



Session 1: How workforce composition, managerial talent and firm organisation affect productivity

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Productivity and human capital; The Italian case

- Impact of worker composition, ownership and management on the productivity of firms
- Italian firm-level data, combining a survey and balance sheet data
- Intuitive key results on role of education, experience and ownership
- In other cases, results look less intuitive:
 - Share of female workers and productivity; Share of directors and productivity; Process innovation and productivity
- Firm performs better if manager is college educated, middle-aged to older (but not in high-tech manufacturing and knowledge intensive services), and not an owner of the firm
- A next step could be to try and establish causality

Managerial talent and managerial practices: Are they complements?

- Fits in the literature studying why firm performance shows large heterogeneity
- It examines the role of managerial talent and its interaction with managerial practices in determining firm performance
- Granular data on managerial practices, e.g. on number of KPIs and on the use of performance pay
- Solid econometric approach, attempts to correct for selection bias
- Interesting and intuitive results, e.g. good practice management tools are more effective with a talented manager
- Link with policy: role of education and competition
- Not yet clear which properties a good manager should possess

Some further thoughts

- Benefits of diversity: employees / managers bringing complementary skills can raise the firm's productivity
- Managerial talent: increasing relevance of social skills in top managerial occupations, and a greater emphasis on social skills in larger and more information intensive organisations (Hansen et al., 2021)
- Frictions on the market for managerial talent can lead to sub-optimal allocations (Cziraki and Jenter, 2021)
- Quality of management is a firm-specific asset: productivity gaps between firms doomed to stay or even increase?
- Managerial practices:
 - Performance pay not undisputed: crowding out of intrinsic motivation, dog eat dog
 - Innovation broadly defined is key. Huge variety of organisational models

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