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## WORKING PAPER NO. 641

### *JAQ of All Trades: Job Mismatch, Firm Productivity and Managerial Quality*

Luca Coraggio, Marco Pagano, Annalisa Scognamiglio, and Joacim Tåg

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University of Naples Federico II



University of Salerno



Bocconi University, Milan

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CSEF - Centre for Studies in Economics and Finance  
DEPARTMENT OF ECONOMICS AND STATISTICS – UNIVERSITY OF NAPLES FEDERICO II  
80126 NAPLES - ITALY

Tel. and fax +39 081 675372 – e-mail: [csef@unina.it](mailto:csef@unina.it)

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## **WORKING PAPER NO. 641**

# ***JAQ of All Trades: Job Mismatch, Firm Productivity and Managerial Quality***

**Luca Coraggio<sup>\*</sup>, Marco Pagano<sup>†</sup>, Annalisa Scognamiglio<sup>‡</sup>, and Joacim Tåg<sup>§</sup>**

### **Abstract**

Does the matching between workers and jobs help explain productivity differentials across firms? To address this question we develop a job-worker allocation quality measure (*JAQ*) by combining employer-employee administrative data with machine learning techniques. The proposed measure is positively and significantly associated with labor earnings over workers' careers. At firm level, it features a robust positive correlation with firm productivity, and with managerial turnover leading to an improvement in the quality and experience of management. *JAQ* can be constructed for any employer-employee data including workers' occupations, and used to explore the effect of corporate restructuring on workers' allocation and careers.

**JEL classification:** D22, D23, D24, G34, J24, J31, J62, L22, L23, M12, M54.

**Keywords:** jobs, workers, matching, mismatch, machine learning, productivity, management.

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\* Università di Napoli Federico II. E-mail: [luccoraggio@hotmail.com](mailto:luccoraggio@hotmail.com)

† Università di Napoli Federico II and CSEF. E-mail: [pagano56@gmail.com](mailto:pagano56@gmail.com)

‡ Università di Napoli Federico II and CSEF. E-mail: [annalisa.sco@gmail.com](mailto:annalisa.sco@gmail.com)

§ Research Institute of Industrial Economics (IFN). E-mail: [joacim.tag@ifn.se](mailto:joacim.tag@ifn.se)



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