

Employment by enterprise size

Key findings

- Although large enterprises represent only less than 1% of the total population of enterprises, they account for a significantly higher share of employment – between 47% of persons employed in the business sector in the United Kingdom and 12% in Greece. On average, across OECD countries large enterprises account for around 40% of total manufacturing employment while in services they account for around 25 %.
- Between 2008 and 2014, employment in manufacturing decreased in all but two OECD countries, Luxembourg and Germany, mainly reflecting declines in the number of enterprises, both SMEs and large. Employment levels in countries hit hardest by the crisis remained below 2008 levels in 2014, with SMEs in particular bearing the brunt of the contraction. Similarly, in most economies where employment surpassed pre-crisis highs, SMEs were the main drivers of growth. In the United States however, large service sector enterprises have driven post-crisis employment growth.
- Within manufacturing, employment growth in large enterprises in the euro area, which were less affected by the crisis than SMEs, has continued to outperform that for SMEs, whereas in the United States the opposite has been the case.

Relevance

SMEs are an important driver of employment growth, but can also be more vulnerable to downturns. A better understanding of employment distributions provides important insights on underlying resilience and job-security, and also potential employment growth. When factored with data on average salaries, which typically show lower salaries the smaller the firm, distributional data can shed light on income inequalities.

Definitions

The *number of persons employed* corresponds to the total number of persons who worked for the observation unit during the reference year, including working proprietors, partners working regularly in the unit and unpaid family workers. It excludes directors of incorporated enterprises and members of shareholders' committees who are paid solely for their attendance at meetings, labour force made available to the concerned unit by other units and charged for, persons carrying out repair and maintenance work in the unit on the behalf of other units, and home workers. It also excludes persons on indefinite leave, military leave or those whose only remuneration from the enterprise is by way of a pension.

The total change in the number of persons employed is decomposed into four drivers: changes in the number of SMEs and large enterprises, and changes in the average size of SMEs and large enterprises.

The *contribution generated by the change in the number of SMEs* is calculated as the product of the difference in

the number of SMEs between 2008 and 2014 and the average SME size in 2008. The *contribution generated by the change in the average size of SMEs* is calculated as the product of the difference of the average SME size between 2008 and 2014 and the number of SMEs in 2014. Both contributions are calculated analogously for large enterprises. The relative share of each contribution is the absolute contribution expressed as a percentage of the total change in the number of persons employed (i.e. the sum of all absolute contributions).

Average employment in an enterprise size class is the number of persons employed in a size class divided by the number of enterprises in a size class, in a given economic sector.

Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

Comparability

All countries present information using the enterprise as the statistical unit except Korea and Mexico, which use establishments. Data on employment in all countries refer to the number of persons employed except for: Switzerland, where data exclude employment in enterprises with less than 3 persons employed; and Canada, Israel, Japan, Korea, the United States and the Russian Federation, where data refer to employees. Estimates of non-employer enterprises in the business economy amount to approximately 1.7 million in Canada, 15.3 million in the United States, and 2.5 million in the Russian Federation.

Data for the United Kingdom exclude employment in (an estimated) 2.6 million small unregistered businesses that are below the thresholds of the value-added tax regime and/or the “pay as you earn (PAYE)” (for employing firms) regime.

Some countries use different conventions concerning the size-class breakdown: the size class “1-9” refers to “1-10” for Mexico and “1-19” for Australia, Canada and Turkey; the size class “10-19” refers to “11-50” for Mexico; the size class “50-249” refers to “20-199” for Australia, “51-250” for Mexico, “50-299” for Canada, Japan and Korea; finally, the size class “250+” refers to “200+” for Australia, “300+” for Canada, Japan and Korea and “251+” for Mexico.

Some care is needed when interpreting changes over time, as the data do not track cohorts of firms. Shrinkages in large firms may lead to them subsequently being recorded as SMEs and, correspondingly, expansions in SMEs may result in them being classified as large enterprises.

