

Prof. Julien Sauvagnat e Prof. Fabiano Schivardi

Titolo:

Are Executives in Short Supply? Evidence from Deaths' Events

Abstract:

Using exhaustive administrative data on Italian social security records, we construct measures of local labor market tightness for executives that vary by industry and location. We then show that firm performance is negatively affected by executives death, but only in thin local labor markets. Death events are followed by an increase in the separation rate for the other executives, in particular for those with a college degree. Consistent with the hypothesis that the drop in performance is due to executives' short supply, we find that after a death event executives wages in other firms increase, but only in thin markets.