According to the education results, individuals with a formal education have slightly higher wage expectations than those who studied in evening education.

The occupation results reveal a similar pattern to those in the previous section for the total sample. The results demonstrate that the university faculty in which job seekers enrolled substantially impacts their wage expectations. For instance, job seekers from the medical faculty expect considerably higher wages than those from the faculty of economics and administrative. However, the magnitude of the difference differs across the subgroups.

Graduates from the highest-ranked university have 13.2% higher wage expectations compared to the lowest-ranked university graduates in the entire country. In İstanbul and outside İstanbul, this ratio is 14.8% and 11.5%, respectively. The difference between wage expectations based on university ranking underscores the university's reputation when job seekers state their salary expectations in the job application process.

Table 4.2.2. Determinants of Wage Expectations, Public University Graduates

	Turkey	Outside İstanbul	İstanbul
Gender (Ref: Male)			
Female	-0.045*** (0.006)	-0.055*** (0.003)	-0.034*** (0.001)
Age Group (Ref: 24-26)			
27-29	0.045*** (0.007)	0.035*** (0.005)	0.063*** (0.001)
30-32	0.103*** (0.015)	0.081*** (0.008)	0.139*** (0.002)
33-35	0.164*** (0.024)	0.127*** (0.013)	0.217*** (0.004)
36-39	0.168*** (0.034)	0.114*** (0.021)	0.240*** (0.005)
40-44	0.127*** (0.030)	0.085*** (0.028)	0.183*** (0.008)
45-49	0.067 (0.053)	-0.014 (0.038)	0.171*** (0.011)
50-54	-0.015 (0.047)	-0.081* (0.047)	0.070*** (0.014)
55-59	-0.117** (0.054)	-0.189*** (0.056)	-0.019 (0.018)
60-64	-0.310*** (0.061)	-0.379*** (0.075)	-0.213*** (0.024)
Education Type (Ref: Evening education)			
Formal education	0.024*** (0.004)	0.019*** (0.003)	0.033*** (0.001)
Occupation (Ref: Elementary occupations)			
Managerial	0.389*** (0.039)	0.325*** (0.014)	0.478*** (0.004)
Technicians and Associate Professionals	0.248*** (0.022)	0.215*** (0.009)	0.300*** (0.003)
Professionals	0.214*** (0.012)	0.196*** (0.008)	0.244*** (0.003)
Craft and Related Trade	0.146*** (0.010)	0.132*** (0.006)	0.168*** (0.007)
Service & Sales	0.062*** (0.007)	0.053*** (0.006)	0.080*** (0.003)
Plant and Machine Operators, and Assemblers	0.075*** (0.008)	0.063*** (0.007)	0.087*** (0.005)
University Faculty (Ref: Economics and Administrative)			
Medicine	0.640*** (0.036)	0.687*** (0.05)	0.587*** (0.020)
Pharmacy	0.310*** (0.027)	0.353*** (0.031)	0.268*** (0.015)
Law	0.243*** (0.189)	0.270*** (0.029)	0.208*** (0.007)
Engineering	0.208*** (0.012)	0.225*** (0.004)	0.180*** (0.001)
Informatics	-0.041 (0.029)	-0.067* (0.034)	0.021 (0.021)
University Ranking			
	0.124*** (0.010)	0.109*** (0.012)	0.138*** (0.002)
Observations	1,650,606	996,775	653,831
R-squared	0.459	0.435	0.478

Source: Kariyer.net database, Author's Calculations

Note: Standard Errors were clustered at region level for Across Country and Outside İstanbul; Robust standard errors were used for İstanbul. Standard errors in parentheses.

*** p<0.01, ** p<0.05, * p<0.1

The extended regression table including full list of variables can be found in the appendix table 7.1.1

4.2.3 Results of the Study on Private University Graduates

Although gender is still an essential factor in determining wage expectations, the difference in wage expectations between males and females is less among private university graduates, in contrast to their counterparts who graduated from public universities. There is an interesting phenomenon observed in the age groups. Expected wages slightly increase until the 33-35 age category compared to the age group of 24-26 in the entire country and İstanbul, then experience a sharp decrease starting with the 36-39 age group. This decline persists consistently both in İstanbul and the entire country. For example, across the country and İstanbul, the expected wages of job seekers in the 40-44 age group are 20% and 23.7% lower than those in the 24-26 age group, respectively. It is very surprising that there is no statistically significant difference between the age groups and base category except the 50-54 age group outside of İstanbul. The wage expectation in the 50-54 age group is 29.5% lower than in the 24-26 age group.

Another interesting finding is that job seekers with a formal education have 2.8% higher wage expectations than evening education graduates, but the difference is statistically insignificant outside of İstanbul. In İstanbul and the entire country, individuals with formal education have 12.3% and 11.1% higher expected wages than those who studied in evening education. The analysis of occupation and university faculty reveals a similar pattern to that observed in the public university graduate's sample. The influence of university reputation on expected wages appears to be relatively more pronounced among private university graduates than public university graduates. In İstanbul, the highest-ranked university graduates' expected wages are 19.6% higher than those of the lowest-ranked university graduates. Similarly, outside of İstanbul, the highest-ranked university graduates' expected wages are 13.8% higher than the lowest-ranked. This ratio is 18.3% in the entire country. The occupation and university faculty results reveal a similar pattern as in the total sample.

Table 4.2.3. Determinants of Wage Expectations, Private University Graduates

	Turkey	Outside İstanbul	İstanbul
Gender (Ref: Male)			
Female	-0.020*** (0.004)	-0.035*** (0.009)	-0.016*** (0.002)
Age Group (Ref: 24-26)			
27-29	0.019*** (0.005)	0.013 (0.017)	0.017*** (0.003)
30-32	0.037*** (0.013)	0.001 (0.028)	0.045*** (0.005)
33-35	0.015 (0.017)	0.001 (0.052)	0.018** (0.008)
36-39	-0.030 (0.020)	0.016 (0.054)	-0.050*** (0.012)
40-44	-0.223*** (0.045)	-0.099 (0.077)	-0.270*** (0.018)
45-49	-0.426*** (0.058)	-0.311 (0.184)	-0.462*** (0.027)
50-54	-0.603*** (0.085)	-0.349** (0.142)	-0.698*** (0.038)
55-59	-0.953*** (0.174)	-0.422 (0.331)	-1.168*** (0.049)
60-64	-0.777*** (0.150)	-0.360 (0.239)	-0.931*** (0.114)
Education Type (Ref: Evening education)			
Formal education	0.105*** (0.010)	0.028 (0.026)	0.116*** (0.006)
Occupation (Ref: Elementary occupations)			
Managerial	0.356*** (0.015)	0.301*** (0.028)	0.372*** (0.007)
Technicians and Associate Professionals	0.226*** (0.005)	0.212*** (0.021)	0.226*** (0.006)
Professionals	0.186*** (0.005)	0.184*** (0.018)	0.182*** (0.006)
Craft and Related Trade	0.152*** (0.010)	0.127*** (0.027)	0.163*** (0.014)
Service and Sales	0.043*** (0.005)	0.051** (0.019)	0.040*** (0.006)
Plant and Machine Operators, and Assemblers	0.037** (0.014)	0.004 (0.022)	0.053*** (0.010)
University Faculty (Ref: Economics and Administrative)			
Medicine	0.613*** (0.157)	0.896*** (0.050)	0.407*** (0.138)
Pharmacy	0.260*** (0.022)	0.319*** (0.060)	0.241*** (0.030)
Law	0.194** (0.026)	0.158 (0.039)	0.215*** (0.008)
Engineering	0.160*** (0.012)	0.189*** (0.008)	0.144*** (0.002)
Informatics	0.060* (0.033)	0.004 (0.105)	0.023** (0.011)
University Ranking			
	0.168*** (0.011)	0.129*** (0.018)	0.179*** (0.003)
Observations	244,155	66,241	177,914
R-squared	0.398	0.371	0.414

