THE ROLE OF SKILLED MIGRANT WORKERS IN TRANSFERRING KNOWLEDGE FROM MNES TO THEIR AFFILIATES

Katja Zajc Kejžar[1] and Tina Golob[2]

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Abstract

In this paper we analyse the role of skilled migrant workers in the effective technology transfer of MNEs to their local affiliates. In the context of multiple treatments, i.e. foreign ownership and migrant worker appointment, the paper tests whether foreign-owned companies that employ skilled foreign workers perform better in terms of productivity growth than foreign-owned firms without skilled migrant workers and their domestically owned peers. Employing propensity score matching and the difference in differences approach for matched employer-employee Slovenian firm level data for the 2002–2010 period, the paper finds evidence that foreign firms which appoint a foreign manager after FDI activity takes place indeed perform better in TFP growth terms than firms which experience FDI activity only. Moreover, the results are even more robust and significant when we compare the outcomes of firms where FDI activity is followed by the employment of a parent-country manager. These results suggest that expat managers play a decisive role in effectively transferring knowledge within MNEs and in forming foreign-owned affiliates' productivity advantage over domestically owned peers. On the other hand, the paper fails to find robust evidence on the significant role of foreign experts in the process of MNEs' technology transfer to local affiliates.

Keywords*:* FDI, skilled migrant workers, technology transfer, productivity, parent country national manager, foreign experts
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[1] Faculty of Economics, University of Ljubljana
[2] Faculty of Economics, University of Ljubljana

1. Introduction

The possession of knowledge and technology is one of the key elements that distinguish successful companies from less successful ones, and developed countries from developing ones. Nowadays most countries are actively trying to attract inward foreign direct investment (FDI). One of the main reasons for that is the belief that foreign firm entry is accompanied by technology and knowledge transfer to the host economy. Economic theory predicts that multinational enterprises (MNEs) which decide to enter a foreign market via FDI should possess a firm-specific advantage vis-à-vis domestic firms (advanced technology, superior managerial practices etc.) since they have to compensate for their smaller knowledge of the local markets (Bellak, 2004; Caves, 1971; Dunning, 1981; Markusen, 1995). The knowledge and technology transfer to the host economy as a by-product of FDI happens in the context of the so-called direct effects of FDI. The knowledge and technology are transferred from the parent company to a foreign affiliate stationed in the host country. This, in turn, results in higher productivity of the foreign affiliate compared to domestic firms. This process can occur in many different ways. The possible channels include worker mobility. A multinational company may send expat workers originating from the company headquarters or existing affiliates to the new subsidiary in order to train the local workers or otherwise facilitate the knowledge transfer process. Alternatively, hiring skilled foreign workers per se may increase a firm's productivity if the migrant workers possess knowledge which complements that pertaining to the firm. Evidence in support of this claim was, for example, found by Verner (1999), Markusen & Trofimenko (2009), Malchow-Møller et al. (2011) and Ghosh & Mayda (2012).

A large body of empirical literature supports the theoretical prediction that foreign-owned firms are more productive than domestic firms (Barba Navaretti & Venables, 2004). Doms & Jensen (1998), for instance, found that foreign-owned manufacturing firms in the United States performed better in terms of total factor productivity and labour productivity than domestic plants. Their results also suggest that it is not foreign ownership itself that is important but the fact that the plants with superior operating characteristics were owned by MNEs. Girma, Greenaway & Wakelin (2001) found for the UK that labour productivity in foreign firms was almost 10% higher than in domestic firms, whereas total factor productivity was about 5% higher.

However, although these studies confirm the statistical correlation between foreign ownership and productivity, they do not analyse the causal relationship between the two (Barba Navaretti & Venables, 2004). This means they do not account for the possibility of selection bias. Namely, foreign investors may be inclined to only acquire the best performing firms. This may then lead to researchers overestimating the impact of a foreign takeover on productivity (Salis, 2008). Studies that address this question give results that paint a much vaguer picture. Reported differences in productivity between foreign and domestic firms are smaller than in earlier estimations and often insignificant (Barba Navaretti & Venables, 2004). On one hand, Arnold & Javorcik (2009) find for Indonesian manufacturing firms that foreign acquisitions lead to significant improvements in terms of productivity for the acquired firms. Three years after the acquisition, the latter enjoyed 13.5% higher productivity than the control group. Damijan, Kostevc & Rojec (2012) focused on seven of the new EU member states, namely: Czech Republic, Poland, Bulgaria, Estonia, Romania, Slovenia and Slovakia, and concluded that the performance of the acquired plants had improved after the acquisition. Moreover, they reported that the productivity increase was achieved through increased efficiency in the use of

labour and capital rather than via a reduction in the number of workers. Benfratello & Sembenelli (2006), on the other hand, analysed a large sample of Italian firms and found that foreign ownership has no effect on firm productivity, after controlling for input simultaneity, unobserved heterogeneity and measurement errors. Salis (2008) studied the impact of foreign acquisition on the productivity of Slovenian manufacturing firms as did Oražem & Vodopivec (2009), but neither found evidence of a positive effect.

Little is known about the reasons for the ambiguous results concerning the productivity advantage of foreign-owned firms compared to their domestic peers. Could skilled worker mobility explain the effectiveness of the technology transfer from the parent company to a host-country affiliate? Are foreign firms appointing skilled migrant workers who are more productive than those which do not? In this paper, we aim to characterise the interaction between capital (FDI) and worker mobility to establish whether worker mobility plays a significant role in effectively transferring knowledge from the parent company to a host-country affiliate.

Several reasons can be found in the literature in support of the expectation that attempts to move knowledge are more effective when accompanied by the movement of people. First, individuals are able to adapt knowledge to new contexts (Argote & Ingram, 2000). Second, they are able to transfer explicit knowledge as well as tacit knowledge (Argote & Ingram, 2000; Berry & Broadbent, 1984, 1987), which seems to be a crucial advantage of skilled expat workers who come from within the MNE organisation itself. As argued by Kerr (2008), the effectiveness adopting (imitating) inventions depends on the codified and tacit innovation-specific knowledge. Third, externally sourced foreign experts or managers who do not carry the MNE's specific knowledge may still have certain knowledge and experience that helps facilitate the knowledge transfer process. For example, they may have experience with knowledge transfer tasks or, as Karreman & Pennings (2008) and Finkelstein & Haleblian (1999) mention, they may have acquisition experience and are therefore better able to help with integration issues. Moreover, foreign workers may bring knowledge and competencies that complement those possessed by the host-country workers, not necessarily connected to the process of knowledge transfer between the parent company and the affiliate.

As far as empirical evidence is concerned, in the field of international economics empirical studies mostly deal with the impact of skilled migrant workers, especially experts, on firm performance in general, not in the context of FDI. Markusen & Trofimenko (2009) tested their theoretical model using plant-level Colombian data and concluded that foreign experts have a substantial positive effect on local workers' wages and value added per worker, although this effect is not always immediate. Malchow-Møller, Munch & Skaksen (2011), on the other hand, found in the case of Danish companies that the most productive firms were those that hire foreign experts. For manufacturing firms they found a 15% increase in TFP after the firms had hired foreign experts, while the increase in firm-specific wages after the appointment of a foreign expert occurred in both the manufacturing and service sectors. Ghosh & Mayda (2012) found for US firm-level data a positive correlation between firm productivity and the number of skilled immigrant workers employed, where causality was confirmed for certain industries. Based on their analysis of German data, Trax, Brunow & Suedekum (2012), on the other hand, concluded that the share of foreign workers in the establishment does not affect productivity.

The second strain in the literature, mostly survey-based, studies the role of expat workers in technology transfer directly, i.e. not by examining the affiliate's performance. Using Mexican plant-level data, Santacreu-Vasut & Teshima (2011) found that expatriates are associated with higher amounts of technology transfer measured by expenditure on technology transfer from abroad over sales. They also concluded that not all subsidiaries employ expatriates. In a survey-based study for Hungary, Inzelt (2008) found that the initial temporary mobility of foreign managers (1 to 2 years after the FDI entry) led to a 'one-off' transfer of knowledge to the local affiliate.

The third strain in the literature, the closest to our study, links foreign workers (in some cases expatriates) with the performance of local affiliates. An early study by Verner (1999) that employed data from Zimbabwe showed that the number of expatriates in metal firms was positively correlated with firm-level labour productivity. In a more recent study, Karreman & Pennings (2008) examined the impact of employing expatriates on foreign subsidiary performance based on data for 54 subsidiaries of multinational banks located in Central and Eastern Europe for the 1998–2006 period. Their results suggest that a relatively big share of foreign managers in the management board is associated with higher labour productivity. They also concluded that the impact on the foreign subsidiary's performance is higher if the manager was previously stationed closer to the company headquarters. Hahn, Hayakawa & Ito (2013) further examined the trade-off between hiring host-country-national managers and parent-country-national managers in MNEs' affiliates using a Korean-origin FDI dataset. Their results suggest that the host-country-national manager ratio is positively correlated with productivity improvement in developing countries but not in developed countries. The same positive correlation was established for less R&D-intensive industries. By tracking employee transfers within Korean multinationals, Cho (2013) also confirmed that managers transferred from MNE headquarters to the affiliates facilitated firm-specific knowledge transfer and were positively related to labour productivity for Korean multinational foreign affiliates.

Evidently, the economics literature dealing with FDI-related intra-firm knowledge transfer via skilled migrant workers is relatively scarce and chiefly limited to individual industries. Moreover, no study has looked into the interaction of capital and worker mobility for generating foreign firms' productivity advantage vis-à-vis domestic peers considering the specifics of the host-country market structure. Hence, in this paper we aim to establish whether worker mobility indeed functions as a channel of knowledge transfer from parent companies to host-country affiliates in the case where skilled migrant workers become employed by the affiliate shortly after a foreign direct investment takes place.

