

Productivity by enterprise size

Key facts

- Firm size matters for productivity. Larger firms are on average more productive than smaller ones, particularly in the manufacturing sector, partly reflecting gains from returns to scale, for instance through capital-intensive production. However, this is not universally true. In some countries, for example Switzerland, data indicates that medium-sized firms have higher productivity than larger firms, possibly reflecting specialisation in high-value products.

Relevance

Productivity reflects the efficiency with which resources are allocated within an economy. Resource reallocation, in turn, is driven by firm dynamics, i.e. the entry of new firms and the exit of the least productive firms. To the extent that large firms can exploit increasing returns to scale, productivity should increase with firm size. Moreover, new, typically small firms are often found to spur aggregate productivity growth as they enter with new technologies and also by stimulating productivity enhancing changes in incumbents.

Definitions

In Figure 2.16 and Table 2.5, *Labour productivity levels* are measured as current price gross value added per person employed. For international comparisons, data on value added are converted to a common currency using Purchasing Power Parities (PPPs). These are the rates of currency conversion that equalise the purchasing power of different currencies by eliminating the differences in price levels between countries.

For the definition of “Total economy”, “Manufacturing”, “Services” and “Construction”, see Reader’s Guide. Note, in particular, that “Manufacturing” includes mining; also, financial services activities are not included, and so care is needed when extrapolating the results in drawing conclusions for total market sector activities across countries, in particular those with relatively large financial services activities such as Luxembourg, Switzerland and the United Kingdom for example.

Comparability

The value added and employment estimates presented by size class are based on *Structural Business Statistics* (SBS) and will not usually align with estimates produced according to the *System of National Accounts* (SNA). The latter includes a number of adjustments to reflect businesses and activities that may not be measured in structural business statistics, such as the inclusion of micro firms or self-employed, or those made to reflect the Non-Observed Economy.

Comparability across size classes, industries and indeed countries, may also be affected by differences in the shares of part-time employment. In some countries, for instance Germany, relatively low estimates of value added per employed person may be due to relatively high shares of part-time employment.

For productivity analysis, the preferred measure of labour input is total hours worked rather than employment, but these data are not typically available by industry and size class. While over the medium term, employment can provide an indication for trends in hours worked, differences can arise in the short run, which can distort cross-country and cross-industry comparability.

Finally, to which extent productivity levels increase with firm size also depends on the types of products sold. Some countries are specialised in particularly high value added goods or services, which can be produced in small or medium-sized firms.

Sources

OECD *Structural and Demographic Business Statistics* (SDBS) Database, www.oecd.org/std/industry-services.

OECD Productivity Database, www.oecd.org/statistics/productivity.

For further reading

OECD (2012), *OECD Compendium of Productivity Indicators 2012*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264188846-en>.

OECD (2001), *Measuring Productivity*. OECD Manual, OECD Publishing, Paris, www.oecd.org/std/productivity-stats/2352458.pdf.

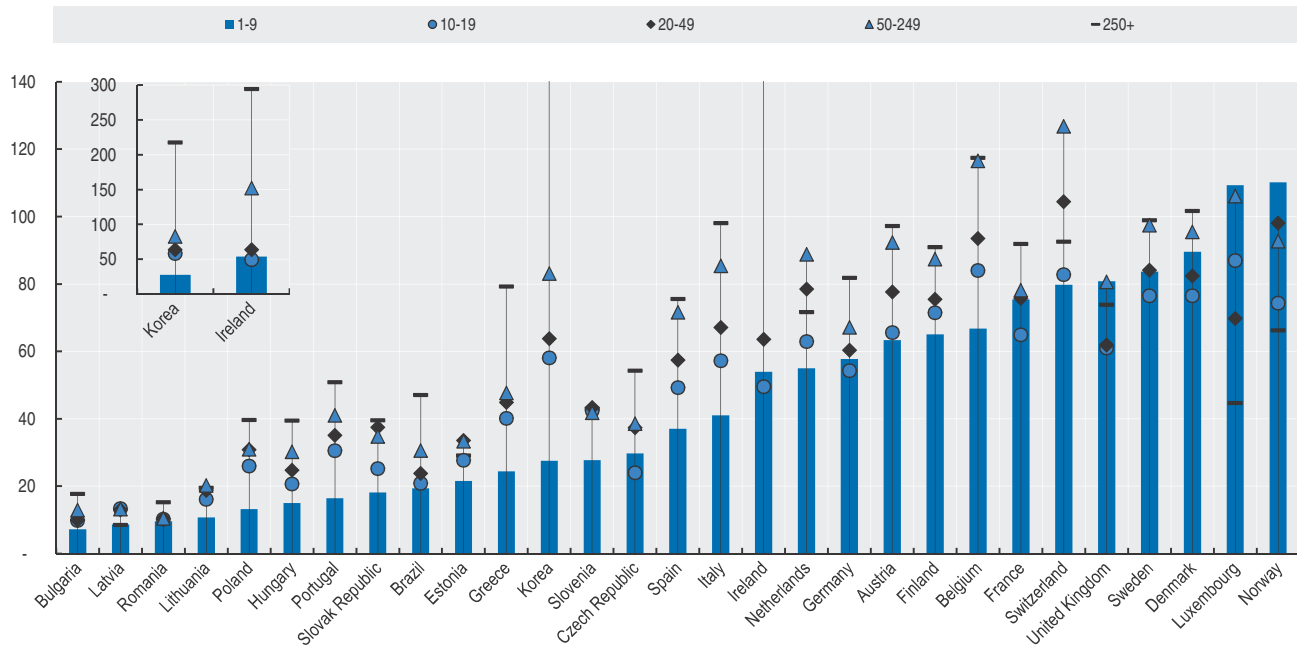
2. STRUCTURAL AND PERFORMANCE INDICATORS ON ENTERPRISE POPULATION

Productivity by enterprise size

A corrigendum has been issued for this page. See: <http://www.oecd.org/about/publishing/Corrigendum-Entrepreneurship-at-a-Glance-2014.pdf>