Source

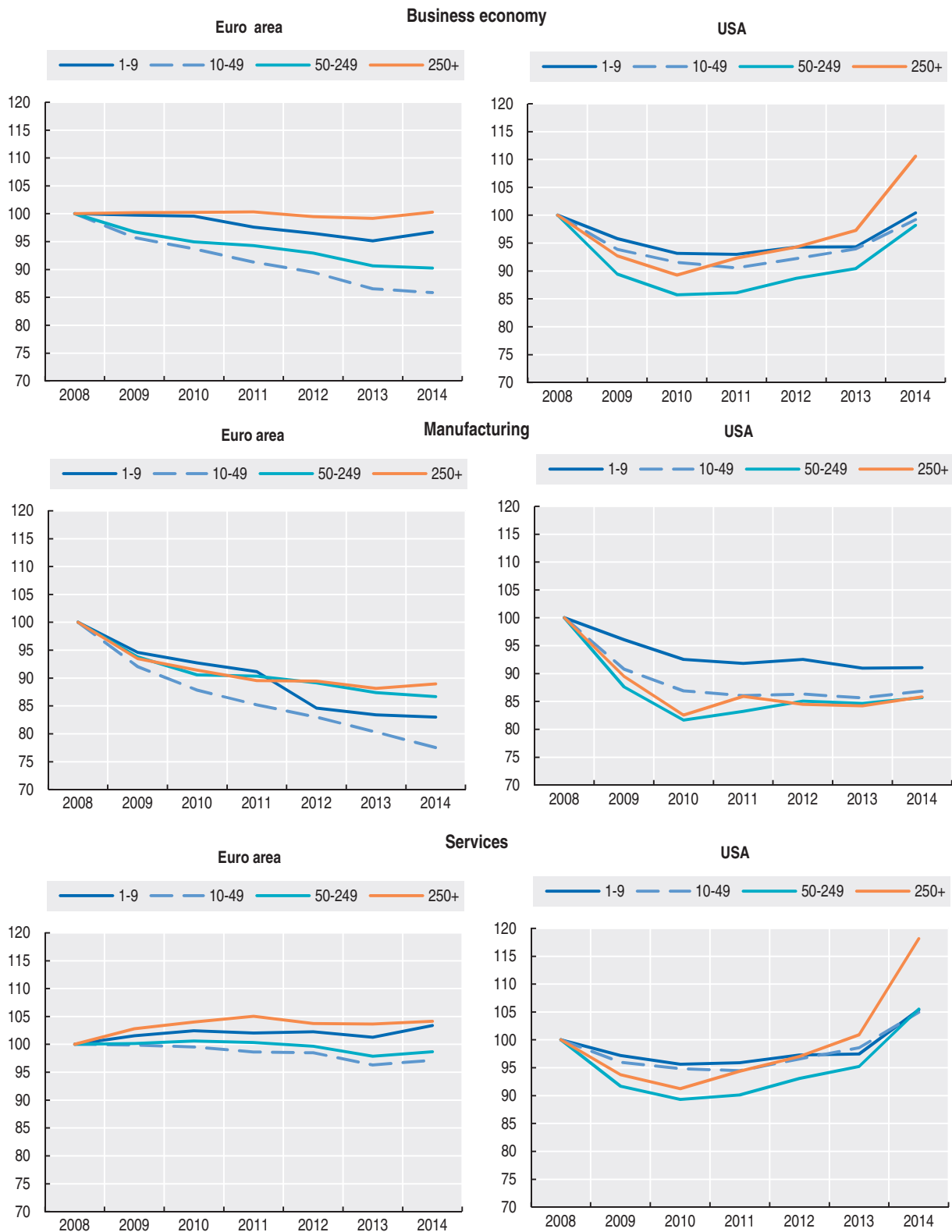
OECD *Structural and Demographic Business Statistics (SDBS)* (database), <http://dx.doi.org/10.1787/sdbs-data-en>.

Further reading

OECD (2017), *Small, Medium, Strong. Trends in SME Performance and Business Conditions*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264275683-en>.

