

See also at oe.cd/hsop



The Human Side of Productivity

The role of skills and diversity for firm productivity

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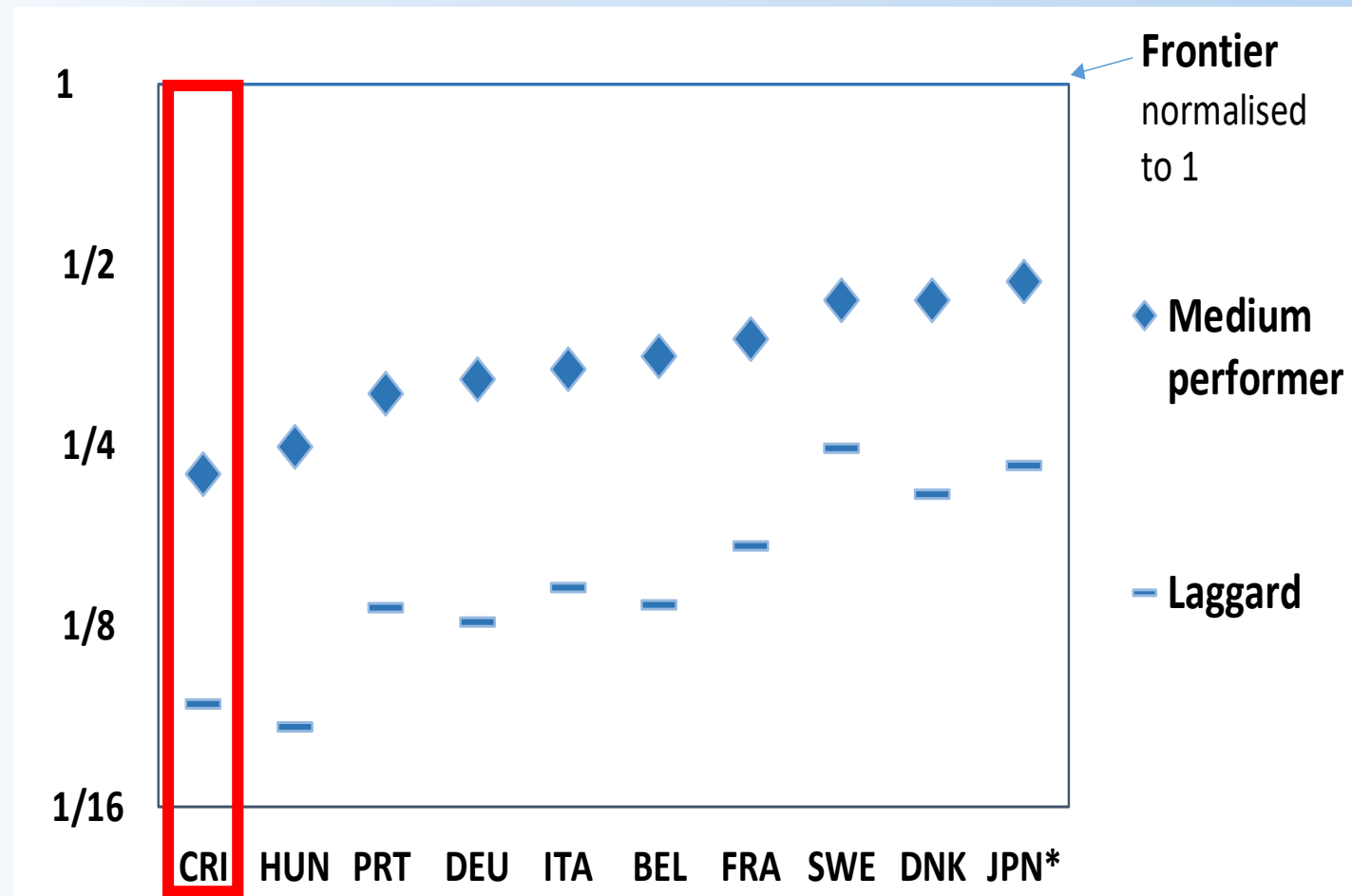
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Motivation: why productivity differs across firms?