Source: Kariyer.net database, Author's Calculations

Note: Standard Errors were clustered at region level for Across Country and Outside İstanbul; Robust standard errors were used for İstanbul. Standard errors in parentheses.

*** p<0.01, ** p<0.05, * p<0.1

The extended regression table including full list of variables can be found in the appendix table 7.1.1

4.3 Expected vs. Realized Wages

Understanding the disparity between the expected wages and the realized wage plays a vital role in the labor market, and addressing these disparities could provide valuable insights for job seekers, employers, and policymakers. This subsection examines how job seekers' wage expectations differ from the realized wages in the labor market. We calculated the realized wages using the Labor Force Survey data for each occupation group. These wages were adjusted for inflation to provide accurate comparisons over the specified period. Positive ratios indicate that the expected wages of job seekers are higher than the realized wages by the specified percentage. In contrast, negative ratios imply that the expected wages are lower than the realized wages by the specified percentage.

The table below comprehensively analyzes the disparity between expected and realized wages in İstanbul. Based on the table below, there are consistent differences between realized wages and job seekers' expected wages in the managerial, professionals, technicians and associate professionals, and clerical support and service and sales occupations. In other words, job seekers have lower wage expectations than the realized wage observed in the labor market. However, there are a few exceptions in the technicians and associate professionals and clerical support and services and sales where the expected wages are higher than the realized wages.

Table 4.3.1. Expected vs. Realized Wages (Percent), İstanbul

	1	2	3	4	5	6	7
Age group	Male						
24-28	-28.9	-29.5	-9.5	-20.4	28.8	20.1	1.7
29-34	-20.0	-26.1	-10.7	-22.4	11.2	17.6	20.4
35-39	-14.3	-21.0	-20.0	-7.0	19.5	25.3	13.1
40-64	-19.7	-18.0	-6.4	4.9	42.7	37.6	11.9
	Female						
24-28	-20.8	-16.9	-10.6	-13.7	5.2	28.6	0.9
29-34	-22.7	-22.5	-1.3	-21.4	4.1	25.1	30.4
35-39	-8.9	-11.5	30.2	-5.2	26.4	50.8	61.7
40-64	-18.5	-12.4	22.3	2.0	79.3	73.2	42.2

Source: Household Labor Force Survey, Kariyer.net data base, Author's calculations

Note: 1-Managerial, 2-Professionals, 3- Technicians and Associate Professionals, 4- Clerical Support ,and Service and Sales, 5- Craft and Related Trades, 6- Plant and Machine Operators, and Assemblers 7- Elementary Occupations

In the managerial and professional occupations, job seekers have lower expected wages than realized wages. For example, on average, expected wages are 28.9% and 20.8% lower than realized wages for males and females aged between 24-28 in the managerial occupation. This suggests that individuals seeking managerial positions in Istanbul may underestimate their earning potential. Several potential reasons could explain this pattern. One possible explanation is that managerial and professional occupations are highly competitive. As a result, job seekers state lower salary expectations as they may believe employers have more power in wage negotiation. The limited job opportunities and the many qualified candidates in these positions might be the reason behind this belief.

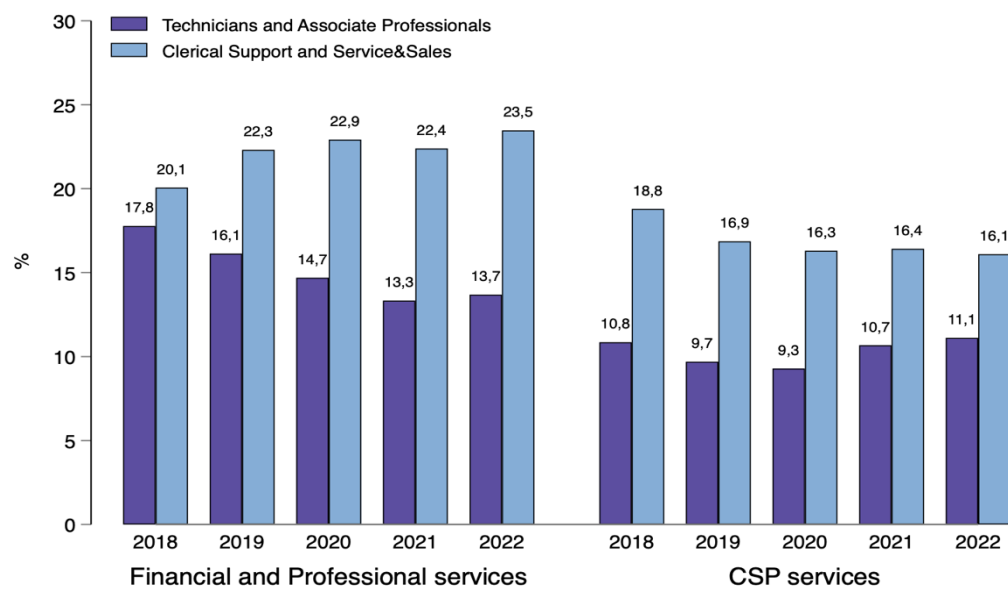
The lack of availability and transparency of salary information could be another factor. This lack of accessible and reliable salary data may particularly affect individuals early in their careers or have limited networks within the industry. As a result, job seekers may underestimate the earning potential and decrease wage expectations in these occupation groups. Additionally, job seekers may consider other factors, such as job security and career growth opportunities, beyond anticipating high salaries when they apply for a job in managerial and professional occupations. Therefore, they may be willing to accept a low initial salary by putting long-term benefits before the immediate financial gains.

Similarly, in the technicians and associate professionals and clerical support and service and sales occupation groups, expected wages are generally lower than the realized wage. Several factors may contribute to this phenomenon. Considering that more than 50 percent of individuals employed in both occupation groups are engaged in the financial and professional activities and CSP services (Community, social, and personal services) sectors, it is essential to examine the dynamics of these sectors.