Figure 2.8. **Employment by enterprise size, Euro area and United States**

Number of jobs, 2008 = 100

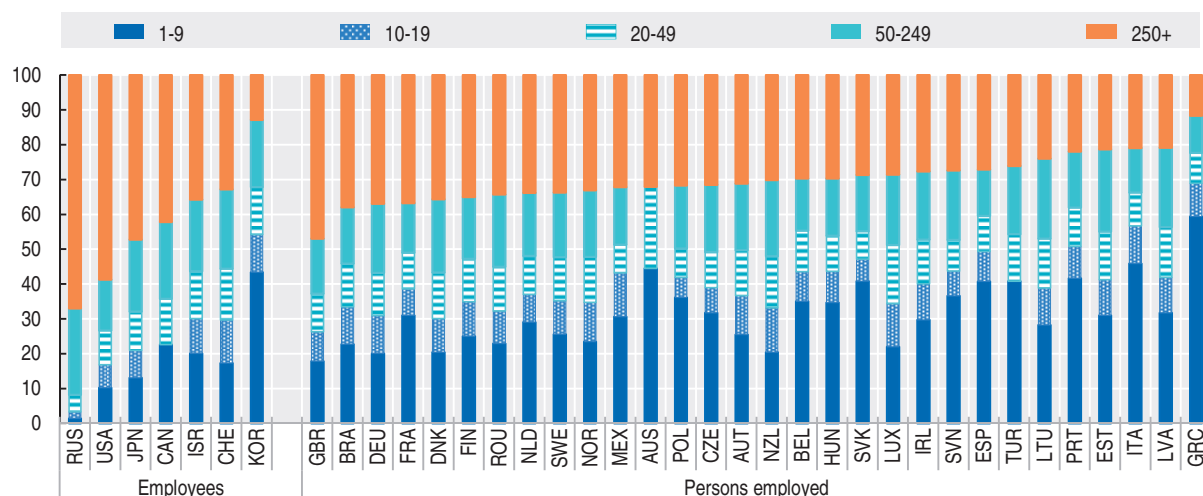


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2. STRUCTURE AND PERFORMANCE OF THE ENTERPRISE POPULATION

Employment by enterprise size

Figure 2.9. **Employment by enterprise size, business economy**
Percentage of total employment, 2014, or latest available year



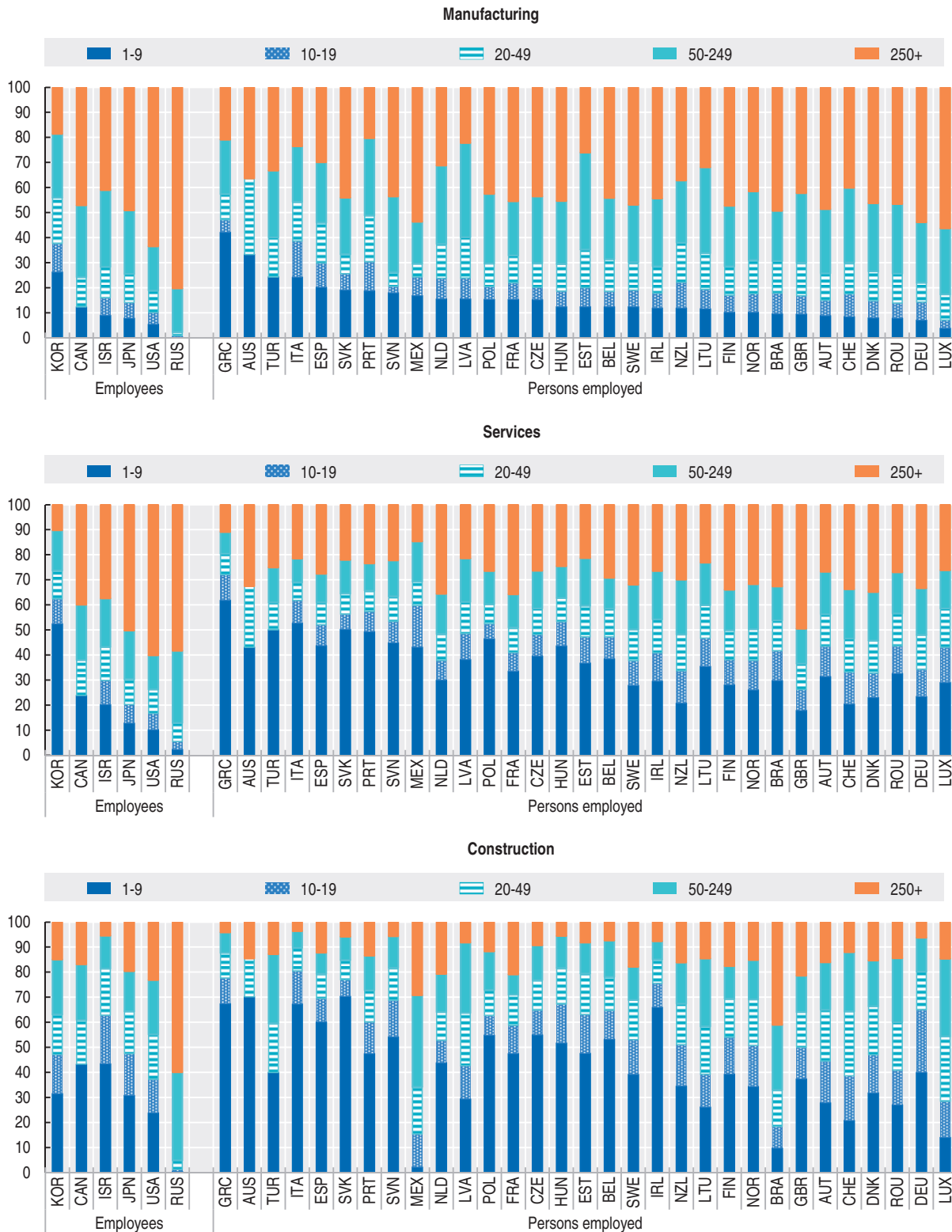
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Table 2.2. **Employment by enterprise size, business economy**
2014, or latest available year