To identify the role of worker mobility in FDI-related knowledge transfer from abroad, we need to identify the causal effects of multiple treatments, i.e. foreign ownership and migrant worker appointment. To deal with the likely non-randomness of these two treatments, we follow the approach of Arnold & Javorcik (2009) based on a combination of propensity score matching and the difference in differences methods and extend it to multiple treatments. Building on the idea by Lechner (2001), we transform average treatment effects for multiple treatments into a series of binary comparisons, i.e. the impact of FDI followed by the employment of (skilled) migrant workers on a firm's total factor productivity growth is compared to outcomes where the FDI is not followed by the employment of foreign workers and with outcomes where there was no FDI activity to start with. To our knowledge, no research has yet been done that compares those sets of outcomes. We conduct our analysis using matched employer-employee data for the population of Slovenian firms merged with the firms'

financial and FDI flow data covering the 2002–2010 period. The database allows us to differentiate employees based on both their education level and occupation. Hence, we are able to test the effect of interaction between worker and capital (FDI) mobility for different categories of skilled migrant workers. Since experts and managers are most frequently associated with the effectiveness of technology transfer in the literature, we focus on these two categories of employees.

The rest of the paper is structured as follows: the data and methodology are presented in section 2, whereas baseline as well as robustness check results are given in section 3. The paper ends with concluding remarks in section 4.

2. Data and methodology

2.1. Empirical approach

As already stated, empirical evidence on the impact of foreign ownership on the productivity of affiliates is not clear-cut when causality is addressed properly. Hence, in this paper we aim to test one of the potential explanations of this ambiguity, i.e. the role of skilled worker mobility in the effectiveness of the FDI-related knowledge transfer to the host country. To tackle this, we need to address the causal links between worker mobility, foreign ownership and local affiliate performance. One way to identify these causalities is to consider them in the context of multiple treatments on firm total factor productivity growth. In our case, we are interested in the effects of two different treatments: foreign ownership (inward FDI), and inward FDI accompanied by the subsequent employment of a foreign skilled worker.

However, the FDI decision as well as the decision to appoint a skilled migrant worker is most probably non-random as pointed out by Markusen and Trofimenko (2009). Not only may foreign investors be inclined to acquire only the best performing and most promising firms but the decision to hire a skilled foreign worker is also likely to be affected by certain firm- and plant-specific characteristics (e.g. initial productivity, size, export orientation) and also include elements of personal choice. To address the issue of the possible endogeneity of these two decisions, we follow Arnold & Javorcik (2009) and combine propensity score matching and the difference in differences methods. Propensity score matching creates the missing counterfactual of a treated firm, had it not been treated. It achieves that by pairing up each firm that will receive treatment in the future with a firm which will remain untreated and has similar observable characteristics (Arnold & Javorcik, 2009). In the next step, the difference in differences method eliminates the initial existing differences between the pairs in order to obtain a more accurate estimate of the true treatment effects.

In our multinomial treatment model, the baseline group contains firms identified as domestically owned firms without the appointment of a foreign skilled worker throughout the studied period. The first treatment level encompasses firms that received inward FDI during the period analysed without any subsequent employment of a foreign skilled worker. More specifically, we consider for the first treatment level all firms with initial FDI entry during the period under study and firms that experienced in this period a substantial rise in foreign ownership in case they were foreign-owned already in the starting year of our observation period. For the latter set of firms, we consider different

thresholds, i.e. a 100%, 150% and 200% increase in the FDI stock in a certain year between 2002 and 2010 to test the robustness of the results. The second treatment level, finally, contains firms where the initial FDI entry or initial FDI increase was followed by the employment of a foreign skilled worker, as opposed to firms pertaining to the first treatment level. To test for the role of different categories of skilled migrant workers, three different multinomial treatment specifications are constructed, the first considering the employment of foreign managers, the second the employment of parent-country-national (PCN) managers, and the third the employment of foreign experts. Initially, we intend to also include a specification pertaining to the employment of parent-country-national experts; however, due to their low representation in the dataset, we are unable to test this specification.

Building on the idea of Lechner (2001), we further transformed average treatment effects for multiple treatments into a series of binary pair-wise comparisons. We started by isolating three different subpopulations of firms pertaining to each multinomial treatment. The first subpopulation consists of a baseline group of firms and firms pertaining to the first treatment level. The second subpopulation encompasses the baseline group of firms and those pertaining to the second treatment level. Finally, the third subpopulation consists of firms in the first and second treatment level groups. In the remainder of this paper, the group of firms pertaining to the baseline treatment level in the multinomial setting is referred to as group 0, the group of firms belonging to the first treatment level as group 1, and the set of firms pertaining to the second treatment level as group 2.

In the next step, we applied the traditional binary Rosenbaum & Rubin (1983) approach to each subpopulation. Regarding the first two subpopulations, the first and second treatment levels pertaining to the multinomial model were transformed into the first treatment level of the binomial setting. The baseline level remained the baseline level. On the other hand, with the last subpopulation the first treatment level pertaining to the multinomial treatment became the new baseline level and the second treatment level was deemed the new first treatment level. In the binomial setting, the average treatment effects on the treated (ATT), $\theta_0^{1,0}$, are defined as:

$$\begin{aligned}\theta_0^{1,0} &= E(Y^1|S=1) - E(Y^0|S=1) = E(Y^1|S=1) - E\left[E(Y^0|X,S=0)|S=1\right] \\ &= E(Y^1|S=1) - E\left[E(Y^0|P^1,S=0)|S=1\right]\end{aligned} \quad (1)$$

with S denoting whether a firm receives treatment (S=1) or not (S=0) and Y denoting the outcomes (Y^1 for the treated and Y^0 for the untreated).

To sum up, in our set of binary comparisons we stack up the impact of FDI followed by the employment of skilled migrant workers on a firm's total factor productivity growth against those outcomes where the FDI is not followed by the employment of skilled foreign workers and with outcomes where there was no FDI activity to start with. Further, the outcomes where the FDI is not followed by the employment of skilled foreign workers are also compared to outcomes where FDI activity was absent.

Crucial for the identification of $\theta_0^{1,0}$ is the conditional independence assumption (CIA). The latter requires that treatment assignment is independent of the potential non-treatment outcome, conditional on a set of covariates (Lechner, 2001). CIA can be formalised as (Lechner, 2001):

$$Y^0 \perp\!\!\!\perp S \mid X=x, \forall x \in \chi \quad (2)$$

If CIA is valid for X it is also valid for propensity score p(X), being a function of X, which is used as the basis of propensity score matching (Lechner, 2001):

$$Y^0 \perp\!\!\!\perp S \mid p(X)=p(x), \forall x \in \chi \quad (3)$$

In order to satisfy CIA, we had to choose a proper set of covariates which affect both the outcome as well as the selection for treatment, however, are independent of the latter two. Our chosen list of covariates contains the following variables: natural logarithms of firm age (lnage), number of employees (lnemp), capital intensity (lnKint) and TFP (lnTFP), squares of natural logarithms of the number of employees ($lnemp^2$) and capital intensity ($lnKint^2$), TFP growth (TFPGr), share of highly educated workers (ShHEemp), export share (exp_share), ebitda (ebitda), dummy variable for foreign workers (dFr), year, industry sector dummies (1-digit Nace rev. 2 classification). Values of the covariates were measured 1 year before the FDI activity took place (lagged values were used for firms where there was no FDI activity). Capital intensity was defined as fixed assets per employee. The share of highly educated workers further encompasses all employees with education levels higher than secondary education.

As already indicated, our chosen measure of productivity is total factor productivity. As noted already by Marschak & Andrews as early as 1944, there is a simultaneity problem when it comes to estimating total factor productivity (TFP). Namely, firms' choices about the input quantities they will use in the production process depend on "output per unit of inputs consumed, or their productivity" (Olley & Pakes, 1996). In order to account for the simultaneity problem when estimating TFP we use the procedure suggested by Levinsohn & Petrin (2003). The latter propose introducing an intermediate input proxy to account for this problem as opposed to the investment proxy previously proposed by Olley & Pakes (1996). In both cases, the proxies are used for conditioning out serially correlated unobserved shocks to the production technology (Levinsohn & Petrin, 2003). Levinsohn & Petrin (2003) argue that the investment proxy only accounts for the serially correlated part of the shock since the capital does not respond to separate firm-time shocks that are independent over time. On the contrary, intermediate inputs respond to the entire shock. The second advantage they mention is that their proxy provides a simpler link between the estimation strategy and economic theory. The third advantage, according to them, relates to the data. Namely, an investment proxy is only useable for firms with non-zero investment. We use the Stata levpet procedure for empirical execution of the TFP estimation. Fixed assets are used as a proxy for capital, labour costs are employed as a proxy for labour, and energy costs as a proxy for intermediate inputs. We estimate TFP separately for the manufacturing sector, service sector and agricultural sector. The revenue version of the production function is used.