As can be seen from Figure 4.3.1, the employment share of technicians and associate professionals in the financial and professional activities sector declines over time. Moreover, the stable employment share in the CSP sector implies that job opportunities are limited for technicians and associate professionals. Although the

clerical support and services and sales employment share is relatively stable in the financial and professional activities sector, the ratio has decreased over the years in the CSP services sector. Overall, these results suggest that the job market for these groups is more competitive and indicate a decrease in available job opportunities. As a result, job seekers may be willing to accept lower wages to find a job.

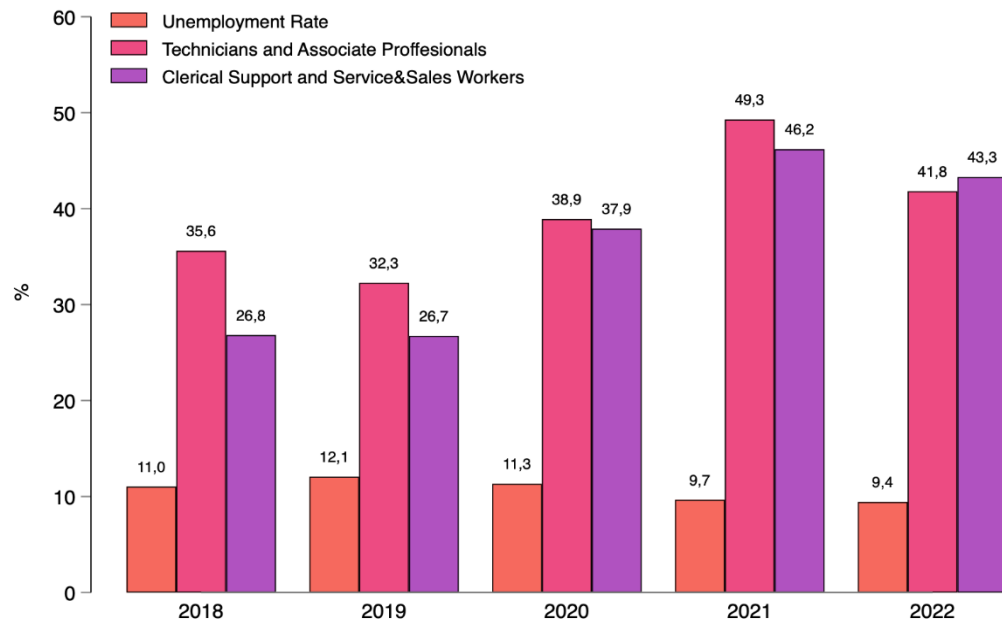
Figure 4.3.1. The employment share of technicians and associate professionals, and clerical support and services and sales in financial and professional services and CSP services sectors (% of total employment in each sector category), İstanbul



Source: Household Labor Force Survey, Author's Calculations

In addition, the increasing duration of unemployment (Figure 4.3.2) among the technicians and associate professionals and clerical support and service and sales reflects a disequilibrium between the supply and the demand of these groups since the long-term unemployment ratio has increased over time in both occupation groups, despite stable unemployment rate. This may result in lower expected wages as job seekers struggle to find a job and may decrease their salary expectations to be hired. The employment and the long-term unemployment ratio graphs were created for the rest of the country as well. They reveal common patterns between İstanbul and the rest of the country and are presented in the appendix Figures 7.2.1 and 7.2.2.

Figure 4.3.2. Long-term unemployment ratio for job seekers applying to technicians and associate professionals and clerical support and service and sales, and Unemployment rate, İstanbul



Source: Household Labor Force Survey, Author's Calculations

In contrast, job seekers in craft and related trades, plant and machine operators and assemblers, and elementary occupations have higher expected wages than the realized wages. There could be several reasons for this result, such as income disparity, the cost of living, inflation, and the challenges posed by the COVID-19 crisis. These groups mainly fall into the bottom income deciles. Moreover, these groups are particularly vulnerable to rising inflation and the cost of living. Income inequality and the cost of living in İstanbul can significantly influence wage expectations. The higher cost of living may lead to job seekers increasing expected salaries to meet basic needs and maintain a certain standard of living. Additionally, unstable, and high inflation mainly affect low-income households by eroding the purchasing power of wages. When job seekers face a higher inflation rate, they increase their wage expectations to offset inflation, resulting in higher expected salaries than realized wages.

Moreover, the COVID-19 crisis has caused significant economic consequences, including job losses, reduced working hours, and increased financial insecurity. Job seekers may have increased their wage expectations to mitigate the risks and unforeseen economic challenges caused by the outbreak. The combined effect of

income inequality, high inflation, and the COVID-19 crisis might cause job seekers to have higher wage expectations than the actual wages observed in these occupations.

Table 4.3.2 demonstrates the difference between expected and realized wages outside İstanbul. The results display similar patterns to those in İstanbul. This could be attributed to job seekers in both groups' similar labor market perceptions and behavior. Also, national economic trends could be the reason for a similar pattern. However, it is essential to do further research and analysis to understand the factors that drive this similar pattern.

Table 4.3.2. Expected vs. Realized Wages (Percent), Outside İstanbul

Age group	Male						
24-28	-33.2	-27.3	-10.5	-21.0	12.5	9.2	6.1
29-34	-20.4	-28.0	-4.4	-25.4	21.2	7.5	7.5
35-39	-2.5	-18.5	16.6	-18.3	27.4	8.6	13.5
40-64	2.2	-13.3	10.3	-16.0	26.7	22.1	18.1
	Female						
24-28	-17.9	-19.7	-9.2	-1.8	15.1	16.1	3.8
29-34	-18.5	-24.3	-9.2	-14.3	16.3	8.4	7.9
35-39	-7.7	-16.9	5.2	-13.1	32.3	11.8	17.1
40-64	-5.0	-13.6	17.2	-10.5	64.0	39.6	28.0

Source: Household Labor Force Survey, Kariyer.net data base, Author's calculations

Note: 1-Managerial, 2-Professionals, 3- Technicians and Associate Professionals, 4- Clerical Support and Service and Sales, 5- Craft and Related Trades, 6- Plant and Machine Operators, and Assemblers 7- Elementary Occupations

5. CONCLUSION

The thesis analyzes the determinants of job seekers' salary expectations in the Turkish labor market. This thesis contributes to the existing literature on how job seekers shape their salary expectations based on various factors. Understanding the factors that affect job seekers' wage expectations is crucial for both job seekers and employers during the job application process, as the expected wage of job seekers plays a significant role in determining salary negotiations.

The data comes from a job application platform, Kariyer.net, one of the largest employment platforms that brings together job seekers and employers online. The data includes repeated cross-sectional data for the years 2018 to 2022. We limited the data to individuals aged 24-64 to exclude job seekers still studying in university or recently graduated, as their expected wages may be influenced by their current educational status. The data covers a wide range of information on job seekers' demographic characteristics and their wage expectations.