Country	1-9	10-19	20-49	50-249	250+	Total
Australia	3,526,000		1,859,000		2,541,000	7,926,000
Austria	692,580	302,047	355,028	519,675	843,661	2,712,991
Belgium	946,348	232,801	316,460	404,696	801,748	2,702,053
Brazil	7,787,469	3,661,851	4,258,283	5,527,970	12,954,846	34,190,419
Canada	2,381,568		1,382,103	2,320,477	4,429,641	10,513,789
Czech Republic	1,108,872	254,141	356,862	671,844	1,100,426	3,492,145
Denmark	334,699	156,685	216,595	344,423	581,782	1,634,184
Estonia	124,549	41,632	55,263	94,830	85,736	402,010
Finland	366,248	145,587	179,851	260,668	511,812	1,464,166
France	4,799,169	1,176,958	1,602,109	2,206,025	5,672,971	15,457,232
Germany	5,558,583	3,043,919	3,377,932	5,516,994	10,241,981	27,739,409
Greece	1,276,724	206,287	187,379	228,794	249,678	2,148,862
Hungary	852,339	223,372	250,067	405,303	728,848	2,459,929
Ireland	363,428	126,923	154,828	239,185	337,178	1,221,542
Israel	458,069	227,705	309,210	469,332	813,522	2,277,838
Italy	6,469,991	1,531,284	1,356,694	1,799,667	2,951,263	14,108,899
Japan	4,607,136	2,789,088	3,907,695	7,297,740	16,626,035	35,227,694
Korea	6,528,613	1,624,470	2,055,787	2,903,018	1,924,597	15,036,485
Latvia	196,115	63,122	88,957	140,615	128,651	617,460
Lithuania	250,168	93,916	125,271	203,336	212,164	884,855
Luxembourg	45,263	25,632	34,569	41,649	58,856	205,969
Mexico	5,670,630	2,328,081	1,499,174	3,077,857	5,942,343	18,518,085
Netherlands	1,537,522	424,692	579,738	956,911	1,787,609	5,286,472
New Zealand	268,655	167,209	194,173	287,310	394,720	1,312,067
Norway	367,681	177,626	204,653	299,511	517,052	1,566,523
Poland	3,031,711	486,859	690,145	1,517,269	2,655,280	8,381,264
Portugal	1,200,901	266,943	320,986	462,714	632,845	2,884,389
Romania	877,379	356,873	486,767	793,666	1,308,907	3,823,592
Russian Federation	255,837	363,909	892,153	4,588,166	12,366,162	18,466,227
Slovak Republic	579,089	89,648	114,156	229,617	405,531	1,418,041
Slovenia	203,000	39,808	49,745	110,653	151,632	554,838
Spain	4,325,165	916,784	1,078,404	1,407,623	2,875,335	10,603,311
Sweden	768,683	288,919	376,499	559,952	1,011,281	3,005,334
Switzerland	481,764	346,787	409,103	634,678	911,757	2,784,089
Turkey	5,097,885		1,689,941	2,439,017	3,255,113	12,481,956
United Kingdom	3,301,459	1,556,195	2,011,219	2,920,352	8,654,750	18,443,975
United States	9,245,888	6,048,538	8,918,826	13,305,796	53,250,192	90,769,240

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Figure 2.10. **Employment by enterprise size, main sectors**
 Percentage of total employment in sector, 2014, or latest available year