Moreover, we consider two alternative criteria for how we define the second treatment “inward FDI accompanied with subsequent employment of a foreign skilled worker”: (i) we first employ the condition that inward FDI is accompanied by new employment of a foreign skilled worker (manager, PCN manager or expert, respectively) in both cases of inward FDI (i.e. initial FDI entry during the period analysed and a substantial increase in foreign ownership in the period in case they were already foreign-owned in the starting year of our observation period); and (ii) secondly, we consider the condition of employing a new foreign skilled worker only in case of an initial FDI entry during the

period analysed while the condition of having a foreign skilled worker employed is applied to firms that were foreign-owned throughout the observed period[3]. In the former case, we additionally control for the initial employment of foreign skilled workers (e.g. managers (dFrMgr), parent-country managers (dPCNMgr) and foreign experts (dFrExp), respectively) among the covariates, while in the latter case we add to the set of covariates a dummy variable for having employed a foreign expert in case of the "manager" specifications and, vice versa, a dummy for foreign manager appointment in the "expert" specifications. This allows us to control for the simultaneous employment of both a foreign manager and expert. The two definitions give very similar results and hence we report just the former set of results in the paper.[4]

We conduct our analysis by implementing propensity score matching and a combination of kernel matching and the difference in differences methods (employing the user-written *diff* command in Stata). When it comes to binomial models pertaining to the employment of foreign skilled workers, the time frame in which new employments are accounted for is set to 1 year after the FDI activity took place. The outcome (TFP growth) is measured at the end of the year following the FDI inflow. The whole procedure is repeated three times. The first time only firms where FDI entry or an FDI stock increase of at least 100% occurred during the analysed period are included in the treated groups and the second and third times the FDI-stock-increase benchmark is set to 150% and 200%, respectively. As a robustness check, the time frame in which new employments are accounted for is prolonged to 2 years and output is measured at the end of the second year after the inward FDI activity. The robustness check specifications and propensity score matching model are conducted considering the most restrictive 200% FDI-stock-increase benchmark setting. In case of binomial models pertaining to the employment of foreign experts, we test additional time frames. Our starting point is the setting where the period in which new employments are accounted for is set to 1 year after the FDI activity, whereas the outcome is measured at the end of the year following the FDI activity. Next, we prolong the time period in which new employments are accounted for to two years after the FDI activity, whereas the outcome is measured at the end of the second year after the FDI. Finally, in the third case, the time point in which output is measured is pushed forward one more year. Estimations are performed on common support and a logit model is used as the basis for kernel and propensity score matching. Here all estimations are done for the most restrictive 200% FDI-increase benchmark case.

2.2. Data and descriptive statistics

In order to conduct our empirical research we combine three different databases. The first is a matched employer-employee database obtained from the Slovenian Statistical Office. It provides information on the economically active population, among other things, data on a person's employer, their education level, position in the firm and nationality. The second is the database containing information on inward FDI provided by the Bank of Slovenia. It includes firms with at least 10% foreign ownership (referred to as foreign firms in the remainder of the paper). The third database is Slovenian firms' financial data provided by AJPES (the Agency of the Republic of Slovenia for Public Legal Records and Related Services). All three databases are merged using firm identifiers. The final fully

[3] One might argue that if the foreign firm has already foreign worker employed there is probably no need for the additional employment for the sake of facilitating technology transfer.
[4] The results based on the second definition can be obtained upon the request.

merged database contains roughly 28,000 firms on average per year, covering the period from 2002 to 2010. The number of firms rose steadily during the period, from 23,727 in 2002 to 31,871 in 2010. Firms simultaneously having negative capital and zero employees are identified as inactive and not considered in the estimations. Our analysis encompasses firms which had no FDI throughout the period and firms which gained FDI or experienced a substantial increase in their FDI stock between 2002 and 2010 (considering the alternative benchmarks of increases in FDI stock of 100%, 150% and 200%). Other foreign firms were excluded from the database.

Table 1 shows basic summary descriptive statistics for domestic and foreign firms. As can be seen in the table, on average, domestic firms tend to be older than foreign firms. Only 31.33% of domestic firms engage in export activities as opposed to 68.49% of foreign firms. The average number of employees in domestic firms is around 14, whereas with foreign firms, which tend to be larger, it is 32. On average, foreign firms have more than double the capital intensity and TFP of domestic firms. The average share of employees with a higher education stands at 21.4% for domestic firms and at 37.9% for foreign firms, which is significantly higher. As expected, the average share of foreigners among managers is higher for foreign firms than for domestic firms. The same is true for the share of foreigners among experts. Also important for our further analysis is the average share of parent-country nationals among managers and experts. The table shows that, on average, up to 63.46% of foreign managers come from the parent country. On the other hand, only a minority of foreign experts seem to be parent-country nationals.

Table 1: Descriptive statistics

	Domestic firms		**Foreign firms**	
Variable	Mean	s.d.	Mean	s.d.
Age	10.04	6.71	5.11	6.80
Employment	14.09	114.46	32.11	179.91
Capital intensity (EUR)	124,073.6	4,615,138	346,512.7	2,237,313
Share of exporters (%)	31.33	46.38	68.49	46.48
TFP	9.28	36.84	24.61	179.61
Share of highly educated employees (%)	21.42	33.43	37.90	38.17
Share of foreigners among managers (%)	5.24	21.79	12.41	31.41
Share of foreigners among experts (%)	2.55	14.14	3.91	16.86
Share of PCNs among foreign managers (%)	-	-	63.46	47.36
Share of PCNs among foreign experts (%)	-	-	14.41	34.80

Source: Own calculations

3. Empirical results

In this section, we present our empirical results with both employing matching and Diff-in-Diff estimators. In subsection 3.1, we start presenting the results for a set of transformed binomial models pertaining to the employment of foreign managers. We first report the baseline results and then proceed with the robustness check results. This is followed by subsection 3.2 where results for specifications pertaining to the employment of PCN managers are shown. We again start with the baseline results and continue with the robustness check results. Finally, in subsection 3.3 we present the results for models pertaining to the employment of foreign experts. Balancing tests checking the covariate balance for each model specification can be found in the Appendix.

3.1 Foreign managers

3.1.1. Baseline results

Table 2 reports our baseline results for a set of binomial comparisons stemming from the multinomial treatment model considering the employment of foreign managers. The latter refer to the outcomes for the setting where the time frame in which new employments are considered is set to 1 year after the FDI activity, whereas the outcome is measured at a point in time 1 year after the FDI. The first column gives the propensity score matching results considering a 200% FDI-increase benchmark, while in columns 2–4 we present diff-in-diff results pertaining to 100%, 150% and 200% FDI-increase benchmarks, respectively.

It can be observed from the Table 2 that the ATT coefficient for the comparison of group 1 and group 0 is only significant (at 10%) and even negative for the 200% FDI-increase benchmark case pertaining to kernel matching. Also, when initial differences in TFP growth are taken into account the average treatment effects on the treated are insignificant for all three specifications, which may imply that FDI activity without the subsequent employment of a foreign manager has no significant effect on a firm's TFP growth. This is in line with the results of Salis (2008) and Oražem & Vodopivec (2009) who also failed to find robust evidence on the superior productivity performance of foreign-owned firms in Slovenia. We do, however, have to take into account that, according to the balancing tests, the covariates are not ideally balanced in the case of kernel matching.

Table 2: Matching and difference in differences results for binary pair-wise comparisons pertaining to the multinomial model considering the employment of foreign managers

	PS Matching	**Kernel matching and Diff-in-Diff**		
	200% FDI-increase benchmark	100% FDI-increase benchmark	150% FDI-increase benchmark	200% FDI-increase benchmark
Binomial comparison between group 1 and group 0				
Baseline				
Control		-0.046	0.007	0.023
Treated		-0.024	-0.025	-0.028
Diff (1-0)		0.021 (0.065)	-0.032 (0.061)	-0.051 (0.064)
Follow up				
Control		-0.072	-0.113	0.025
Treated		-0.100	-0.098	-0.091
Diff (1-0)	0.020(0.047)	-0.028 (0.069)	0.015 (0.064)	-0.116* (0.065)
Diff-in-Diff		-0.049 (0.095)	0.047 (0.089)	-0.065 (0.091)
No. of observ.	89,675	757	717	672
Balancing tests	Covariates balanced	Covariates weakly balanced	Covariates weakly balanced	Covariates weakly balanced
Binomial comparison between group 2 and group 0				
Baseline				
Control		-0.027	-0.062	-0.133
Treated		-0.022	-0.120	-0.019
Diff (2-0)		0.005 (0.073)	-0.058 (0.082)	0.114 (0.098)
Follow up				
Control		0.022	0.031	-0.005
Treated		0.039	0.057	0.062
Diff (2-0)	0.171(0.181)	0.017 (0.067)	0.026 (0.074)	0.066 (0.085)
Diff-in-Diff		0.012 (0.012)	0.084 (0.110)	-0.048 (0.129)
No. of observ.	66,135	997	804	531
Balancing tests	Covariates balanced	Covariates weakly balanced	Covariates weakly balanced	Covariates weakly balanced
Binomial comparison between group 2 and group 1				
Baseline				
Control		0.047	-0.038	0.151
Treated		0.124	0.022	0.025
Diff (2-1)		0.076 (0.117)	0.060 (0.114)	-0.126 (0.109)

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	PS Matching	Kernel matching and Diff-in-Diff		
	200% FDI-increase benchmark	100% FDI-increase benchmark	150% FDI-increase benchmark	200% FDI-increase benchmark
Binomial comparison between group 2 and group 1				
Follow up				
Control		-0.217	-0.198	-0.123
Treated		0.105	0.164	0.181
Diff (2-1)	0.415***(0.109)	0.322***(0.118)	0.362***(0.114)	0.305***(0.110)
Diff-in-Diff		0.245 (0.166)	0.302* (0.161)	0.431*** (0.155)
No. of observ.	202	137	129	110
Balancing tests	Covariates balanced	Covariates balanced	Covariates balanced	Covariates balanced
Control variables: lnage, lnemp, lnemp$^{2(5)}$, ebitda, lnKint, lnKint$^{2(6)}$, dFr, dFrMgr, lnTFP, TFPGr, exp_share, ShHEemp, year, industry dummies (1-digit NACE)				

Notes: Standard errors are in parentheses, ***, **, * denote significance at 1%, 5% and 10%, respectively
Source: Own calculations

Results obtained by comparing groups 2 and 0 show that ATT is insignificant for the case of propensity score matching as well as for all three FDI-increase benchmarks pertaining to kernel matching. The same is true when taking account of the initial differences in TFP growth between the groups. The results therefore indicate that FDI activity followed by the employment of foreign managers does not have a statistically significant effect on firm TFP growth compared to domestic peers. However, in the kernel matching cases the covariates are not perfectly balanced.