We divided the sample into three groups to account for potential differences in socioeconomic and educational backgrounds. The first group includes all job seekers in the dataset. The second and the third groups comprise public and private university graduates, respectively. We subdivided these groups into three categories based on the job locations where job seekers applied for: the entire country, İstanbul, and outside İstanbul. These divisions facilitates a detailed analysis of wage expectations in various regions and educational backgrounds.

5.1 Results of the Study on the Total Sample

Regardless of the job location, females consistently have lower wage expectations than males, with a difference between 3 and 5.3 percent. According to the age results, the expected wages increase compared to the base age group of 24-26 until a certain point. However, it starts to decrease beyond the 45-49 age group. According to the result, public university graduates have between 6.3 and 6.9 percent lower wage expectations than private university graduates, and this pattern holds over all three sub-regions. Similarly, job seekers with formal education have higher wage expectations (1.9 to 3.6 percent) than those with evening education.

When examining the occupational category, individuals applying for positions in certain occupations have higher wage expectations than in the elementary occupation category. Professionals, for instance, have higher wage expectations ranging from 23.6 to 26.1% than the elementary occupation. Job seekers applying for managerial occupation groups have the highest wage expectations among occupations.

Job seekers with a medicine faculty degree have remarkably high wage expectations compared to those with economics and administrative degrees. Across the country, job seekers from the medicine faculty have 88.9 percent higher expected wages than the economics and administrative graduates. Outside of Istanbul, this wage expectation difference is nearly doubled. The job seekers who studied in the informatics faculty have higher wage expectations except those outside Istanbul. Outside Istanbul, job seekers who graduated from the informatics department have 4.6% lower wage expectations than the base category, but the coefficient is statistically insignificant.

In Istanbul, the highest-ranked university graduates have 16.5 percent higher expected wages compared with the lowest. The ratio in the entire country and outside Istanbul is 14.8 and 11.9 percent, respectively. Overall, these findings suggest that the university rank positively influences job seekers' wage expectations, and the wage expectations of job seekers from the highest-ranked university are significantly higher than those of the lowest-ranked university graduates.

5.2 Results of the Study on Public University Graduates

According to the results, females wage expectations are 4.4% less than male counterparts nationwide. Similarly, female job seekers' expected wages are 5.4 and 3.3 percent lower outside İstanbul and İstanbul, respectively. Age results show that wage expectations significantly increase as individuals age and decrease after a certain age. The education results indicate that formal education students have slightly higher wage expectations than evening education graduates.

The results demonstrate that the university faculty considerably impacts job seekers' wage expectations. The expected wage of medicine faculty graduates is a clear illustration of this. Medicine faculty seekers' wage expectations are above 75 percent higher than those of economics and administrative graduates across sub-regions. Among the occupation groups, job seekers who applied for the managerial position have the highest wage expectations compared to those who applied for the elementary occupations.

The impact of university ranking on wage expectations indicates that individuals who graduated from the highest-ranked university have significantly higher wage expectations than those of the lowest-ranked university graduates. In the entire country, the difference in wage expectations is 13.2%. This difference is slightly lower (11.5%) outside of İstanbul and slightly higher (14.8%) in İstanbul.

5.3 Results of the Study on Private University Graduates

In the case of private university graduates, females continue to anticipate lower wages than males, although the magnitude of the difference is slightly lower than in public university graduates. It is interesting that, outside of İstanbul, the difference in wage expectations between the base category (24-26 age group) and the age groups is statistically insignificant except for the age group of 50-54. The wage expectation in the 50-54 group is 29.5% lower than in the 24-26 age group.

In İstanbul, the expected wages start to decrease beyond the 33-35 age group compared to the 24-26 age group. In addition, the decrease accelerates and peaks in the 55-59 age group, with 68.9 percent lower than the 24-26 age group.

Another interesting result is observed between the expected wages of formal education graduates and evening school graduates. In İstanbul and across the country, formal education graduates have 12.3 percent and 11.1 percent higher wage expectations on average than evening school graduates. Interestingly, this gap drops to 2.8 percent outside of İstanbul, which is statistically insignificant. The occupation and university faculty results follow a similar pattern to that observed in the public university graduate' sample.

As for the university ranking, in İstanbul, the highest-ranking university graduates expect 19.6 percent higher wages compared to those who graduated from the lowest-ranking university. This difference is slightly lower at 18.3 percent across the country, while the highest-ranking graduates expect 13.8 percent higher salaries outside İstanbul.

5.4 Expected versus Realized Wages

In addition to analyzing the determinants of wage expectations, we also examine how wage expectations of job seekers differ from the realized wages in the labor market. For this purpose, we used Household Labor Force Survey data to calculate realized wages at the occupation breakdown. According to the result, there are consistent differences between realized wages and job seekers' expected wages in the managerial, professionals, technicians and associate professionals, and clerical support and service and sales occupations. Generally, the expected wages tend to be lower than actual wages. This result indicates that job seekers have lower wage expectations than what is observed in the labor market. The limited availability of salary information might lead job seekers to lower wage expectations. Additionally, job seekers in managerial and professional occupations may prioritize other factors such as career growth alongside salary expectations.

On the contrary, job seekers in the craft and related trades workers, plant and machine operators and assemblers, and elementary occupations categories have higher expected wages than the realized wages. Several factors might cause this result, such as income inequality, the cost of living, and the challenges posed by the COVID-19 crisis. Occupations within the craft and related trades, plant and machine operators and assemblers, and elementary occupations mainly fall in the lowest income distribution deciles. Job seekers may hold higher wage expectations to improve their financial situation and achieve stability.

Moreover, workers in these occupational groups are particularly vulnerable to the adverse effects of rising inflation. In addition, the COVID-19 crisis caused significant economic consequences, including job losses, reduced working hours, and increased financial insecurity. In such uncertain times, job seekers may set higher wage expectations to avoid potential future uncertainties. As a result, income inequality, coupled with the cost of living and the COVID-19 crisis, may cause job seekers in these occupational groups to expect higher salaries than those observed in the labor market.

5.5 Implications for Stakeholders

The thesis's detailed analyses of the determinants of wage expectations and examination of the difference between expected and realized wages offer valuable insights for various stakeholders in the labor market. For job seekers, understanding the gaps between their expected and realized wages can help them make more informed decisions during the job search process. Knowing the average realized salary for a similar role in the labor market, and the factors that shape wage expectations helps job seekers set more realistic salary expectations when they apply for a job. Thus, this could result in better salary negotiations since job seekers are often at a disadvantage compared to employers.

Understanding the wage expectations of job seekers enables employers to offer competitive salaries that align with job seekers' wage expectations, making job offers

more appealing. Besides, organizations can allocate efficient salary budgets and ranges to meet the financial needs of job seekers by gaining insight into their wage expectations. Consequently, organizations can reduce turnover rates and improve employee engagement in the workplace. It also helps to minimize challenges in salary negotiations during the hiring process. Knowing job seekers' wage expectations plays a crucial role in facilitating a successful recruitment process and increasing employee retention.