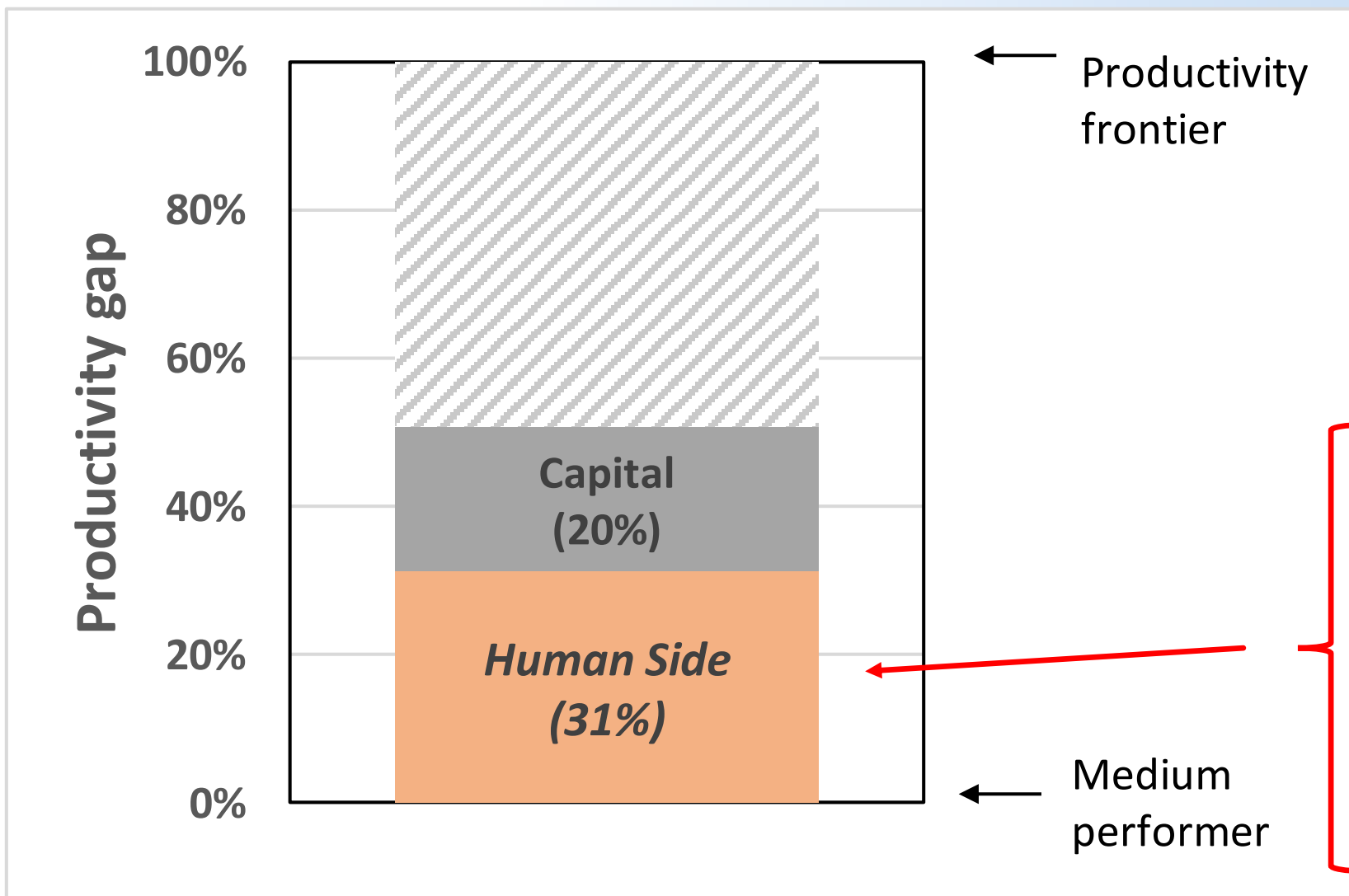
- Differences across firms are widespread and persistent; therefore, there are large potential aggregate productivity gains from the catch-up of lagging firms
- Technology is becoming cheaper, so it must be other factors, including the Human Side (skills, management, diversity, organisation, etc.)