When it comes to comparing groups 2 and 1, ATT is positive and significant at 1% for all four model specifications. ATT net the initial differences in TFP growth between the groups is also significant for the 150% and 200% FDI-stock increase benchmarks, revealing differences in differences of 30.2% and 43.1%, respectively. The results suggest that foreign manager appointment is crucial for the effective technology transfer to the local affiliate since firms that hire foreign managers after the FDI activity takes place are found to achieve higher TFP growth than firms that experience FDI activity only. Further, the balancing tests show that the covariates were perfectly balanced in all four model specifications. Overall, foreign managers seem to play an important role in the initial technology transfer to the local affiliates which, however, does not immediately translate into a productivity advantage over domestic competitors.

3.1.2. Robustness check – extending the time frame for foreign manager employment

For the purpose of a robustness check, we extend the time frame in which new employments are accounted for to 2 years and output is measured at the end of the second year after the FDI activity took place. Table 3 depicts the results for binomial pair-wise models based on the multinomial

[5,2] Only used with kernel matching

treatment model considering the employment of new foreign managers. The ATT net initial differences in TFP growth obtained when comparing groups 1 and 0 turn out to be statistically insignificant, which is in line with our baseline results. In this case, the balancing test shows better results than the balancing tests pertaining to the baseline results, although they are still not optimal. Comparing groups 2 and 0, the results show positive and significant ATT and difference in differences coefficients, whereas the latter were insignificant with our baseline results. The impact of foreign ownership and foreign manager appointment on generating a productivity advantage over domestic peers appears to be detected after 2 years only. However, the covariates proved to be quite poorly balanced and therefore the results comparing groups 2 and 0 need to be interpreted with caution. In contrast, the results for the last binomial model show a statistically insignificant difference in differences coefficient, although our baseline results hinted at a positive and statistically significant effect.

Table 3: Matching and difference in differences results for the setup with a 2 year window for new foreign manager appointment (200% FDI-stock-increase benchmark)

	TFP growth		
	1 (T) vs. 0 (C)	2 (T) vs. 0 (C)	2 (T) vs. 1 (C)
Baseline			
Control	-0.082	0.038	-0.038
Treated	-0.020	-0.110	-0.074
Diff (T-C)	0.061	-0.147	-0.036
	(0.064)	(0.111)	(0.108)
Follow up			
Control	-0.015	-0.223	-0.146
Treated	-0.053	0.015	0.023
Diff (T-C)	-0.038	0.238**	0.168
	(0.070)	(0.103)	(0.114)
Diff-in-Diff	-0.099	0.386**	0.204
	(0.095)	(0.151)	(0.157)
Total number of observations	514	625	168
Balancing tests	Covariates weakly balanced	Covariates weakly balanced	Covariates balanced
Control variables: lnage, lnemp, $lnemp^{2(7)}$, ebitda, lnKint, $lnKint^{2\,(8)}$, dFr, dFrMgr, lnTFP, TFPGr, exp_share, ShHEemp, year, industry dummies (1-digit NACE)			

Notes: Standard errors are in parentheses, ***, **, * denote significance at 1%, 5% and 10%, respectively
Source: Own calculations

[7, 4] Only used with kernel matching

3.2 Parent-country-national managers

3.2.1. Baseline results

Table 4 reports the results for binomial pair-wise models derived from the multinomial model that refer to the employment of parent-country-national managers. As summed up by Bonache & Brewster (2001), who cite works by Torbiörn (1982), Naumann (1992) and Mayrhofer & Brewster (1996), expatriates are mainly recruited from the home-country operations of the company. Therefore, parent-country-nationals are much more likely to be sent to the affiliate in the host country from within the multinational company than foreigners in general.

As may be seen from Table 4, ATT for the comparison of group 1 and group 0 is only significant (at 10%) and negative for the case of propensity score matching, whereas it is insignificant for all three kernel matching versions. The case is similar with the difference in differences coefficients, which are statistically insignificant for all three model versions. These results indicate there is no evidence that FDI activity which is not followed by the employment of a PCN manager would have a positive impact on an affiliate's TFP growth. However, we again have to be cautious when drawing inferences since the kernel matching procedure failed to properly balance the covariates.

Table 4: Matching and difference in differences results for the series of binomial comparisons pertaining to the multinomial model considering the employment of PCN managers

	PS matching	**Kernel matching and Diff-in-Diff**		
	200% FDI-increase benchmark	100% FDI-increase benchmark	150% FDI-increase benchmark	200% FDI-increase benchmark
Binomial comparison between group 1 and group 0				
Baseline				
Control		-0.022	-0.043	-0.013
Treated		-0.028	-0.030	-0.028
Diff (1-0)		-0.06 (0.064)	0.013 (0.062)	-0.015 (0.062)
Follow up				
Control		-0.010	-0.073	-0.085
Treated		-0.099	-0.098	-0.105
Diff (1-0)	-0.062*(0.038)	-0.089 (0.067)	-0.025 (0.066)	-0.020 (0.067)
Diff-in-Diff		-0.083 (0.092)	-0.038 (0.091)	-0.005 (0.091)
No. of observ.	89,679	754	755	715
Balancing tests	Covariates balanced	Covariates weakly balanced	Covariates weakly balanced	Covariates weakly balanced

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	PS matching	Kernel matching and Diff-in-Diff		
	200% FDI-increase benchmark	100% FDI-increase benchmark	150% FDI-increase benchmark	200% FDI-increase benchmark
Binomial comparison between group 2 and group 0				
Baseline				
Control		-0.082	-0.027	-0.136
Treated		0.147	-0.036	0.047
Diff (2-0)		0.229***(0.055)	-0.008 (0.030)	0.183***(0.059)
Follow up				
Control		-0.081	0.051	-0.047
Treated		-0.005	0.081	0.284
Diff (2-0)	0.249(0.181)	0.076 (0.056)	0.030 (0.031)	0.331*** (0.062)
Diff-in-Diff		-0.154* (0.079)	0.039 (0.043)	0.148* (0.086)
No. of observ.	21,745	507	650	386
Balancing tests	Covariates balanced	Covariates weakly balanced	Covariates weakly balanced	Covariates weakly balanced
Binomial comparison between group 2 and group 1				
Baseline				
Control		0.112	-0.003	0.039
Treated		-0.012	0.003	0.144
Diff (2-1)		-0.125 (0.124)	0.007 (0.146)	0.105 (0.164)
Follow up				
Control		-0.274	-0.272	-0.327
Treated		0.249	0.217	0.402
Diff (2-1)	0.414***(0.160)	0.523***(0.124)	0.489***(0.147)	0.728***(0.167)
Diff-in-Diff		0.648***(0.175)	0.482**(0.206)	0.624**(0.234)
No. of observ.	202	127	85	58
Balancing tests	Covariates balanced	Covariates balanced	Covariates balanced	Covariates balanced
Control variables: lnage, lnemp, lnemp$^{2\,(9)}$, ebitda, lnKint, lnKint$^{2\,(10)}$, dFr, dPCNMgr[11], lnTFP, TFPGr, exp_share, ShHEemp, year, industry dummies (1-digit NACE)				

Notes: Standard errors are in parentheses, ***, **, * denote significance at 1%, 5% and 10%, respectively
Source: Own calculations

Further, the results for the comparison of groups 2 and 0 are mixed. The difference in differences coefficient is negative and significant at 10% for the 100% FDI-increase benchmark case, insignificant for the 150% FDI-increase benchmark case, and positive as well as significant for the 200% FDI-

[9,6] Only used with kernel matching

[11] Only used when comparing groups 2 and 1

increase benchmark case. The balancing test results are again quite poor so no real inferences can be made given the information at hand.

Finally, the results obtained by comparing groups 2 and 1 show positive and significant (at 1%) ATT coefficients for both propensity score matching as well as all three kernel matching versions. ATT net the initial differences in TFP growth is also positive and significant on all three accounts, but at 5% for the 150% and 200% FDI-increase benchmark cases. In addition, the balancing tests show that the covariates are very well balanced. We can therefore conclude that firms which hire a PCN manager after the FDI activity takes place achieve higher TFP growth than firms which experience FDI activity only.

3.2.2. Robustness check – extending the time frame for PCN employment

In this subsection, we prolong the time frame in which new employments are accounted for to 2 years and measure output at the end of the second year after FDI activity took place. The results are presented in Table 5. The difference in differences coefficient obtained when comparing groups 1 and 0 proves to be statistically insignificant, which is in line with the baseline results for the employment of new parent-country-national managers. However, the balancing test results again show insufficient covariate balance; therefore, we have to be careful making inferences. While the baseline results for the comparison of groups 2 and 0 proved to be contradictory and largely inconclusive due to the insufficient covariate balance that was achieved, the robustness check results confirm the positive and statistically significant difference in differences coefficient obtained with the 200% FDI-increase benchmark case. In addition, the balancing test for the robustness check version of the model shows that the matching procedure succeeded in properly balancing the covariates and, accordingly, the results seem reliable. The robustness check comparison of groups 2 and 1 further yielded a positive and statistically significant difference in differences coefficient, which fully supports our baseline results. The difference in differences coefficients for 2-0 and 2-1 comparisons tend to be more pronounced and significant for PCN compared to foreign managers in general, which indirectly suggests that expatriates might be crucial for the effectiveness of the FDI-related technology transfer.