The results may also influence policymakers to develop various government policies to reduce the disparities between job seekers' wage expectations and the observed wages in the labor market. By understanding the expected wage dynamics in various segmentations, such as age and education group, policymakers can design active labor market policies essentially by targeting disadvantaged female and youth job seekers in the labor market. The knowledge of the job seekers' wage expectations may enable the government to design initiatives, such as policy incentives for fair pay, to encourage workers to join or remain in the labor force. Integrating results from the thesis into government policy could improve the job-matching process in the labor market.

Overall, with a focus on fundamental factors that contribute to the wage expectations of job seekers, this thesis serves as a valuable resource for various stakeholders in the labor market as it is real data-based research. It benefits job seekers in negotiating salaries, helps firms offer competitive pay, and allows policymakers to design targeted policy interventions to make the labor market more competitive.

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7. APPENDIX

7.1 Appendix A: Extended Regression Results

Table 7.1.1 Regression Results: Full list of variables used in the estimation

Variables	Entire Sample			Public University Graduates			Private University Graduates		
	Turkey	Outside İstanbul	İstanbul	Turkey	Outside İstanbul	İstanbul	Turkey	Outside İstanbul	İstanbul
Gender (Ref: Male)									
Female	-0.042*** (0.006)	-0.054*** (0.003)	-0.030*** (0.001)	-0.045*** (0.006)	-0.055*** (0.003)	-0.034*** (0.001)	-0.020*** (0.004)	-0.035*** (0.009)	-0.016*** (0.002)
Age group (Ref: 24-26)									
27-29	0.045*** (0.007)	0.034*** (0.005)	0.060*** (0.001)	0.045*** (0.007)	0.035*** (0.005)	0.063*** (0.001)	0.019*** (0.005)	0.013 (0.017)	0.017*** (0.003)
30-32	0.100*** (0.014)	0.077*** (0.007)	0.131*** (0.002)	0.103*** (0.015)	0.081*** (0.008)	0.139*** (0.002)	0.037*** (0.013)	0.001 (0.029)	0.045*** (0.005)
33-35	0.152*** (0.020)	0.120*** (0.012)	0.193*** (0.003)	0.164*** (0.024)	0.127*** (0.013)	0.217*** (0.004)	0.015 (0.017)	0.001 (0.052)	0.018** (0.008)
36-39	0.152*** (0.027)	0.109*** (0.019)	0.204*** (0.005)	0.168*** (0.034)	0.114*** (0.021)	0.240*** (0.005)	-0.030 (0.020)	0.016 (0.054)	-0.050*** (0.012)
40-44	0.096*** (0.019)	0.076*** (0.026)	0.125*** (0.007)	0.127*** (0.030)	0.085*** (0.028)	0.183*** (0.008)	-0.223*** (0.045)	-0.099 (0.076)	-0.270*** (0.018)
45-49	0.024 (0.037)	-0.025 (0.037)	0.089*** (0.010)	0.067 (0.053)	-0.014 (0.038)	0.171*** (0.011)	-0.426*** (0.058)	-0.311 (0.183)	-0.462*** (0.027)
50-54	-0.074** (0.029)	-0.095** (0.044)	-0.041*** (0.013)	-0.015 (0.047)	-0.081* (0.047)	0.070*** (0.014)	-0.603*** (0.085)	-0.349** (0.142)	-0.698*** (0.038)
55-59	-0.193*** (0.032)	-0.208*** (0.052)	-0.162*** (0.016)	-0.117** (0.055)	-0.189*** (0.056)	-0.019 (0.018)	-0.953*** (0.175)	-0.422 (0.331)	-1.168*** (0.049)
60-64	-0.402*** (0.040)	-0.401*** (0.073)	-0.383*** (0.023)	-0.310*** (0.061)	-0.379*** (0.075)	-0.213*** (0.024)	-0.777*** (0.150)	-0.360 (0.239)	-0.931*** (0.114)
Education type (Ref: Evening Education)									
Formal education	0.024*** (0.004)	0.019*** (0.003)	0.035*** (0.001)	0.024*** (0.004)	0.019*** (0.003)	0.033*** (0.001)	0.105*** (0.010)	0.028 (0.026)	0.116*** (0.006)
University type (Ref: Private)									
Public	-0.065*** (0.002)	-0.072*** (0.005)	-0.070*** (0.001)						
Occupation (Ref: Elementary Occupations)									
Service & Sales Workers	0.060*** (0.005)	0.053*** (0.005)	0.072*** (0.003)	0.062*** (0.007)	0.053*** (0.006)	0.080*** (0.003)	0.043*** (0.006)	0.051** (0.019)	0.040*** (0.006)
Professionals	0.212*** (0.010)	0.196*** (0.007)	0.232*** (0.003)	0.214*** (0.013)	0.196*** (0.008)	0.244*** (0.003)	0.186*** (0.005)	0.184*** (0.019)	0.182*** (0.006)
Technicians and Associate Professionals	0.247*** (0.018)	0.216*** (0.009)	0.286*** (0.003)	0.248*** (0.022)	0.215*** (0.009)	0.300*** (0.003)	0.226*** (0.005)	0.212*** (0.021)	0.226*** (0.006)
Managers	0.386*** (0.035)	0.324*** (0.014)	0.459*** (0.003)	0.389*** (0.039)	0.325*** (0.014)	0.478*** (0.004)	0.356*** (0.015)	0.301*** (0.028)	0.372*** (0.007)
Plant and Machine Operators, and Assemblers	0.071*** (0.007)	0.061*** (0.007)	0.079*** (0.004)	0.075*** (0.009)	0.063*** (0.007)	0.087*** (0.005)	0.037** (0.014)	0.004 (0.022)	0.053*** (0.010)
Craft and Related Trade Workers	0.146*** (0.009)	0.132*** (0.006)	0.165*** (0.006)	0.146*** (0.010)	0.132*** (0.006)	0.168*** (0.007)	0.152*** (0.010)	0.127*** (0.027)	0.162*** (0.014)
University Faculty (Ref: Economics and administrative)									
Informatics	0.089*** (0.025)	-0.047 (0.039)	0.103*** (0.008)	-0.041 (0.029)	-0.067* (0.035)	0.021 (0.021)	0.060* (0.033)	0.004 (0.105)	0.023** (0.011)
Marine science	0.119*** (0.009)	0.118*** (0.014)	0.122*** (0.009)	0.123*** (0.009)	0.120*** (0.013)	0.132*** (0.010)	-0.031 (0.062)	0.038 (0.158)	-0.070** (0.032)
Unclassified	0.010 (0.008)	0.015 (0.016)	0.001 (0.011)	0.007 (0.009)	0.012 (0.016)	-0.003 (0.011)	0.238*** (0.059)	0.514*** (0.032)	0.185*** (0.042)
Language, history and geography	0.137** (0.051)	0.106*** (0.034)	0.261*** (0.031)	0.142** (0.053)	0.106*** (0.034)	0.267*** (0.032)			
Dentistry	0.014 (0.037)	0.118 (0.079)	-0.040 (0.044)	0.196*** (0.030)	0.118 (0.079)	0.204*** (0.058)	-0.288*** (0.012)		-0.284*** (0.053)
Pharmacy	0.304*** (0.027)	0.352*** (0.030)	0.262*** (0.014)	0.310*** (0.027)	0.353*** (0.031)	0.268*** (0.015)	0.260*** (0.022)	0.319*** (0.060)	0.241*** (0.030)
Literature	-0.029*** (0.007)	-0.018** (0.007)	-0.041*** (0.002)	-0.028*** (0.007)	-0.018** (0.007)	-0.039*** (0.002)	-0.042*** (0.009)	-0.019 (0.025)	-0.051*** (0.004)