Figure 2.16. **Labour productivity levels by enterprise size, total economy**

Thousands of USD per employed person, 2011



StatLink <http://dx.doi.org/10.1787/888933063556>

Table 2.5. **Labour productivity levels by enterprise size and sector**

Thousands of USD per employed person, 2011

Country	Manufacturing					Services					Construction				
	1-9	10-19	20-49	50-249	250+	1-9	10-19	20-49	50-249	250+	1-9	10-19	20-49	50-249	250+
Austria	60.9	60.8	72.0	95.3	123.9	94.1	96.8	116.4	125.0	85.9	82.7	90.4	98.8	114.1	128.1
Belgium	85.8	64.1	74.5	94.2	126.2	71.0	97.3	109.2	136.9	116.1	83.7	103.7	106.0	120.7	141.1
Brazil	48.1	44.3	45.1	63.8	146.0	73.7	81.0	97.5	121.3	124.9	-	-	-	275.7	401.6
Bulgaria	64.4	59.3	57.5	84.6	152.7	66.7	101.9	113.9	141.4	144.1	81.9	79.2	61.8	137.1	123.6
Czech Republic	60.4	49.2	69.9	82.0	138.9	81.3	80.1	105.0	121.4	123.0	-	156.1	-	275.7	401.6
Denmark	109.5	71.0	79.7	91.1	118.5	104.3	86.8	92.4	106.0	101.2	91.3	99.1	100.2	112.1	131.4
Estonia	69.9	83.0	112.6	127.4	79.5	100.8	93.2	113.9	102.0	95.0	86.0	116.5	130.2	167.0	156.6
Finland	91.7	75.6	81.6	90.4	114.0	85.4	98.7	104.7	116.8	101.1	92.0	97.5	98.4	119.0	111.1
France	70.9	76.5	80.6	85.5	127.7	97.6	93.7	100.3	101.8	102.7	108.5	57.7	92.3	86.7	130.4
Germany	52.4	66.7	73.2	84.0	124.0	102.0	86.2	96.4	103.3	103.0	74.5	94.1	113.0	122.6	161.4
Greece	66.8	93.5	91.6	118.6	207.9	68.2	108.7	141.5	186.6	163.6	86.7	223.8	51.5	70.8	257.8
Hungary	45.3	58.1	65.7	86.3	142.8	70.7	100.4	123.3	141.7	139.9	80.1	106.8	128.8	173.5	242.4
Ireland	29.5	20.8	26.1	62.1	151.2	73.7	77.8	97.5	218.1	147.8	122.1	55.4	88.4	87.3	82.8
Italy	50.2	72.6	90.8	120.2	155.7	76.1	105.7	114.5	132.9	147.9	85.2	114.1	131.8	177.2	232.8
Korea	35.1	45.2	50.8	72.8	198.8	72.1	126.9	115.9	118.5	188.7	-	-	-	-	-
Latvia	94.7	42.3	108.8	168.7	29.4	70.1	140.9	128.9	116.4	90.8	101.4	66.7	96.5	112.4	116.1
Lithuania	45.8	51.8	80.2	108.9	144.8	72.7	115.7	131.8	137.1	95.4	38.2	97.1	120.5	156.0	164.5
Luxembourg	114.8	81.5	78.0	109.2	-	125.5	108.1	83.3	150.5	35.0	118.0	97.9	90.3	92.7	109.0
Netherlands	51.8	55.6	62.8	86.8	187.2	87.1	98.4	128.0	133.5	84.1	83.8	139.0	105.9	124.9	98.8
Norway	116.8	78.5	115.9	102.3	94.2	131.7	90.5	111.1	106.0	67.0	108.4	70.0	110.7	120.0	80.5
Poland	42.1	66.2	72.4	88.1	141.3	53.8	127.7	157.5	157.8	149.6	73.2	99.7	129.5	115.8	162.4
Portugal	39.5	56.7	74.2	92.9	249.5	61.8	138.9	149.8	169.5	136.2	60.3	87.2	111.9	154.4	189.4
Romania	77.8	63.1	49.6	89.1	125.3	83.5	104.1	116.9	89.9	117.5	107.1	71.3	90.6	69.4	159.4
Slovak Republic	53.1	68.1	88.0	101.9	135.8	74.0	97.0	179.2	128.7	111.0	80.6	150.0	102.7	186.4	188.2
Slovenia	71.0	101.3	104.7	98.6	129.3	82.8	134.3	120.9	130.5	97.5	82.6	116.5	170.5	122.9	-
Spain	69.1	68.9	87.3	105.5	141.5	71.8	101.3	109.1	132.0	133.3	75.2	86.2	103.0	140.5	180.0
Sweden	71.4	76.5	70.9	84.9	129.0	105.3	88.3	101.6	112.8	90.2	87.3	98.8	101.3	113.9	127.6
Switzerland	37.7	58.3	74.3	88.3	137.5	99.1	93.6	124.4	179.7	51.9	92.6	108.3	119.5	74.3	110.2
United Kingdom	73.7	62.5	64.8	88.4	141.6	119.7	88.5	87.3	112.0	93.5	104.0	80.8	88.0	103.6	111.4

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