Table 5: Matching and difference in differences results for the setup with a 2 year window for new PCN manager appointment (200% FDI-stock-increase benchmark)

	TFP growth		
	1 (T) vs. 0 (C)	2 (T) vs. 0 (C)	2 (T) vs. 1 (C)
Baseline			
Control	0.003	0.105	0.018
Treated	-0.017	-0.243	-0.346
Diff (T-C)	-0.020	-0.348***	-0.365*
	(0.067)	(0.112)	(0.216)
Follow up			
Control	-0.099	-0.107	-0.128
Treated	-0.053	-0.079	0.087
Diff (T-C)	0.046	0.028	0.215
	(0.072)	(0.126)	(0.241)
Diff-in-Diff	0.066	0.376**	0.579*
	(0.098)	(0.168)	(0.323)
Total number of observations	524	197	56
Balancing tests	Covariates weakly balanced	Covariates balanced	Covariates balanced
Control variables: lnage, lnemp, lnemp$^{2\,(12)}$, ebitda, lnKint, lnKint$^{2\,(13)}$, dFr, dFrMgr, dExpatMgr[14], lnTFP, TFPGr, exp_share, ShHEemp, year, industry dummies (1-digit NACE classification)			

Notes: Standard errors are in parentheses, ***, **, * denote significance at 1%, 5% and 10%, respectively
Source: Own calculations

3.3. Foreign experts

Table 6 depicts the results for binary pair-wise models stemming from the multinomial treatment model considering the employment of foreign experts. All four cases are based on a 200% FDI-increase benchmark. The first and second columns report the propensity score matching and difference in differences results for the setting where the time frame in which new employments are considered is set to 1 year after the FDI activity and the outcome is measured at a point in time 1 year after the FDI. The third column gives results for the setting where the time frame in which new employments are considered is prolonged to 2 years after the FDI activity and the outcome is measured 2 years after the FDI. Presented in the fourth column are the results for the case where new employments are accounted for within 2 years after the FDI activity, whereas the outcome is measured 3 years after the FDI.

[12, 9] Only used with kernel matching

[14] Only used when comparing groups 2 and 1

Table 6 shows that ATT coefficients obtained when comparing groups 1 and 0 are statistically insignificant in all four cases. The same is true for the three difference in differences coefficients. The results therefore imply that FDI activity which is not followed by the employment of a foreign expert has no significant effect on firm TFP growth compared to domestic firms.

Table 6: Matching and difference in differences results for the series of binomial comparisons pertaining to the multinomial model considering the employment of foreign experts (200% FDI-stock-increase benchmark)

	PS matching	**Kernel matching and Diff-in-Diff**		
	One-year time frame	One-year time frame	Two-year time frame	Three-year time frame
	(1)	(2)	(3)	(4)
Binomial comparison between group 1 and group 0				
Baseline				
Control		-0.049	-0.043	-0.150
Treated		-0.013	-0.002	0.008
Diff (1-0)		0.036 (0.049)	0.041 (0.049)	0.158**(0.078)
Follow up				
Control		-0.015	-0.074	-0.054
Treated		-0.085	-0.035	-0.001
Diff (1-0)	-0.038(0.046)	-0.071 (0.051)	0.039 (0.051)	0.053 (0.084)
Diff-in-Diff		-0.107	-0.002	-0.105
		(0.071)	(0.071)	(0.115)
No. of observ.	89,675	797	525	374
Balancing tests	Covariates balanced	Covariates weakly balanced	Covariates weakly balanced	Covariates weakly balanced
Binomial comparison between group 2 and group 0				
Baseline				
Control		0.056	-0.044	-0.017
Treated		-0.056	-0.121	-0.121
Diff (2-0)		-0.111***(0.042)	-0.078 (0.085)	-0.105* (0.055)
Follow up				
Control		0.059	0.016	-0.049
Treated		-0.398	-0.061	0.037
Diff (2-0)	-0.403**(0.186)	-0.457***(0.043)	-0.076 (0.088)	0.086 (0.060)
Diff-in-Diff		-0.346***(0.060)	0.001 (0.123)	0.191**(0.082)
No. of observ.	59,683	653	142	284
Balancing tests	Convergence not achieved	Covariates weakly balanced	Covariates weakly balanced	Covariates weakly balanced

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	PS matching	Kernel matching and Diff-in-Diff		
	One-year time frame	One-year time frame	Two-year time frame	Three-year time frame
	(1)	(2)	(3)	(4)
Binomial comparison between group 2 and group 1				
Baseline				
Control		0.042	-0.064	-0.036
Treated		-0.072	-0.078	-0.078
Diff (2-1)		-0.114	-0.015	-0.042
		(0.080)	(0.084)	(0.077)
Follow up				
Control		-0.056	-0.053	-0.019
Treated		-0.203	0.105	0.019
Diff (2-1)	-0.163(0.159)	-0.146*(0.081)	0.158*(0.085)	0.038 (0.084)
Diff-in-Diff		-0.032 (0.114)	0.173 (0.119)	0.080 (0.113)
No. of observ.	179	115	171	160
Balancing tests	Covariates balanced	Covariates balanced	Covariates balanced	Covariates balanced
Control variables: lnage, lnemp, $lnemp^{2(15)}$, ebitda, lnKint, $lnKint^{2(16)}$, dFr, dFrExp, lnTFP, TFPGr, exp_share, ShHEemp, year, industry dummies (1-digit NACE)				

Notes: The 200% FDI-increase benchmark considered in all specifications. Standard errors are in parentheses, ***, ** ,* denote significance at 1%, 5% and 10%, respectively
Source: Own calculations

Further, the results for the comparison of groups 2 and 0 are mixed. ATT coefficients pertaining to the 1 year time frame are negative and statistically significant, whereas they become insignificant when the time frame is prolonged. Similar is true for the difference in differences coefficients, which go from significantly negative to insignificant and further to positive and statistically significant as the time frame is prolonged. The results are therefore quite inconclusive. However, it seems that the effects of the FDI followed by the employment of a foreign expert turn more positive and significant as the time frame increases.

Finally, when it comes to the comparison of groups 2 and 1 all three difference in differences coefficients are statistically insignificant. It therefore seems that firms that employ foreign experts after the FDI activity do no better in terms of TFP growth than firms where solely FDI activity takes place.

Generally, the results obtained in our analysis imply that worker mobility indeed functions as a channel of knowledge transfer from parent companies to host-country affiliates in case skilled migrant workers are employed at the affiliate shortly after the FDI takes place. This effect is driven by the employment of foreign managers, while we failed to provide robust evidence on the impact of the appointment of a foreign expert.

[15,12] Only used with kernel matching

4. Concluding remarks

The main aim of this paper is to analyse the causal link between worker mobility and knowledge transfer to the host country, i.e. to establish whether foreign firms employing foreign skilled workers perform better in terms of productivity than their foreign-owned and domestic peers. If that is proven true, there are two possible explanations. First, it is possible that foreign workers appointed to the host-country affiliate increase the effectiveness of the technology transfer from the parent company to the affiliate. Second, foreign workers may bring knowledge that complements that possessed by the host-country firm. In order to analyse the role of worker mobility in knowledge transfer to the host economy, we need to define the causal effects of multiple treatments, i.e. the inward FDI decision and the skilled migrant workers employment decision. In order to address the likely non-randomness of the two treatments, we follow the approach of Arnold & Javorcik (2009) and combine the propensity score matching and difference in differences methods. Building on the idea by Lechner (2001), we transform the multinomial treatment model into a series of binary models where the impact of FDI followed by the employment of (skilled) migrant workers on firms' total factor productivity growth is compared to outcomes where the FDI is not followed by the employment of foreign workers and with outcomes where there was no FDI activity to start with. To our knowledge, no research has yet been done that compares those sets of outcomes.

When comparing the outcomes where the FDI is not followed by the employment of foreign workers with outcomes of domestic firms, our results point to the insignificance of the treatment effects. Further, we find evidence that foreign firms which hire a foreign manager after the FDI activity takes place perform better in terms of TFP growth than firms where the FDI activity is not followed by the employment of a foreign manager. Moreover, positive and statistically significant treatment effects (net the initial differences in TFP growth) become larger and more robust when comparing the outcomes of firms where the FDI activity is followed by the employment of PCN managers and those where solely FDI activity takes place. A possible explanation for the above results is that skilled foreign workers indeed function as a channel of knowledge transfer between the parent company and the affiliate in the host country. Namely, the main difference between foreign managers in general and parent-country-national managers is that the latter are more likely to be appointed from the company headquarters to the host-country affiliate in order to facilitate the knowledge transfer process between the two. As summarised by Bonache & Brewster (2001), who cite works by Torbiörn (1982), Naumann (1992) and Mayrhofer & Brewster (1996), expatriates are mainly recruited from the home-country operations of the company. On the other hand, we obtained inconclusive results when comparing outcomes where the FDI activity is followed by the employment of a skilled foreign worker with the outcomes of domestic companies. The estimates differed and the performance of the balancing tests was inadequate. However, we find some indication of positive and statistically significant treatment effects for the case involving the employment of parent-country-national managers.

Finally, when comparing the outcomes of firms where the FDI activity was followed by the employment of a foreign expert with those where only FDI activity took place, our results are more ambiguous but they become more positive and significant as the time frame increases.