	0.107** (0.047)	0.086** (0.041)	0.109** (0.046)	0.085** (0.038)	0.132 (0.091)	0.142 (0.110)
Province(Ref:Adana)						
Adıyaman	0.091*** (0.026)	0.065*** (0.022)	0.088*** (0.026)	0.062*** (0.020)	0.345*** (0.045)	0.348*** (0.059)
Afyon	0.007 (0.014)	-0.024 (0.015)	0.007 (0.013)	-0.021 (0.014)	0.037* (0.020)	0.016 (0.039)
Ağrı	0.179*** (0.040)	0.160*** (0.035)	0.179*** (0.040)	0.158*** (0.033)	0.579*** (0.080)	0.629*** (0.090)
Aksaray	0.077*** (0.008)	0.060*** (0.004)	0.075*** (0.007)	0.061*** (0.004)	0.117*** (0.011)	0.106*** (0.015)
Amasya	0.049*** (0.012)	0.024* (0.012)	0.052*** (0.012)	0.027** (0.011)	-0.039** (0.014)	-0.047* (0.027)
Ankara	-0.032 (0.031)	-0.031 (0.026)	-0.031 (0.030)	-0.027 (0.024)	-0.103 (0.061)	-0.115* (0.067)
Ankara	-0.050*** (0.015)	-0.045*** (0.013)	-0.047*** (0.015)	-0.042*** (0.012)	-0.114*** (0.031)	-0.116*** (0.036)
Ardahan	0.127*** (0.008)	0.122*** (0.008)	0.125*** (0.007)	0.122*** (0.008)		
Artvin	0.130*** (0.019)	0.115*** (0.015)	0.131*** (0.018)	0.117*** (0.014)		
Aydın	0.019** (0.009)	-0.000 (0.010)	0.021** (0.008)	0.004 (0.009)	-0.036** (0.017)	-0.068** (0.025)
Balıkesir	0.010 (0.010)	-0.000 (0.010)	0.011 (0.010)	0.003 (0.009)	-0.025 (0.022)	-0.054*** (0.019)
Bartın	0.118*** (0.014)	0.088*** (0.011)	0.109*** (0.013)	0.082*** (0.010)	0.208*** (0.018)	0.169*** (0.031)
Batman	0.140*** (0.035)	0.177*** (0.037)	0.139*** (0.034)	0.173*** (0.036)	0.189*** (0.064)	0.216*** (0.071)
Bayburt	0.121*** (0.014)	0.094*** (0.015)	0.122*** (0.014)	0.096*** (0.013)		
Bilecik	0.139*** (0.025)	0.131*** (0.022)	0.138*** (0.024)	0.133*** (0.020)	0.108** (0.046)	0.075 (0.045)
Bingöl	0.164*** (0.018)	0.147*** (0.016)	0.164*** (0.018)	0.147*** (0.014)	0.197*** (0.031)	0.163*** (0.046)
Bitlis	0.220*** (0.030)	0.229*** (0.029)	0.218*** (0.029)	0.225*** (0.028)	0.375*** (0.063)	0.377*** (0.065)
Bolu	0.001 (0.019)	-0.007 (0.016)	-0.002 (0.019)	-0.007 (0.015)	0.046 (0.039)	0.038 (0.047)
Burdur	0.031*** (0.007)	0.021*** (0.004)	0.030*** (0.006)	0.022*** (0.003)	0.043** (0.016)	0.013 (0.011)
Bursa	-0.032 (0.023)	-0.043** (0.020)	-0.032 (0.022)	-0.040** (0.018)	-0.056 (0.047)	-0.087* (0.047)
Çanakkale	-0.003 (0.019)	-0.010 (0.017)	-0.005 (0.019)	-0.010 (0.016)	0.047 (0.038)	0.024 (0.037)
Çankırı	0.076*** (0.012)	0.054*** (0.011)	0.082*** (0.011)	0.062*** (0.010)	-0.246*** (0.019)	-0.225*** (0.019)
Çorum	0.062*** (0.017)	0.031* (0.015)	0.062*** (0.016)	0.033** (0.014)	0.086*** (0.023)	0.059 (0.041)
Denizli	-0.043*** (0.014)	-0.057*** (0.013)	-0.035** (0.013)	-0.047*** (0.012)	-0.250*** (0.028)	-0.265*** (0.027)
Diyarbakır	0.087*** (0.027)	0.095*** (0.024)	0.091*** (0.026)	0.098*** (0.022)	-0.002 (0.054)	0.021 (0.057)
Düzce	0.035*** (0.011)	0.023** (0.008)	0.033*** (0.010)	0.023*** (0.008)	0.038* (0.020)	0.036* (0.021)
Edirne	-0.014 (0.013)	-0.037*** (0.012)	-0.014 (0.012)	-0.034*** (0.011)	-0.072*** (0.025)	-0.107*** (0.029)
Elazığ	0.071*** (0.006)	0.065*** (0.005)	0.071*** (0.006)	0.065*** (0.005)	0.142*** (0.009)	0.145*** (0.011)
Erzincan	0.043** (0.016)	0.026* (0.013)	0.043** (0.016)	0.028** (0.012)	0.114*** (0.032)	0.098** (0.046)
Erzurum	-0.002 (0.014)	-0.025* (0.014)	-0.001 (0.014)	-0.023* (0.013)	0.004 (0.028)	-0.056 (0.043)
Eskişehir	-0.024 (0.021)	-0.035* (0.018)	-0.022 (0.020)	-0.031* (0.016)	-0.093** (0.043)	-0.129*** (0.041)
Gaziantep	0.018*** (0.005)	0.011** (0.004)	0.018*** (0.005)	0.013*** (0.004)	-0.008 (0.012)	-0.027** (0.011)
Giresun	0.053*** (0.016)	0.024 (0.015)	0.057*** (0.016)	0.031** (0.014)	-0.082*** (0.025)	-0.106** (0.039)
Gümüşhane	0.080*** (0.018)	0.048*** (0.015)	0.079*** (0.017)	0.049*** (0.014)	0.228*** (0.029)	0.153*** (0.045)
Hakkari	0.193*** (0.020)	0.215*** (0.021)	0.194*** (0.019)	0.214*** (0.020)		
Hatay	0.068*** (0.005)	0.070*** (0.007)	0.067*** (0.005)	0.069*** (0.006)	0.099*** (0.013)	0.106*** (0.015)

