

RCTs within Firms

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Syverson (2004) and other work on persistent productivity differences (PPD) have triggered a renewed interest in economics for the impact of management and organization on productivity. Bloom and Van Reenen (2007) were the first to provide large-scale international evidence on how management practices correlate with firm performance. More recently, a dynamic literature has emerged whose goal is to provide causal evidence on how management practices affect performance of ongoing profit-maximizing firms. The mini-course provides a structured view on the extant literature on field experiments on management practices within ongoing firms in the developed world.

These are studies with a focus on (i) internal relationships between and within different layers of an organization (top managers, middle managers, supervisors, and workers) and (ii) on measures of productivity and profit, worker turnover and attitudes. I discuss the methodological advantages of working with firms with many similar units or individuals (large N) over a long period of time (large T) and how to collaborate with the management of partner firms based on Friebe et al (2014, forthcoming). We conclude by discussing the relationship between RCTs and the development of theories in organizational economics, and potential research avenues, for instance on information exchange and mentoring.

Introductory reading

Bloom, Nicholas, and John Van Reenen. 2007. "Measuring and Explaining Management Practices across Firms and Countries." *The Quarterly Journal of Economics* 122(4): 1351-1408.

Guido Friebe, Matthias Heinz, Miriam Krüger and Nikolay Zubanov. 2014. "Team Incentives and Performance: Evidence from a Retail Chain", *American Economic Review*, 107 (8): 2168-2203.

Guido Friebe, Matthias Heinz, Mitchell Hoffman and Nick Zubanov. "What do Employee Referral Programs (ERPs) Do? Measuring the Direct and Overall Effects of a Management Practice", forthcoming, *Journal of Political Economy*

Syverson, Chad. 2004. "Product Substitutability and Productivity Dispersion." *Review of Economics and Statistics*, 86(2): 534–50.



Guido Friebe is Professor of Human Resources at Goethe University in Frankfurt. His research is on human resources, organizational and personnel economics. He carries out randomized controlled trials (RCTs) with and within firms and analyzes observational career and promotion data. He also does applied theory on careers and talent management. His second main field of interest is how institutions shape the accumulation and allocation of human capital, focusing on problems of families, gender, and migration. He is a fellow of CEPR, IZA, and President-Elect of SIOE. He is also a founding member of the Organizational Economics Committee of the German Economic Association (VfS), a member of the Scientific Advisory Board of Sciences Po, and of ConTrust at Goethe University, and Scientific Director of CLBO. Before joining Goethe, he held positions at the Toulouse School of Economics and EHESS, and at SITE, Stockholm School of Economics.