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Appendix

Table A.1: Balancing test for the propensity score matching binomial model comparing group 1 and group 0 pertaining to the multinomial model considering employment of foreign managers, baseline 200% FDI increase benchmark case

	Unmatched	Mean			% reduct	t-test		
Variable	Matched	Treated	Control	%bias	|bias|	t	p>|t|	V(T)/V(C)
lnage	U	1.6781	1.9967	-33.6		-8.15	0.000	1.41*
	M	2.0584	2.0528	0.6	98.3	0.07	0.948	1.08
lnemp	U	2.2362	1.0315	74.4		17.89	0.000	1.66*
	M	2.9242	2.8338	5.6	92.5	0.63	0.528	0.98
lnKint	U	9.8083	9.3911	20.1		4.34	0.000	1.21*
	M	10.047	10.008	1.9	90.6	0.24	0.812	1.31*
dFr	U	0.29147	0.17978	26.5		5.97	0.000	.
	M	0.32479	0.33761	-3	88.5	-0.29	0.769	.
dFrMgr	U	0.07346	0.02512	22.4		6.33	0.000	.
	M	0.06838	0.05556	6	73.5	0.57	0.566	.
ebitda	U	5.6e	1.1e	18.9		8.36	0.000	5.09*
	M	9.9e	7.6e	9.7	48.7	1.01	0.313	3.31*
lnTFP	U	2.0675	1.684	33.2		6.84	0.000	1.39*
	M	2.0561	2.0096	4	87.9	0.44	0.657	1.01
TFPGr	U	-0.02631	-0.06563	7.6		1.25	0.210	1.14*
	M	-0.0289	-0.03311	0.8	89.3	0.09	0.928	1.16
exp_share	U	0.30853	0.08072	72.1		23.52	0.000	3.10*
	M	0.29885	0.33467	-11.3	84.3	-1.05	0.296	0.87
ShHEemp	U	34.074	23.801	30.6		6.16	0.000	0.94
	M	28.254	29.567	-3.9	87.2	-0.49	0.625	0.75*
dnace1_ 0	U	0	0	.	.	.	.	.
	M	0	0	.	.	.	.	.
dnace1_ 1	U	0.03414	0.04921	-7.5		-2.2	0.028	.
	M	0.05128	0.02991	10.7	-41.8	1.17	0.242	.
dnace1 _2	U	0.10944	0.06937	14.1		4.96	0.000	.
	M	0.19231	0.16239	10.5	25.3	0.85	0.398	.
dnace1 _3	U	0.02811	0.02693	0.7		0.23	0.818	.
	M	0.02991	0.04274	-7.8	-981.5	-0.74	0.46	.
dnace1 _4	U	0.48092	0.38853	18.7		5.97	0.000	.
	M	0.40598	0.43162	-5.2	72.2	-0.56	0.575	.
dnace1 _5	U	0.08133	0.06611	5.8		1.93	0.054	.
	M	0.08974	0.0641	9.8	-68.5	1.04	0.299	.

to be continued...

continuation...

	Unmatched	Mean			% reduct	t-test		
Variable	Matched	Treated	Control	%bias	|bias|	t	p>|t|	V(T)/V(C)
dnace1 _6	U	0.12349	0.09917	7.7		2.56	0.010	.
	M	0.0812	0.10256	-6.8	12.2	-0.80	0.425	.
dnace1 _7	U	0.11546	0.13361	-5.5		-1.68	0.093	.
	M	0.12393	0.13675	-3.9	29.3	-0.41	0.681	.
dnace1 _8	U	0.01606	0.09865	-36.1		-8.74	0.000	.
	M	0.00427	0.00855	-1.9	94.8	-0.58	0.563	.
dnace1 _9	U	0.00703	0.05929	-29.5		-6.98	0.000	.
	M	0.01282	0.00427	4.8	83.6	1.00	0.316	.
year	U	2006.5	2006.3	7.3		2.16	0.031	0.76*
	M	2006.5	2006.5	-2.5	65.2	-0.38	0.707	0.98

Source: Own calculations

Table A.2: Balancing test for the propensity score matching binomial model comparing group 2 and group 0 pertaining to the multinomial model considering employment of foreign managers, baseline 200% FDI increase benchmark case

	Unmatched	Mean			%reduct	t-test		
Variable	Matched	Treated	Control	%bias	bias	t	p>|t|	V(T)/V(C)
lnage	U	1.451	1.9734	-51.5		-3.74	0.000	1.70*
	M	2.3284	2.2695	5.8	88.7	0.17	0.868	1.47
lnemp	U	2.0032	0.95011	54.1		3.88	0.000	2.95*
	M	3.6029	3.4077	10	81.5	0.24	0.809	1.06
lnKint	U	9.8801	9.341	24.4		1.33	0.184	1.46
	M	10.422	10.364	2.6	89.3	0.06	0.950	1.17
dFr	U	0.7	0.18237	120.3		5.99	0.000	.
	M	0.8	0.9	-23.2	80.7	-0.60	0.556	.
dFrMgr	U	0.3	0.02666	77.8		7.59	0.000	.
	M	0.4	0.3	28.5	63.4	0.45	0.660	.
ebitda	U	5.2e	9.8e	23.8		2.62	0.009	2.44*
	M	2.1e	1.4e	37.9	-59.1	0.67	0.511	3.91
lnTFP	U	1.8812	1.7096	18.3		0.63	0.528	0.48*
	M	1.9013	2.5209	-66.1	-260.9	-1.43	0.171	0.50
TFPGr	U	-0.0186	-0.07155	13.3		0.32	0.746	0.19*
	M	-0.0186	0.13093	-37.6	-182.4	-0.93	0.365	0.24*

to be continued...

continuation...

	Unmatched	Mean			%reduct	t-test		
Variable	Matched	Treated	Control	%bias	bias	t	p>|t|	V(T)/V(C)
exp_share	U	0.36877	0.08151	86.5		7.84	0.000	3.44*
	M	0.58	0.52827	15.6	82	0.28	0.783	0.70
ShHEemp	U	32.928	24.025	27.8		1.15	0.250	0.72
	M	37.422	47.081	-30.1	-8.5	-0.70	0.490	0.31
dnace1_ 0	U	0	0	.	.	.	.	.
	M	0	0	.	.	.	.	.
dnace1_ 1	U	0.01887	0.03258	-8.7		-0.8	0.427	.
	M	0	0	0	100	.	.	.
dnace1 _2	U	0.09434	0.07519	6.9		0.75	0.455	.
	M	0.2	0.1	35.8	-422.2	0.60	0.556	.
dnace1 _3	U	0.01887	0.01725	1.2		0.13	0.898	.
	M	0	0	0	100	.	.	.
dnace1 _4	U	0.5283	0.42113	21.5		2.23	0.025	.
	M	0.5	0.7	-40.2	-86.6	-0.88	0.388	.
dnace1 _5	U	0.07547	0.07166	1.5		0.15	0.879	.
	M	0.2	0	76.4	-5146.9	1.50	0.151	.
dnace1 _6	U	0.10377	0.0762	9.6		1.07	0.285	.
	M	0	0	0	100	.	.	.
dnace1 _7	U	0.12264	0.14482	-6.5		-0.65	0.517	.
	M	0.1	0.2	-29.3	-350.9	-0.60	0.556	.
dnace1 _8	U	0.00943	0.0935	-38.7		-2.97	0.003	.
	M	0	0	0	100	.	.	.
dnace1 _9	U	0.00943	0.05775	-27		-2.13	0.033	.
	M	0	0	0	100	.	.	.
year	U	2006.8	2006.3	20.5		1.97	0.049	0.73
	M	2006.4	2007.3	-38.2	-86.7	-1.28	0.217	1.21

Source: Own calculations

Table A.3: Balancing test for the propensity score matching binomial model comparing group 2 and group 1 pertaining to the multinomial model considering employment of foreign managers, baseline 200% FDI increase benchmark case

	Unmatched	Mean			%reduct	t-test		
Variable	Matched	Treated	Control	%bias	bias	t	p>|t|	V(T)/V(C)
lnage	U	1.451	1.6317	-16.7		-1.04	0.298	1.22
	M	2.3284	2.6036	-25.4	-52.4	-0.81	0.428	1.71
lnemp	U	2.0032	2.1612	-7.5		-0.42	0.675	1.70*
	M	3.6029	3.4813	5.7	23	0.15	0.883	0.99
lnKint	U	9.8801	9.7313	6.6		0.33	0.742	1.28
	M	10.422	11.091	-29.5	-349.7	-0.74	0.470	1.20
dFr	U	0.7	0.29474	87.5		3.86	0.000	.
	M	0.8	0.8	0	100	0.00	1.000	.
dFrMgr	U	0.3	0.07368	59.5		3.58	0.000	.
	M	0.4	0.4	0	100	0.00	1.000	.
ebitda	U	5.2e	5.7e	-2		-0.14	0.890	0.43*
	M	2.1e	1.9e	6.3	-216.6	0.15	0.883	1.49
lnTFP	U	1.8812	2.0976	-20.7		-0.67	0.501	0.35*
	M	1.9013	1.8474	5.2	75.1	0.15	0.883	0.93
TFPGr	U	-0.0186	-0.03039	3.1		0.07	0.941	0.20*
	M	-0.0186	-0.28776	69.9	-2183.6	1.24	0.231	0.12*
exp_share	U	0.36877	0.31362	13.7		0.82	0.413	1.11
	M	0.58	0.45757	30.4	-122	0.71	0.486	0.90
ShHEemp	U	32.928	34.007	-3.4		-0.14	0.887	0.78
	M	37.422	51.586	-45.2	-1212.7	-1.31	0.207	0.61
dnace1_ 0	U	0	0	.		.	.	.
	M	0	0	.	.	.	.	.
dnace1_ 1	U	0.01887	0.02306	-2.9		-0.28	0.783	.
	M	0	0	0	100	.	.	.
dnace1 _2	U	0.09434	0.11426	-6.5		-0.62	0.538	.
	M	0.2	0.1	32.7	-402.1	0.60	0.556	.
dnace1 _3	U	0.01887	0.02201	-2.2		-0.21	0.833	.
	M	0	0	0	100	.	.	.
dnace1 _4	U	0.5283	0.5021	5.2		0.51	0.609	.
	M	0.5	0.4	20	-281.6	0.43	0.673	.
dnace1 _5	U	0.07547	0.08491	-3.5		-0.33	0.740	.
	M	0.2	0.1	36.7	-960	0.60	0.556	.
dnace1 _6	U	0.10377	0.10901	-1.7		-0.16	0.869	.
	M	0	0	0	100	.	.	.
dnace1 _7	U	0.12264	0.12055	0.6		0.06	0.950	.
	M	0.1	0.4	-14301.6		-1.57	0.135	.

to be continued...

continuation...