Productivity gaps across firms *within the same country and industry*





Upshot: the “*Human Side*” accounts for nearly 1/3rd of the gap in performance

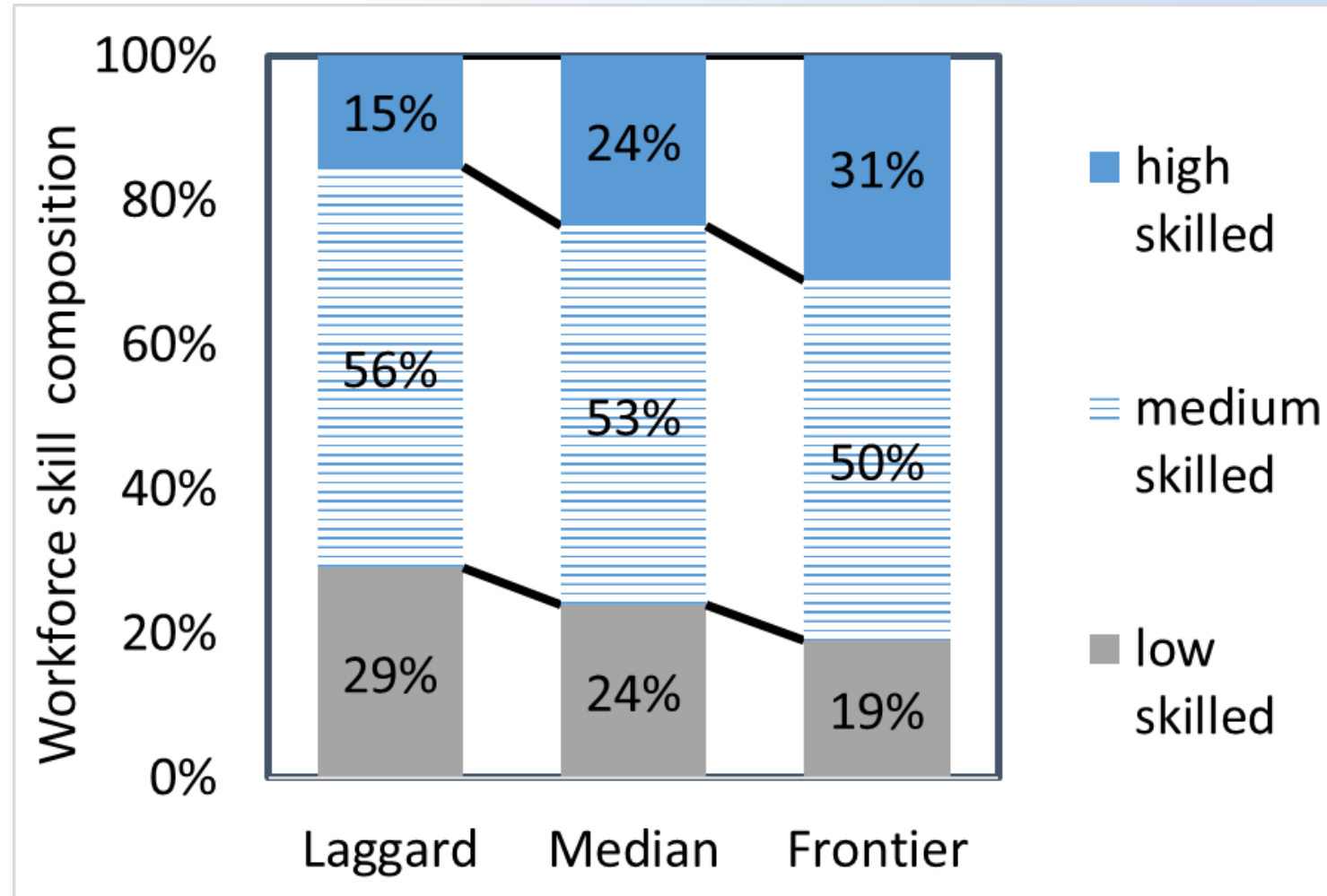


Workforce composition along:

