

IAB-DiskAB

Invitation

Is good management just good managers? Evidence from matched employer-employee data

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We use the survey data of the World Management Survey (WMS) for Germany linked to German administrative data to analyse the influence of management practices on firm outcomes and the within firm heterogeneity. Modelling the average worker ability using the AKM person fixed effect (Card, Heining & Kline, 2013) we show that firm productivity is positively correlated with the management score and these person fixed effects. This is robust in a wide range of specifications. Better managed firms have a higher within dispersion of ability in the upper half of the ability distribution. In the bottom half of person fixed effects we do not find any differences between better and worse managed firms. We also show that inflows in better managed firms have a higher ability on average which is - splitting the flows into job-to-job flows, flows from unemployment to job and other inflows - mostly driven by inflows from former unemployed individuals.

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10.00

Room **126a**