

MANAGERIAL POACHING AND TALENT REALLOCATION*

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ABSTRACT. This paper presents a model of employee poaching with asymmetric employer learning. Firms poach managers not only due to their track record but also for their personnel-specific information about workers. In equilibrium, more productive firms poach managers, whose compensation increases in their supply of and the demand for their information about workers. While poaching reassigns more able workers to more productive firms, efficiency does not obtain due to information frictions. Drawing on the universe of contracts in Brazil’s formal labor market, we test implications of our model and show their consistency with manager and worker movements and their compensation histories.

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