İğdır	0.067*** (0.012)	0.069*** (0.011)	0.069*** (0.012)	0.070*** (0.010)		
Isparta	-0.037*** (0.004)	-0.043*** (0.003)	-0.037*** (0.004)	-0.042*** (0.002)	0.094*** (0.014)	0.039*** (0.014)
İstanbul	0.014 (0.040)		0.017 (0.039)		-0.061 (0.080)	
İzmir	-0.038 (0.024)	-0.030 (0.021)	-0.037 (0.024)	-0.028 (0.019)	-0.070 (0.047)	-0.075 (0.053)
Kahramanmaraş	0.041*** (0.008)	0.040*** (0.008)	0.042*** (0.008)	0.042*** (0.008)	-0.018 (0.016)	-0.012 (0.019)
Karabük	0.032*** (0.011)	0.011 (0.010)	0.029*** (0.011)	0.011 (0.009)	0.274*** (0.032)	0.177*** (0.021)
Karaman	0.049*** (0.012)	0.036*** (0.011)	0.049*** (0.011)	0.038*** (0.010)	0.053 (0.057)	-0.042 (0.027)
Kars	0.185*** (0.018)	0.183*** (0.016)	0.187*** (0.018)	0.184*** (0.015)		
Kastamonu	0.075*** (0.013)	0.050*** (0.011)	0.077*** (0.012)	0.054*** (0.010)	0.010 (0.027)	-0.061** (0.024)
Kayseri	-0.001 (0.009)	-0.004 (0.007)	0.000 (0.009)	-0.002 (0.007)	-0.037** (0.018)	-0.046** (0.019)
Kilis	0.049*** (0.013)	0.030** (0.011)	0.039*** (0.013)	0.025** (0.011)	0.068*** (0.023)	0.054 (0.034)
Kırkkale	0.023** (0.009)	0.007 (0.005)	0.021** (0.008)	0.007 (0.005)	0.056*** (0.015)	0.082*** (0.018)
Kırklareli	0.009 (0.023)	-0.006 (0.020)	0.013 (0.022)	0.002 (0.019)	-0.143*** (0.051)	-0.200*** (0.047)
Kırşehir	0.081*** (0.009)	0.063*** (0.006)	0.083*** (0.008)	0.067*** (0.005)	0.029* (0.017)	-0.031** (0.012)
Kocaeli	-0.019 (0.041)	-0.015 (0.035)	-0.020 (0.040)	-0.012 (0.032)	-0.064 (0.080)	-0.094 (0.090)
Konya	0.004 (0.010)	-0.013 (0.010)	0.004 (0.009)	-0.011 (0.009)	0.026 (0.020)	-0.010 (0.021)
Kütahya	0.077*** (0.014)	0.048*** (0.014)	0.070*** (0.014)	0.044*** (0.014)	0.129*** (0.029)	0.137** (0.056)
Malatya	0.066*** (0.011)	0.060*** (0.009)	0.066*** (0.011)	0.060*** (0.008)	0.083*** (0.021)	0.096*** (0.027)
Manisa	-0.016 (0.020)	-0.038** (0.018)	-0.016 (0.019)	-0.036** (0.017)	-0.029 (0.041)	-0.070* (0.038)
Mardin	0.146*** (0.027)	0.186*** (0.034)	0.142*** (0.027)	0.180*** (0.033)	0.206*** (0.059)	0.292*** (0.071)
Mersin	-0.002 (0.008)	-0.002 (0.006)	-0.004 (0.007)	-0.003 (0.006)	-0.008 (0.015)	-0.014 (0.019)
Muğla	0.026 (0.018)	0.019 (0.016)	0.025 (0.017)	0.021 (0.015)	-0.014 (0.037)	-0.026 (0.038)
Muş	0.216*** (0.029)	0.219*** (0.029)	0.224*** (0.029)	0.226*** (0.027)	0.049 (0.060)	0.076 (0.064)
Nevşehir	0.061*** (0.007)	0.049*** (0.008)	0.064*** (0.007)	0.053*** (0.007)	-0.089*** (0.014)	-0.093*** (0.022)
Niğde	0.062*** (0.008)	0.048*** (0.007)	0.060*** (0.007)	0.047*** (0.007)	0.129*** (0.010)	0.142*** (0.014)
Ordu	0.048*** (0.017)	0.021 (0.016)	0.044** (0.017)	0.019 (0.015)	0.166*** (0.029)	0.142*** (0.044)
Osmaniye	0.058*** (0.009)	0.056*** (0.009)	0.058*** (0.009)	0.056*** (0.009)	-0.035** (0.015)	-0.032 (0.020)
Rize	0.022** (0.009)	0.003 (0.009)	0.024** (0.009)	0.006 (0.009)	-0.008 (0.022)	-0.073*** (0.016)
Sakarya	0.026* (0.013)	0.018 (0.011)	0.027** (0.013)	0.020* (0.010)	-0.019 (0.028)	-0.052* (0.026)
Samsun	-0.019* (0.011)	-0.042*** (0.012)	-0.020* (0.010)	-0.041*** (0.011)	0.003 (0.019)	-0.034 (0.028)
Şanlıurfa	0.123*** (0.039)	0.120*** (0.034)	0.124*** (0.038)	0.118*** (0.032)	0.153* (0.081)	0.208** (0.094)
Siirt	0.144*** (0.031)	0.180*** (0.035)	0.149*** (0.030)	0.182*** (0.034)	0.001 (0.061)	0.057 (0.066)
Sinop	0.071*** (0.016)	0.042** (0.016)	0.083*** (0.016)	0.056*** (0.015)	-0.218*** (0.028)	-0.251*** (0.056)
Şırnak	0.205*** (0.028)	0.238*** (0.036)	0.213*** (0.028)	0.245*** (0.034)	-0.000 (0.062)	0.046 (0.074)
Sivas	-0.006 (0.005)	-0.014*** (0.004)	-0.004 (0.005)	-0.012*** (0.003)	-0.150*** (0.014)	-0.110*** (0.019)
Tekirdağ	-0.026 (0.035)	-0.037 (0.030)	-0.028 (0.034)	-0.035 (0.028)	-0.032 (0.071)	-0.072 (0.073)
Tokat	0.062** (0.023)	0.026 (0.021)	0.062** (0.023)	0.027 (0.019)	0.154*** (0.037)	0.115* (0.056)
Trabzon	0.014 (0.008)	-0.004 (0.010)	0.014* (0.008)	-0.002 (0.009)	0.027 (0.018)	-0.014 (0.026)