1. Skills
2. Managerial structure
3. Gender & Cultural Diversity



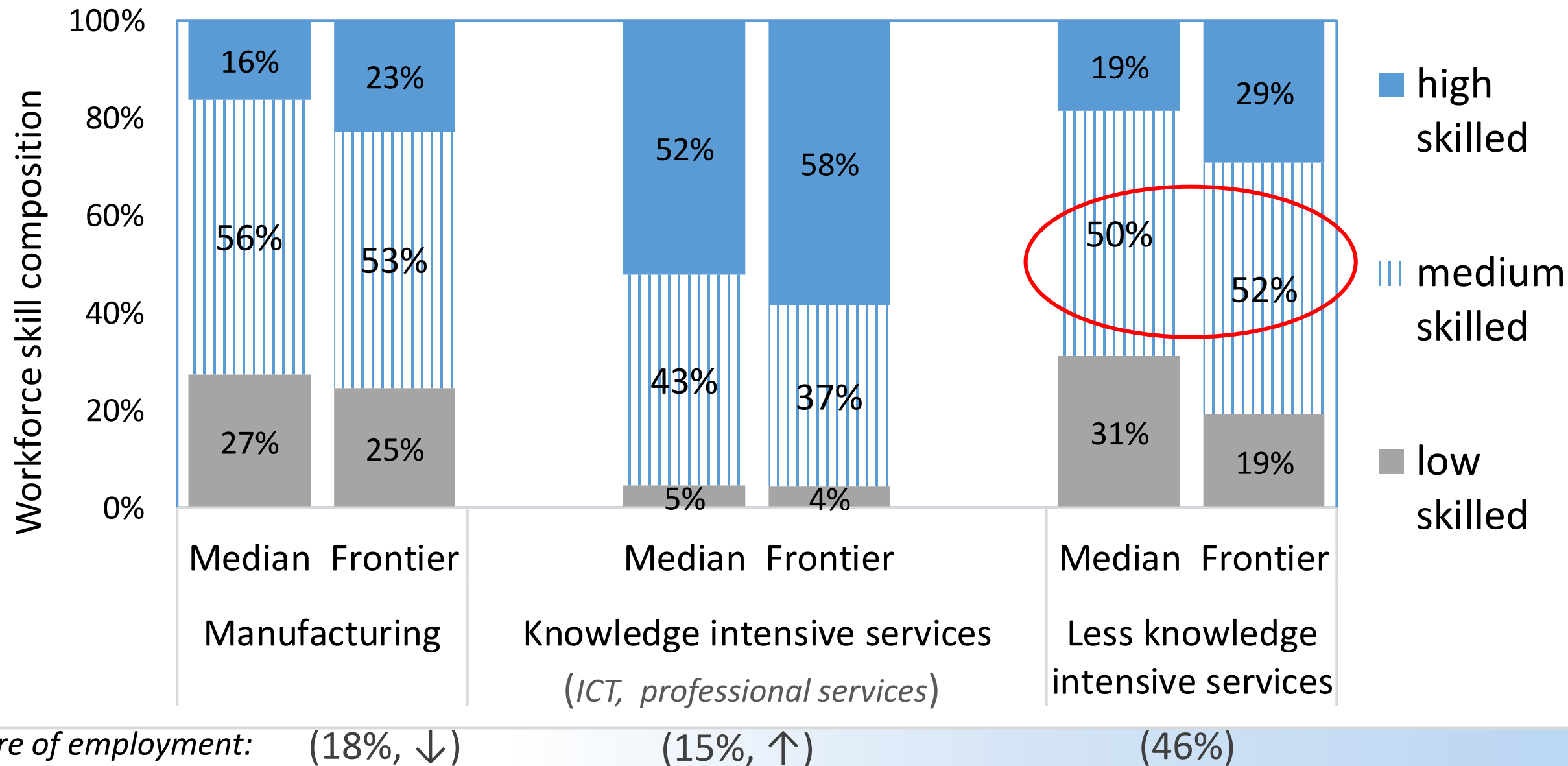
Skills: Firms at the productivity frontier are more skill-intensive,...



