

CIFREM SEMINARS

SCREENING, COMPETITION AND JOB DESIGN: ECONOMIC ORIGINS OF GOOD JOBS

KLAUS M. SCHMIDT
UNIVERSITY OF MUNICH

Thursday, 5 May 2011
3.00 PM – DISA seminar room
Faculty of Economics
Via Inama, 5 – Trento

High-performance work systems give workers more discretion, thereby increasing effort productivity but also shirking opportunities. We show experimentally that screening for work attitude and labor market competition are causal determinants of the viability of high-performance work systems, and we identify the complementarities between discretion, rent-sharing, and screening that render them profitable. Two fundamentally distinct job designs emerge endogenously in our experiments: “bad” jobs with low discretion, low wages, and little rent-sharing and “good” jobs with high discretion, high wages, and substantial rent-sharing. Good jobs are profitable only if employees can be screened and labor market competition fosters their dissemination.

cifrem@economia.unitn.it (tel. 0461/282290)