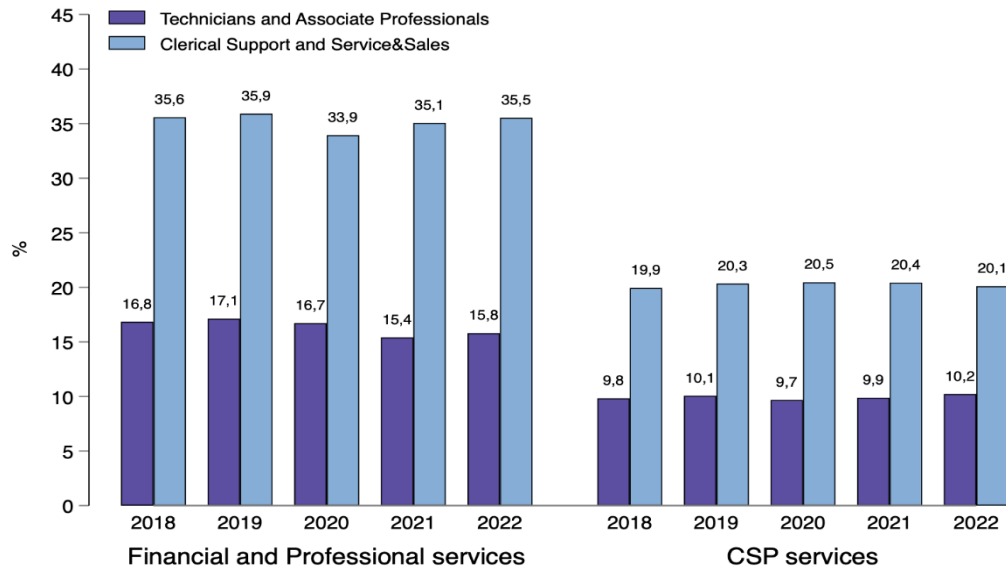
Tunceli	0.054*** (0.011)	0.044*** (0.008)		0.035*** (0.010)	0.031*** (0.007)		0.304*** (0.020)	0.265*** (0.024)	
Uşak	0.008 (0.015)	-0.019 (0.015)		0.005 (0.015)	-0.018 (0.014)		0.140*** (0.029)	0.098*** (0.024)	
Van	0.079* (0.039)	0.091** (0.034)		0.082** (0.038)	0.091** (0.033)		0.058 (0.079)	0.118 (0.078)	
Yalova	0.041* (0.022)	0.037* (0.019)		0.040* (0.022)	0.040** (0.018)		-0.033 (0.045)	-0.054 (0.048)	
Yozgat	0.164*** (0.015)	0.148*** (0.013)		0.162*** (0.014)	0.148*** (0.012)		0.214*** (0.030)	0.220*** (0.049)	
Zonguldak	0.050*** (0.012)	0.026*** (0.009)		0.051*** (0.011)	0.030*** (0.009)		0.009 (0.023)	-0.040** (0.019)	
Observations	1,894,761	1,063,016	831,745	1,650,606	996,775	653,831	244,155	66,241	177,914
R-squared	0.451	0.431	0.469	0.459	0.435	0.478	0.398	0.371	0.414

Source: Kariyer.net database, Author's Calculations

Note: Standard Errors were clustered at region level for Across Country and Outside İstanbul; Robust standard errors were used for İstanbul. Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1. Blank cells in the table indicate the absence of observations in the data. We labeled individuals who studied in departments that could be classified differently based on the university's faculty classification as 'Unclassified Faculty'.

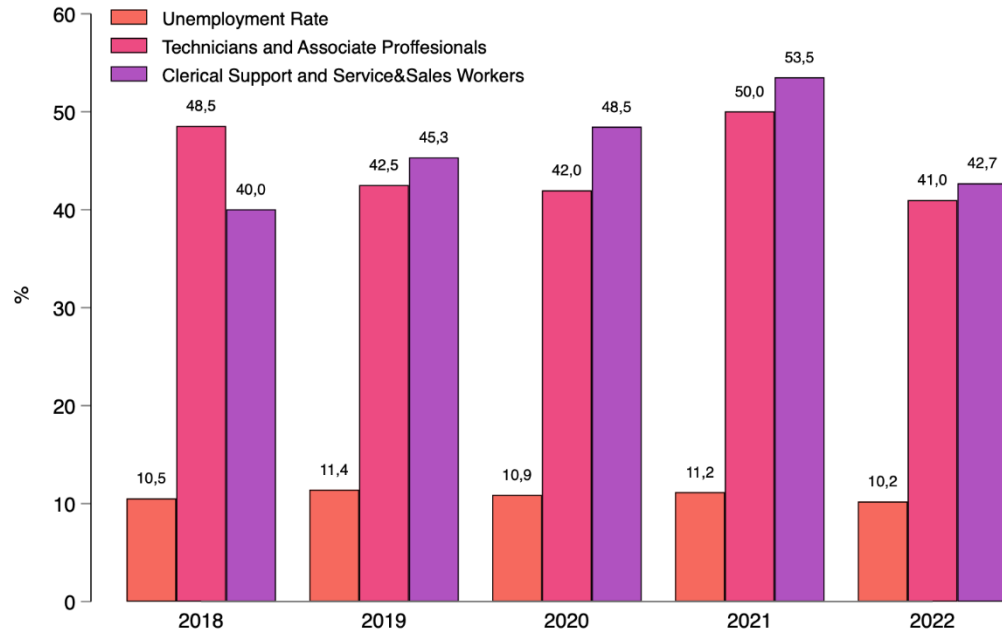
7.2 Appendix B: Supplementary Figures

Figure 7.2.1: The employment share of technicians and associate professionals, and clerical support and services and sales in financial and professional services and CSP services sectors (% of total employment in each sector category), Outside İstanbul



Source: Household Labor Force Survey, Author's Calculations

Figure 7.2.2. Long-term unemployment ratio for job seekers applying to technicians and associate professionals and clerical support and service and sales, and Unemployment rate, Outside İstanbul



Source: Household Labor Force Survey, Author's Calculations

8. CURRICULUM VITAE



TEZ ONAY SAYFASI

Üniversite : T.C. GALATASARAY ÜNİVERSİTESİ
Enstitü : SOSYAL BİLİMLER ENSTİTÜSÜ
Hazırlayanın Adı Soyadı : HAMZA MUTLUAY
Tez Başlığı : WAGE EXPECTATION DYNAMICS IN THE TURKISH
LABOR MARKET
Savunma Tarihi : 23/08/2023
Danışman : Prof. Dr. SEZGİN POLAT

JÜRİ ÜYELERİ:

Unvan, Ad-Soyadı

İmza

Prof. Dr. SEZGİN POLAT

Doç. Dr. AYÇA AKARÇAY

Prof. Dr. OZAN BAKIŞ

Prof. Dr. Ulun AKTURAN

Enstitü Müdürü