Labour productivity (VA/L) segments within detailed industries

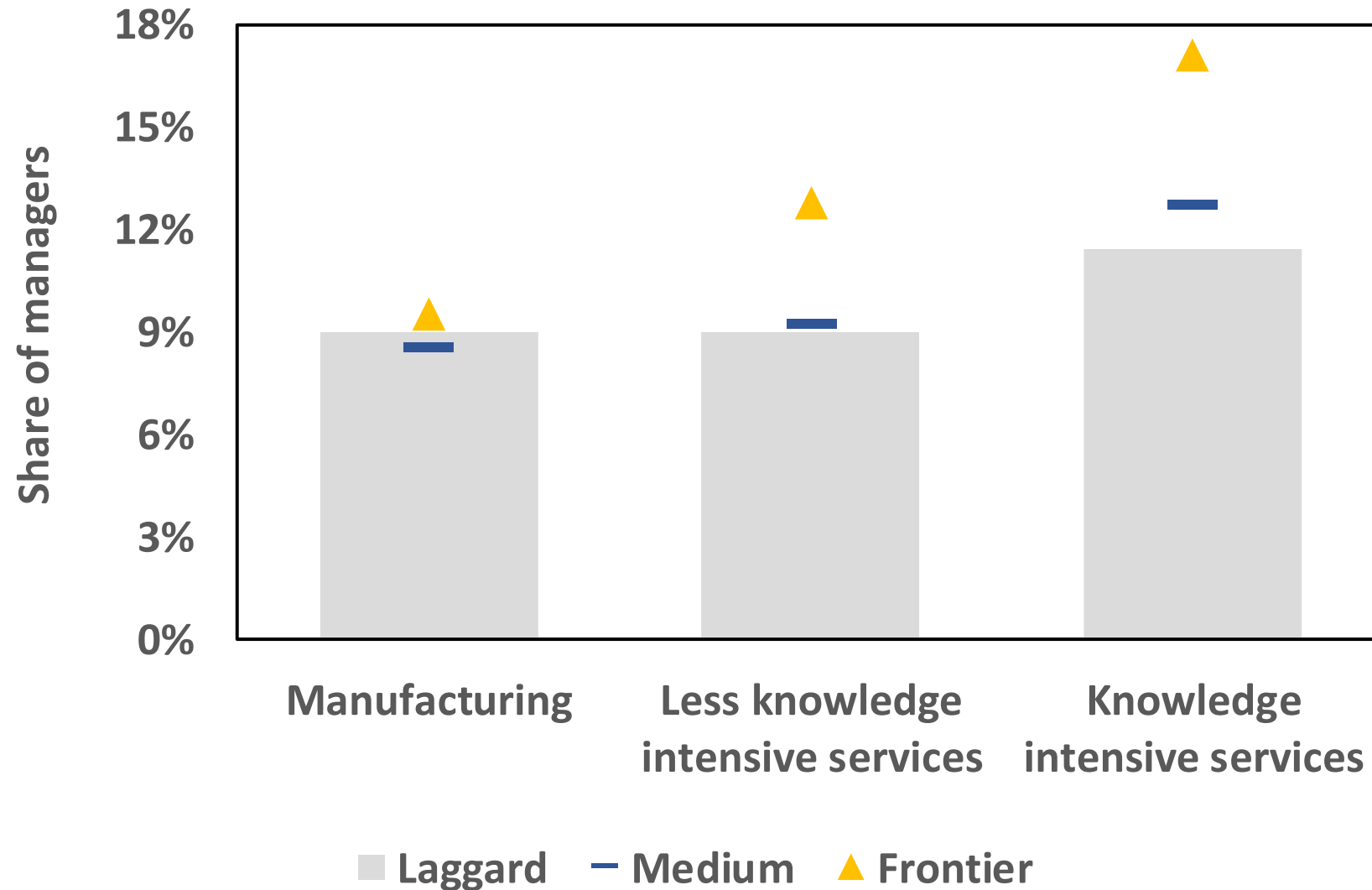


... with key sectoral differences





Management: More productive firms devote more human resources to **formal managerial roles** in services