	Unmatched	Mean			%reduct	t-test		
Variable	Matched	Treated	Control	%bias	bias	t	p>|t|	V(T)/V(C)
dnace1 _8	U	0.00943	0.01572	-5.6		-0.5	0.615	.
	M	0	0	0	100	.	.	.
dnace1 _9	U	0.00943	0.00419	6.4		0.75	0.455	.
	M	0	0	0	100	.	.	.
year	U	2006.8	2006.5	13.4		1.30	0.194	0.96
	M	2006.4	2006.3	4.6	65.7	0.14	0.891	1.10

Source: Own calculations

Table A.4: Balancing test for the propensity score matching binomial model comparing group 1 and group 0 pertaining to the multinomial model considering employment of parent country national managers, baseline 200% FDI increase benchmark case

	Unmatched	Mean			%reduct	t-test		
Variable	Matched	Treated	Control	%bias	bias	t	p>|t|	V(T)/V(C)
lnage	U	1.6721	1.9967	-34.1		-8.39	0.000	1.42*
	M	2.0654	1.9759	9.4	72.4	1.02	0.306	0.89
lnemp	U	2.2431	1.0315	74.8		18.18	0.000	1.66*
	M	2.942	2.9195	1.4	98.1	0.15	0.883	0.74*
lnKint	U	9.8082	9.3911	20.2		4.38	0.000	1.18*
	M	10.046	10.104	-2.8	86.1	-0.36	0.721	1.27
dFr	U	0.29767	0.17978	27.9		6.36	0.000	.
	M	0.33613	0.31092	6	78.6	0.59	0.558	.
dFrMgr	U	0.07674	0.02512	23.6		6.82	0.000	.
	M	0.07563	0.07563	0	100	0.00	1.000	.
ebitda	U	5.6e	1.1e	19.1		8.47	0.000	4.97*
	M	1.0e	1.1e	-1.5	92.1	-0.14	0.890	1.47*
lnTFP	U	2.0676	1.684	33.4		6.90	0.000	1.37*
	M	2.0558	2.0574	-0.1	99.6	-0.02	0.987	1.30*
TFPGr	U	-0.0277	-0.06563	7.3		1.22	0.223	1.13*
	M	0.03037	-0.01322	-3.3	54.8	-0.38	0.703	1.25
exp_share	U	0.30758	0.08072	72.2		23.67	0.000	3.06*
	M	0.30195	0.27705	7.9	89	0.77	0.444	1.00
ShHEemp	U	34.078	23.801	30.6		6.22	0.000	0.93
	M	28.403	29.214	-2.4	92.1	-0.30	0.765	0.69*

to be continued...

continuation...

	Unmatched	Mean			%reduct	t-test		
Variable	Matched	Treated	Control	%bias	bias	t	p>|t|	V(T)/V(C)
dnace1_ 0	U	0	0	.	.	.	.	
	M	0	0	.	.	.	.	.
dnace1_ 1	U	0.03304	0.04921	-8.1		-2.39	0.017	.
	M	0.05042	0.05462	-2.1	74	-0.21	0.838	.
dnace1 _2	U	0.11079	0.06937	14.5		5.22	0.000	.
	M	0.18908	0.17227	5.9	59.4	0.48	0.635	.
dnace1 _3	U	0.02721	0.02693	0.2		0.06	0.955	.
	M	0.02941	0.03361	-2.6	-1380.4	-0.26	0.794	.
dnace1 _4	U	0.48008	0.38853	18.5		6.01	0.000	.
	M	0.41176	0.44118	-6	67.9	-0.65	0.518	.
dnace1 _5	U	0.08358	0.06611	6.6		2.25	0.024	.
	M	0.09244	0.07143	8	-20.3	0.83	0.404	.
dnace1 _6	U	0.12245	0.09917	7.4		2.49	0.013	.
	M	0.07983	0.09244	-4	45.9	-0.49	0.625	.
dnace1 _7	U	0.11565	0.13361	-5.4		-1.69	0.091	.
	M	0.12185	0.09664	7.6	-40.4	0.88	0.379	.
dnace1 _8	U	0.01652	0.09865	-35.8		-8.83	0.000	.
	M	0.0042	0.01261	-3.7	89.8	-1.00	0.316	.
dnace1 _9	U	0.0068	0.05929	-29.7		-7.13	0.000	.
	M	0.01261	0.01681	-2.4	92	-0.38	0.704	.
year	U	2006.5	2006.3	7.8		2.34	0.019	0.76*
	M	2006.5	2006.6	-2.7	65.6	-0.41	0.685	1.02

Source: Own calculations

Table A.5: Balancing test for the propensity score matching binomial model comparing group 2 and group 0 pertaining to the multinomial model considering employment of parent country national managers, baseline 200% FDI increase benchmark case

	Unmatched	Mean			%reduct	t-test		
Variable	Matched	Treated	Control	%bias	bias	t	p>|t|	V(T)/V(C)
lnage	U	1.4765	1.9236	-44.2		-2.71	0.007	1.60*
	M	2.2303	1.8627	36.3	17.8	0.60	0.563	1.03
lnemp	U	1.6985	0.73939	46.8		2.99	0.003	3.79*
	M	3.3486	2.5078	41	12.3	0.82	0.432	2.22
lnKint	U	9.9243	9.2323	26.6		1.29	0.198	2.13*
	M	10.723	11.044	-12.3	53.7	-0.27	0.789	15.66*

to be continued...

continuation...

	Unmatched	Mean			%reduct	t-test		
Variable	Matched	Treated	Control	%bias	bias	t	p>|t|	V(T)/V(C)
dFr	U	0.75	0.17583	137.4		5.22	0.000	.
	M	0.66667	0.83333	-39.9	71	-0.62	0.549	.
dFrMgr	U	0.33333	0.02988	82.4		6.17	0.000	.
	M	0.33333	0.5	-45.2	45.1	-0.54	0.599	.
ebitda	U	5.1e	6.9e	24.2		3.06	0.002	5.27*
	M	1.8e	1.5e	13.7	43.2	0.15	0.885	2.55
lnTFP	U	1.7671	1.7526	1.4		0.04	0.968	0.57*
	M	1.8114	2.1108	-29.9	-1962.6	-0.41	0.690	0.36
TFPGr	U	0.04693	-0.08804	31.6		0.57	0.566	0.10*
	M	0.04693	-0.1898	55.5	-75.4	0.68	0.515	0.05*
exp_share	U	0.41372	0.07953	92.4		7.63	0.000	4.24*
	M	0.64418	0.57299	19.7	78.7	0.27	0.794	1.22
ShHEemp	U	32.048	26.03	17.6		0.58	0.563	0.80
	M	37.656	66.389	-84.1	-377.5	-1.12	0.288	0.21
dnace1_ 0	U	0	0	.		.	.	.
	M	0	0	.	.	.	.	.
dnace1_ 1	U	0.0274	0.03877	-6.3		-0.50	0.615	.
	M	0	0	0	100	.	.	.
dnace1 _2	U	0.06849	0.05705	4.7		0.42	0.674	.
	M	0.33333	0.33333	0	100	0.00	1.000	.
dnace1 _3	U	0.0274	0.02053	4.5		0.41	0.679	.
	M	0	0	0	100	.	.	.
dnace1 _4	U	0.56164	0.41318	29.9		2.58	0.010	.
	M	0.33333	0.33333	0	100	0.00	1.000	.
dnace1 _5	U	0.0411	0.05773	-7.7		-0.61	0.542	.
	M	0.16667	0	76.7	-901.7	1.00	0.341	.
dnace1 _6	U	0.10959	0.09068	6.3		0.56	0.574	.
	M	0	0	0	100	.	.	.
dnace1 _7	U	0.12329	0.13205	-2.6		-0.22	0.825	.
	M	0.16667	0.33333	-49.8	-1802.4	-0.62	0.549	.
dnace1 _8	U	0	0.11128	-50		-3.02	0.003	.
	M	0	0	0	100	.	.	.
dnace1 _9	U	0.0137	0.06873	-27.9		-1.86	0.063	.
	M	0	0	0	100	.	.	.
year	U	2006.8	2006.3	20.5		1.61	0.107	0.70
	M	2006.3	2007.3	-42	-105.1	-0.88	0.399	1.00

Source: Own calculations

Table A.6: Balancing test for the propensity score matching binomial model comparing group 2 and group 1 pertaining to the multinomial model considering employment of parent country national managers, baseline 200% FDI increase benchmark case