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2. STRUCTURE AND PERFORMANCE OF THE ENTERPRISE POPULATION

Employment by enterprise size

Figure 2.11. **Employment in SMEs and large enterprises by economic activity**
Percentage of business economy employment in size class, 2014, or latest available year

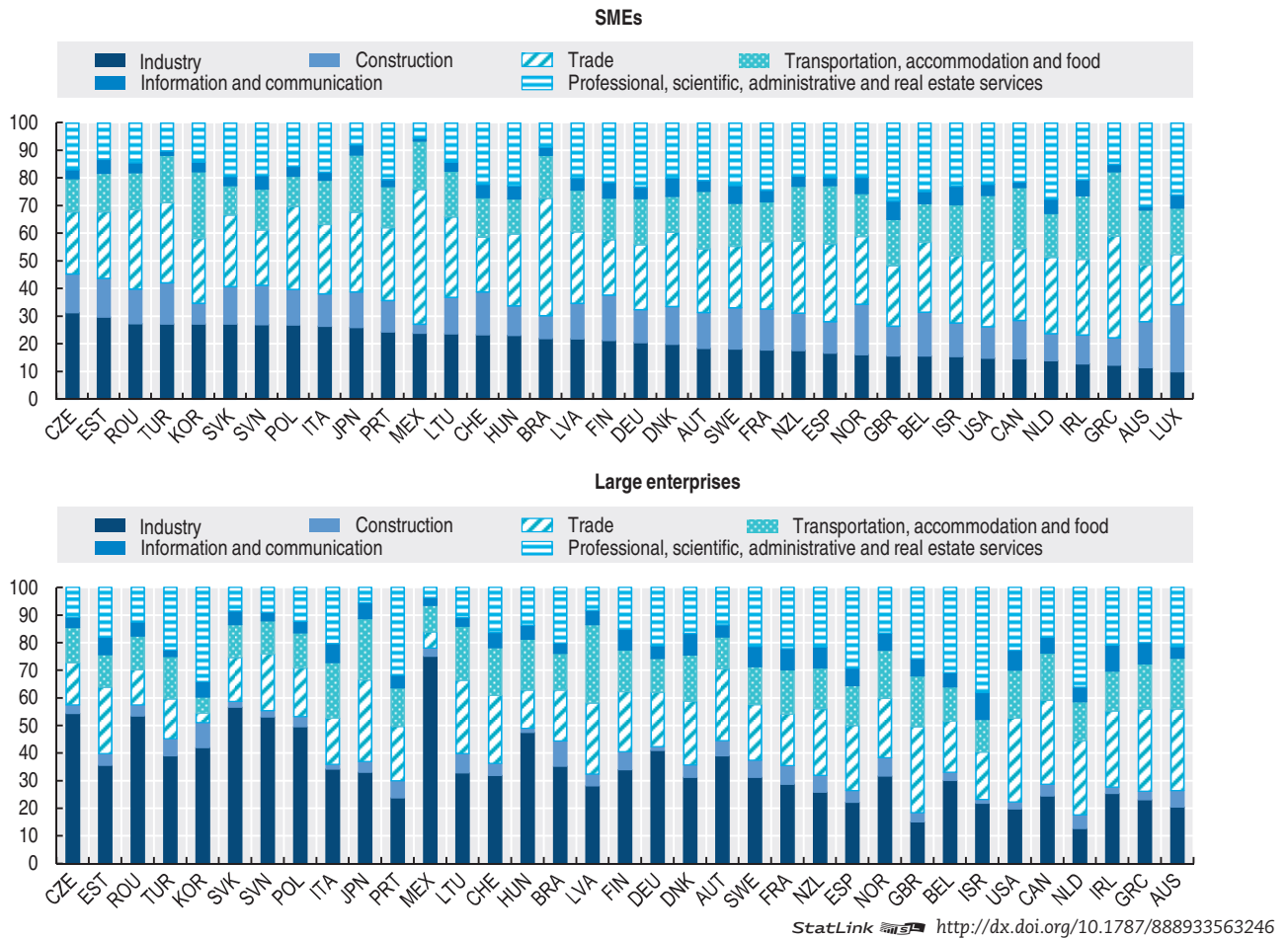


Figure 2.12. **Change in employment, business economy**
Contributions and percentage change between 2008 and 2014