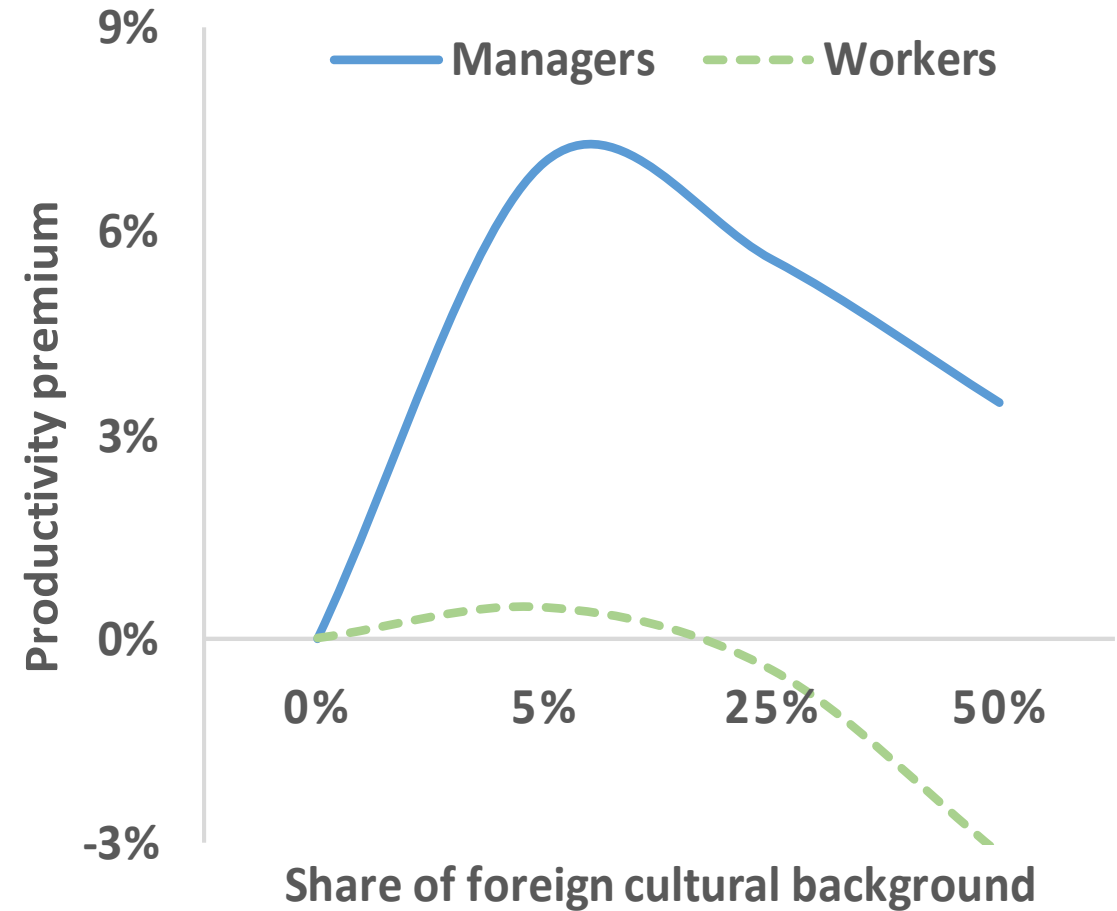


Diversity: Gender- and culturally diverse firms are more productive

Gender diversity

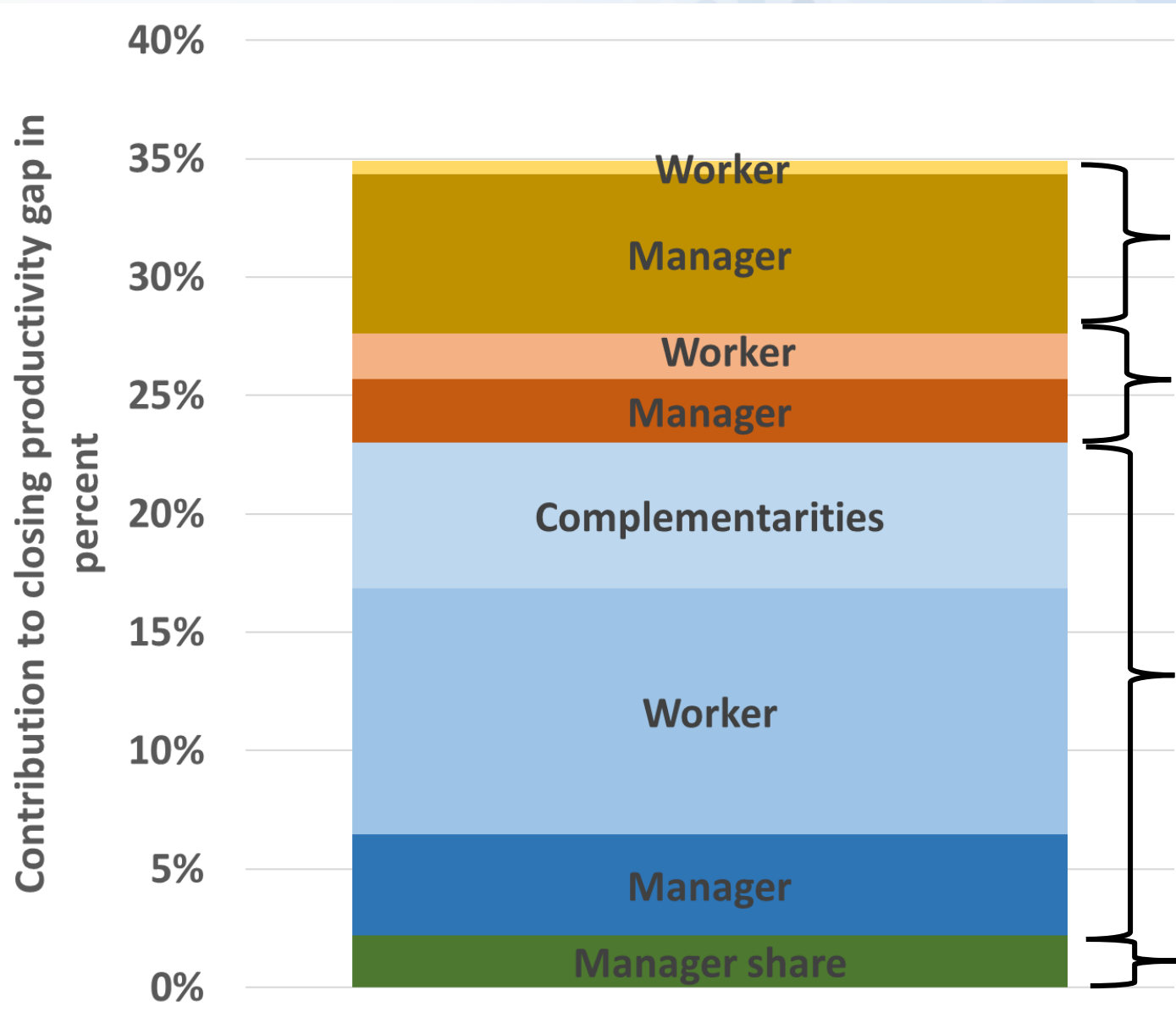


Cultural diversity





Adding it all up to close the productivity gap



Cultural diversity
(7%)

Gender diversity
(5%)

Skill structure
(21%)

Management
structure (2%)



A range of **public policy areas** to support investments in the *Human Side*

Supply	Skills	Managerial structure	Gender diversity	Cultural diversity
	Education & training	Management training	Social benefit and tax system	Immigration policies



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Upgrade	Training by firms	Information campaigns	Gender quotas	



A range of **public policy areas** to support investments in the *Human Side*

	Skills	Managerial structure	Gender diversity	Cultural diversity
Supply	Education & training	Management training	Social benefit and tax system	Immigration policies
Upgrade	Training by firms	Information campaigns	Gender quotas	
Mobilise & Match	Better match workers to jobs through mobility and flexible working arrangements , e.g. telework, transport, housing			

➔ The SUM of various measures are needed

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Thank you

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