

## Research investigates employment match quality

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The quality of an employment match is an important aspect of understanding labor market dynamics, according to Professor Michèle Belot, but measuring match quality presents many challenges.



In "Measuring the quality of a match," <u>published</u> in *Labour Economics*, Belot, who has a joint appointment in the School of Industrial and Labor Relations and College of Arts and Sciences, examines the advantages and drawbacks of various measures of match quality and presents novel evidence from a survey sample of U.S. employees where several measures were collected simultaneously.

"This is a theme that touches on the type of work and research going on at the ILR School," Belot said.

"When you think about the <u>labor market</u>, we are interested in understanding what determines the quality of a match. But what does that actually mean? What is this concept of a good quality match?"

Belot, the Frances Perkins Professor of Industrial and Labor Relations and Economics, notes that there are many different ways to determine the quality of a match—asking the employee about job satisfaction, looking at performance evaluations, noting longevity and wages—but the effectiveness of those ways is problematic.

To examine the success of these measures, Belot surveyed 500 U.S. employees to collect various measures, such as their wage, tenure length, job satisfaction, performance evaluation and perception of the fit of their skills with their jobs.

Belot found that some of these measures correlate well, such as wages, performance evaluations and measures of self-reported skill fit, while others do not. For example, job satisfaction and tenure length do not correlate well.

Also, when considering changes over the course of tenure, she found striking differences in trends. Wages, performance evaluations and skill fit all trend upwards, while job satisfaction trends downwards.



"The punch line is that these measures actually correlate, but not as well as one might expect," Belot said. "So, for example, one thing that I found really puzzling and that really made me want to write this paper is that many of these measures increase over time, while others don't. So, the <u>wage</u>, the skill fit and performance evaluations go up, but job satisfaction goes down.

"It's actually a known phenomenon. There is literature that studies job satisfaction over tenure. It's actually a phenomenon that's true in many other relationships."

Belot's research found that even if she focused exclusively on those who experienced decreased job satisfaction, all the other variables still trended upward. This means that even if job satisfaction is down, those employees still enjoy increased wages, better skill fit and positive performance evaluations.

"So that's a puzzle we want to bring forward," Belot says. "We must be a little bit careful when we think about what we want to measure as we evaluate how match quality is changing over time. You get quite a different story."

Cornell Department of Economics graduate students Xiaoying Liu and Vaios Triantafyllou co-authored the paper.

**More information:** Michèle Belot et al, Measuring the quality of a match, *Labour Economics* (2024). DOI: 10.1016/j.labeco.2024.102568

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