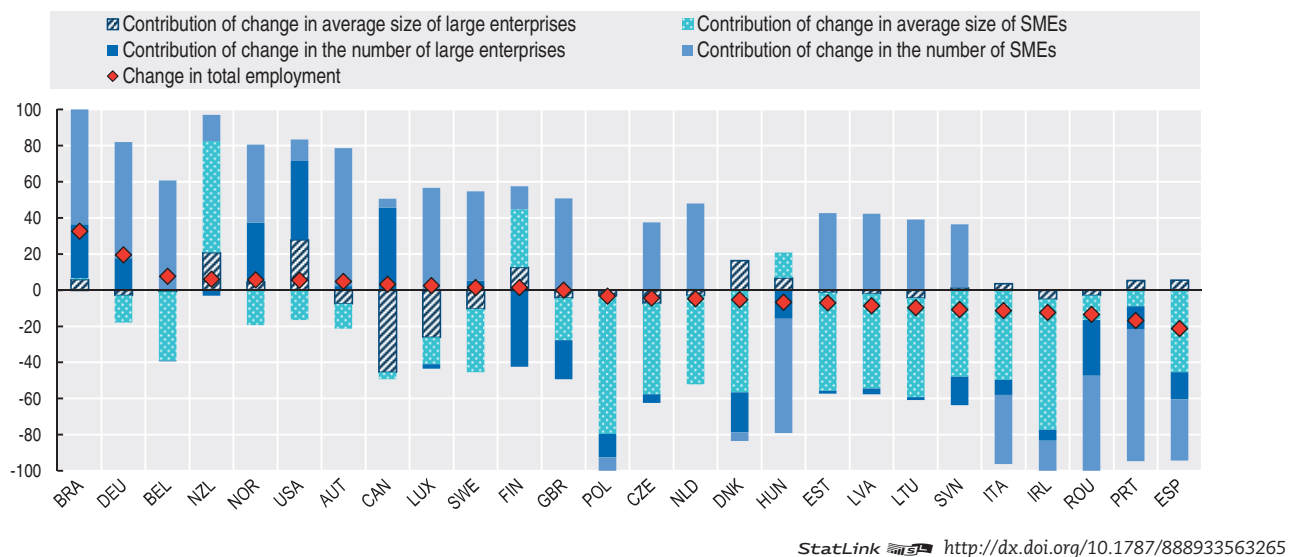
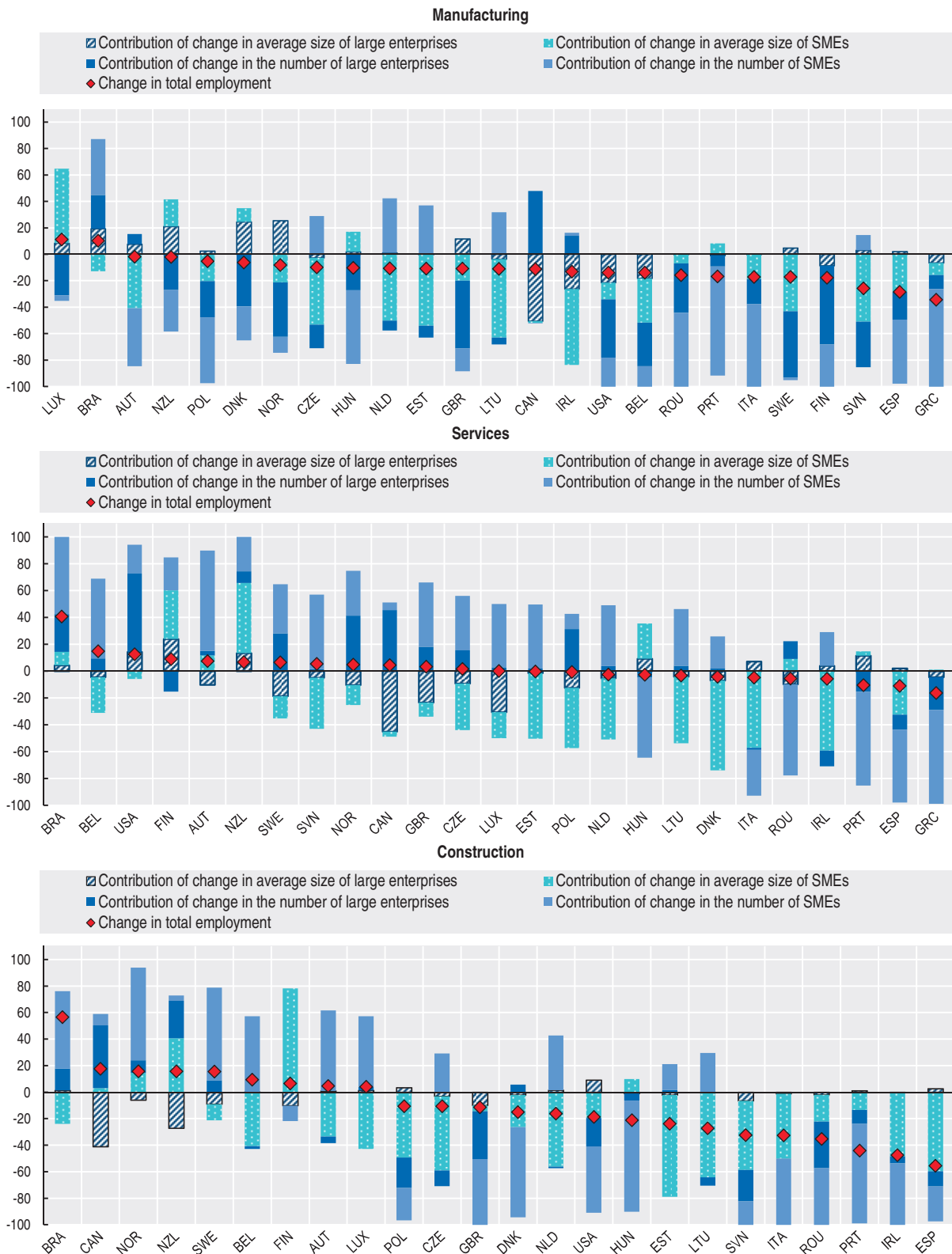


