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Recent Advances in the Empirics of Organizational Economics

by Nicholas Bloom, [Raffaella Sadun](#) and John Van Reenen

Abstract

We present a survey of recent contributions in empirical organizational economics, focusing on management practices and decentralization. Productivity dispersion between firms and countries has motivated the improved measurement of firm organization across industries and countries. There appears to be substantial variation in management practices and decentralization not only between countries, but also especially within countries. Much of the poorer average management quality in countries like Brazil and India seems to result from a long tail of poorly managed firms, which barely exist in the United States. Some stylized facts include the following: (1) competition seems to foster improved management and decentralization; (2) larger firms, skill-intensive plants, and foreign multinationals appear better managed and are more decentralized; (3) firms that are both family owned and managed appear to have worse management and are more centralized; and (4) firms facing an environment of lighter labor market regulations and more human capital specialize relatively more in people management. There is evidence for complementarities between information and communication technology, decentralization, and management, but the relationship is complex, and identification of the productivity effects of organizational practices remains a challenge for future research.

Keywords: [Economics](#); [Management Practices and Processes](#); [Performance Productivity](#); [Geographic Location](#); [Motivation and Incentives](#); [Factories, Labs, and Plants](#); [Competition](#); [Human Capital](#); [Markets](#); [Governing Rules, Regulations, and Reforms](#); [Multinational Firms and Management](#); [India](#); [Brazil](#); [United States](#);

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