

ANDREY PUSHKAREV

Ural Federal University, Russian Federation

ANNA SENNIKOVA

Ural Federal University, Russian Federation

OLEG MARIEV

Ural Federal University, Russian Federation

ECONOMETRIC ESTIMATION OF MARKET SELECTION IN RUSSIA: DIFFERENT PERFORMANCE INDICATORS

Abstract:

This paper contributes to the analysis of several firm performance indicators for estimating market selection forces on the industrial level by using econometric estimation method. For the comparison we employ data on Russian manufacturing firms for the period from 2006 to 2017. The sample contains more than 79 thousand enterprises for a period of 2 to 12 years. This research is focused on such performance indicators as labor productivity, total factor productivity (TFP) and profit per employee. We compare results of the econometrical examination of the link between each of them and the firm growth. The main result implies that the bulk of the impact of productivity variables relates to efficiency changes more than to absolute differences of productivity levels across firms. Comparing three performance indicators we see that the median values of total explanatory ability are close for the labor productivity and total factor productivity. This holds true also on the level of individual industries. The results for profit per employee provide slightly higher median estimate. The research shows that such indicator as profit of the firm can well substitute labor productivity indicator in the market selection and competition research.

Keywords:

productivity, market selection, Russian firms

JEL Classification: L11, D40