Figure 2.13. Change in employment, by main sector
Contributions and percentage change between 2008 and 2014



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2. STRUCTURE AND PERFORMANCE OF THE ENTERPRISE POPULATION

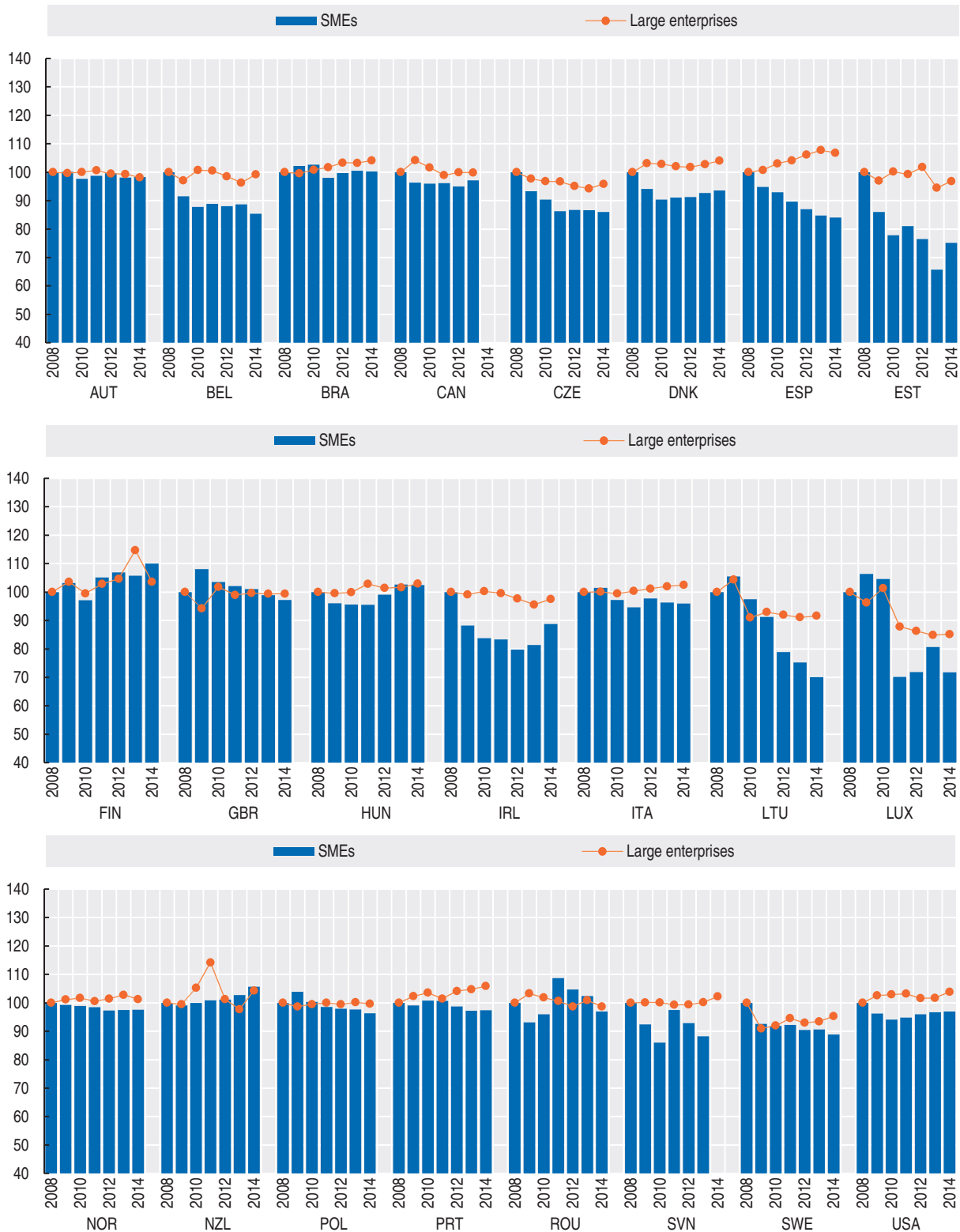
Employment by enterprise size

Table 2.3. **Average employment by main sector and enterprise size**
Employment per enterprise, number of individuals, 2014, or latest available year

Country	Manufacturing				Services				Construction			
	1-9	10-49	50-249	250+	1-9	10-49	50-249	250+	1-9	10-49	50-249	250+
AUT	3	21	110	644	2	18	97	969	3	19	92	680
BEL	2	22	106	716	2	20	101	1,142	2	20	99	464
BRA	4	20	100	1,090	3	19	102	1,156	4	21	109	811
CHE	5	20	105	701	5	18	95	876	5	21	98	625
CZE	1	22	108	674	1	18	99	872	1	19	94	634
DEU	4	20	107	920	3	19	96	953	3	17	87	585
DNK	3	21	103	869	2	20	96	949	2	19	92	617
ESP	2	21	101	707	2	18	98	1,180	2	19	95	995
EST	3	22	97	446	2	19	91	607	3	18	76	356
FIN	2	21	102	826	2	19	95	931	2	19	90	926
FRA	2	24	117	1,010	2	24	115	1,492	2	21	99	1,652
GBR	2	23	111	764	2	21	107	1,642	2	22	107	907
