

Macro Roundup Article

Headline: [How Do You Find a Good Manager?](#)

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Summary: We repeatedly randomly assign managers to different groups of workers who perform a Collaborative Production Task together, and in each case, we estimate the contribution of the manager to group performance after conditioning on workers' skills. Over multiple random assignments, some managers consistently cause their teams to exceed predicted performance. Good managers are roughly twice as valuable as good workers, consistent with studies of managerial performance in other settings. Good managers have higher fluid intelligence and score higher on a test of economic decision-making skill. We also find that self-promoted managers perform worse than managers who are randomly assigned to the role. Finally, we show that good managers increase group performance by monitoring workers to avoid wasting time, by allocating workers to tasks that maximize their comparative advantage, and by motivating them to exert effort.

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