GRC	2	21	106	513	2	17	94	852	2	18	91	539
HUN	2	21	105	764	2	18	95	1,056	2	18	90	531
IRL	2	21	104	584	2	19	95	892	1	18	82	473
ISR	2	21	101	757	1	20	96	988	2	18	86	453
ITA	3	19	97	717	2	17	98	1,154	2	17	87	607
JPN	2	21	107	1,443	2	20	107	1,314	2	18	95	1,045
KOR	3	35	99	1,048	3	27	102	725	2	28	101	668
LTU	2	22	101	501	2	18	87	840	1	20	92	415
LUX	3	16	111	741	2	16	53	353	2	21	94	337
LVA	2	21	96	458	2	19	94	743	2	20	94	346
MEX	2	14	115	766	2	13	102	755	3	19	101	570
NLD	2	24	110	645	2	26	123	1,413	1	20	96	784
NOR	2	21	101	794	1	18	99	793	2	19	89	776
NZL	4	20	100	711	3	19	101	825	3	18	91	891
POL	2	22	110	667	2	20	100	1,014	2	20	95	632
PRT	2	21	98	527	2	18	96	1,072	2	18	94	786
ROU	3	22	105	700	2	19	98	914	2	20	98	603
SVK	1	20	109	748	2	19	101	825	1	19	86	608
SVN	2	20	108	701	2	18	97	813	2	18	87	345
SWE	2	23	112	953	1	22	109	1,099	2	21	96	1,352
TUR			103	675			100	865			95	453
USA	3	21	101	1,501	3	20	96	2,150	2	20	93	903

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Figure 2.14. Evolution of average size of SMEs and large enterprises
2008 = 100



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