	Unmatched	Mean			%reduct	t-test		
Variable	Matched	Treated	Control	%bias	bias	t	p>|t|	V(T)/V(C)
lnage	U	1.4765	1.6262	-13.9		-0.75	0.452	1.18
	M	2.2303	2.314	-7.8	44.1	-0.15	0.883	1.68
lnemp	U	1.6985	2.1705	-21.2		-1.03	0.305	2.00*
	M	3.3486	3.7853	-19.6	7.5	-0.40	0.695	1.64
lnKint	U	9.9243	9.7331	7.3		0.34	0.735	2.09*
	M	10.723	10.603	4.6	37.1	0.10	0.925	4.64
dFr	U	0.75	0.30155	98.4		3.33	0.001	.
	M	0.66667	0.83333	-36.6	62.8	-0.62	0.549	.
dFrMgr	U	0.33333	0.07732	64.6		3.16	0.002	.
	M	0.33333	0.5	-42.1	34.9	-0.54	0.599	.
dExpatMgr	U	0.16667	0.02835	46.2		2.68	0.008	.
	M	0.16667	0.16667	0	100	0.00	1.000	.
ebitda	U	5.1e	5.7e	-2.3		-0.14	0.885	0.55*
	M	1.8e	2.6e	-28.4	-1107.8	-0.43	0.674	1.53
lnTFP	U	1.7671	2.0971	-30.6		-0.82	0.413	0.46*
	M	1.8114	1.89	-7.3	76.2	-0.14	0.895	0.72
TFPGr	U	0.04693	-0.03197	21.3		0.39	0.697	0.13*
	M	0.04693	0.07071	-6.4	69.9	-0.17	0.866	0.39
exp_share	U	0.41372	0.31247	23.7		1.28	0.202	1.39
	M	0.64418	0.72264	-18.4	22.5	-0.36	0.727	4.32
ShHEemp	U	32.048	34.012	-6		-0.20	0.839	0.95
	M	37.656	51.581	-42.7	-609.1	-0.88	0.399	0.81
dnace1_ 0	U	0	0	.		.	.	.
	M	0	0	.	.	.	.	.
dnace1_ 1	U	0.0274	0.02229	3.3		0.28	0.777	.
	M	0	0	0	100	.	.	.
dnace1 _2	U	0.06849	0.1155	-16.3		-1.23	0.220	.
	M	0.33333	0.16667	57.7	-254.5	0.62	0.549	.
dnace1 _3	U	0.0274	0.02128	4		0.35	0.729	.
	M	0	0	0	100	.	.	.
dnace1 _4	U	0.56164	0.50051	12.2		1.01	0.314	.
	M	0.33333	0.66667	-66.7	-445.2	-1.12	0.29	.
dnace1 _5	U	0.0411	0.08713	-18.8		-1.37	0.171	.
	M	0.16667	0	68.2	-262	1.00	0.341	.
dnace1 _6	U	0.10959	0.10841	0.4		0.03	0.975	.
	M	0	0	0	100	.	.	.

to be continued...

continuation...

	Unmatched	Mean			%reduct	t-test		
Variable	Matched	Treated	Control	%bias	bias	t	p>|t|	V(T)/V(C)
dnace1 _7	U	0.12329	0.12057	0.8		0.07	0.945	.
	M	0.16667	0.16667	0	100	0.00	1.000	.
dnace1 _8	U	0	0.01621	-18.1		-1.10	0.273	.
	M	0	0	0	100	.	.	.
dnace1 _9	U	0.0137	0.00405	10.2		1.16	0.246	.
	M	0	0	0	100	.	.	.
year	U	2006.8	2006.5	12		0.98	0.326	0.96
	M	2006.3	2007.3	-45.8	-280.8	-1.06	0.314	2.64

Source: Own calculations

Table A.7: Balancing test for the propensity score matching binomial model comparing group 1 and group 0 pertaining to the multinomial model considering employment of foreign experts, baseline 200% FDI increase benchmark case

	Unmatched	Mean			%reduct	t-test		
Variable	Matched	Treated	Control	%bias	bias	t	p>|t|	V(T)/(C)
lnage	U	1.6484	1.9967	-36.6		-9.08	0	1.42*
	M	2.0474	2.1329	-9	75.4	-1.05	0.295	1.30*
lnemp	U	2.1591	1.0315	69.6		16.92	0	1.67*
	M	2.9095	3.0219	-6.9	90	-0.75	0.454	0.85
lnKint	U	9.7644	9.3911	18		3.92	0	1.22*
	M	9.9955	10.081	-4.1	77.2	-0.54	0.587	1.56*
dFr	U	0.30118	0.17978	28.7		6.51	0	.
	M	0.33761	0.38889	-12.1	57.8	-1.15	0.25	.
dFrExp	U	0.04235	0.01735	14.7		3.94	0	.
	M	0.04701	0.04274	2.5	82.9	0.22	0.824	.
ebitda	U	3.9e	1.1e	20.7		5.31	0	0.93
	M	8.4e	7.7e	5.4	73.7	0.5	0.62	1.86*
lnTFP	U	2.0436	1.684	31.4		6.42	0	1.36*
	M	2.0259	2.0068	1.7	94.7	0.19	0.849	1.15
TFPGr	U	-0.02444	-0.06563	7.9		1.3	0.192	1.16*
	M	-0.0289	-0.07327	8.5	-7.7	1.05	0.292	1.89*
exp_share	U	0.30864	0.08072	72		23.89	0	3.11*
	M	0.30629	0.33444	-8.9	87.6	-0.83	0.41	0.91
ShHEemp	U	33.782	23.801	29.7		6.01	0	0.94
	M	28.372	26.14	6.6	77.6	0.87	0.385	0.89

to be continued...

continuation...

	Unmatched	Mean			%reduct	t-test		
Variable	Matched	Treated	Control	%bias	bias	t	p>|t|	V(T)/(C)
dnace1_ 0	U	0	0	.		.	.	.
	M	0	0	.	.	.	.	.
dnace1_ 1	U	0.03308	0.04921	-8.1		-2.42	0.015	.
	M	0.05128	0.0641	-6.5	20.5	-0.59	0.553	.
dnace1 _2	U	0.10491	0.06937	12.6		4.54	0	.
	M	0.18376	0.16667	6.1	51.9	0.49	0.628	.
dnace1 _3	U	0.02647	0.02693	-0.3		-0.09	0.926	.
	M	0.02991	0.02991	0	100	0	1	.
dnace1 _4	U	0.49244	0.38853	21		6.92	0	.
	M	0.41453	0.45299	-7.8	63	-0.84	0.402	.
dnace1 _5	U	0.08318	0.06611	6.5		2.23	0.026	.
	M	0.09829	0.05128	17.9	-175.5	1.94	0.053	.
dnace1 _6	U	0.12004	0.09917	6.7		2.27	0.023	.
	M	0.0812	0.07692	1.4	79.5	0.17	0.864	.
dnace1 _7	U	0.11248	0.13361	-6.4		-2.02	0.044	.
	M	0.11538	0.12393	-2.6	59.5	-0.28	0.776	.
dnace1 _8	U	0.01418	0.09865	-37.2		-9.21	0	.
	M	0.00427	0.00855	-1.9	94.9	-0.58	0.563	.
dnace1 _9	U	0.00756	0.05929	-29.1		-7.12	0	.
	M	0.01282	0.02137	-4.8	83.5	-0.71	0.477	.
year	U	2006.5	2006.3	8.5		2.6	0.009	0.76*
	M	2006.5	2006.4	5.1	40.4	0.75	0.451	1.03

Source: Own calculations

Table A.8: Balancing test for the propensity score matching binomial model comparing group 2 and group 0 pertaining to the multinomial model considering employment of foreign experts, baseline 200% FDI increase benchmark case

Convergence was not achieved

Table A.9: Balancing test for the propensity score matching binomial model comparing group 2 and group 1 pertaining to the multinomial model considering employment of foreign experts, baseline 200% FDI increase benchmark case

	Unmatched	Mean			%reduct	t-test		
Variable	Matched	Treated	Control	%bias	bias	t	p>|t|	V(T)/V(C)
lnage	U	1.9933	1.582	37.7		1.75	0.081	1.26
	M	2.5851	2.4467	12.7	66.3	0.46	0.652	0.27
lnemp	U	3.899	2.0127	100.2		4.16	0.000	1.13
	M	3.9463	3.3087	33.9	66.2	0.74	0.469	0.27
lnKint	U	11.091	9.6516	71		2.63	0.009	0.78
	M	11.631	12.564	-46	35.3	-1.07	0.297	1.20
dFr	U	0.52941	0.29722	47.7		2.03	0.043	.
	M	0.5	0.2	61.6	-29.2	1.41	0.177	.
dFrExp	U	0.23529	0.04722	54.7		3.34	0.001	.
	M	0.2	0.1	29.1	46.8	0.60	0.556	.
ebitda	U	4.2e	3.8e	43		6.93	0.000	82.55*
	M	5.5e	5.5e	-0.4	99	-0.01	0.994	2.16
lnTFP	U	2.4366	2.1153	26.8		0.96	0.338	0.79
	M	2.6091	2.6776	-5.7	78.7	-0.13	0.901	0.89
TFPGr	U	-0.05667	-0.02434	-8.4		-0.22	0.823	0.11*
	M	-0.01855	-0.18941	44.4	-428.5	1.36	0.192	0.26
exp_share	U	0.41203	0.31607	24		1.09	0.276	1.05
	M	0.40583	0.59915	-48.4	-101.5	-1.10	0.287	0.94
ShHEemp	U	40.015	34.213	18.9		0.70	0.487	0.65
	M	34.667	33.306	4.4	76.5	0.14	0.892	0.84
dnace1_ 0	U	0	0	.		.	.	.
	M	0	0	.	.	.	.	.
dnace1_ 1	U	0.02273	0.02316	-0.3		-0.02	0.985	.
	M	0	0	0	100	.	.	.
dnace1 _2	U	0.18182	0.11178	19.7		1.43	0.154	.
	M	0.4	0.2	56.4	-185.6	0.95	0.355	.
dnace1 _3	U	0.04545	0.02115	13.5		1.07	0.284	.
	M	0	0	0	100	.	.	.
dnace1 _4	U	0.31818	0.52467	-42.5		-2.69	0.007	.
	M	0.3	0.5	-41.2	3.1	-0.88	0.388	.
dnace1 _5	U	0.02273	0.06546	-20.9		-1.14	0.256	.
	M	0	0	0	100	.	.	.
dnace1 _6	U	0.15909	0.10876	14.7		1.04	0.299	.
	M	0	0	0	100	.	.	.
dnace1 _7	U	0.20455	0.11984	23		1.67	0.095	.
	M	0.3	0.3	0	100	0.00	1.000	.

to be continued...

continuation

	Unmatched	Mean			%reduct	t-test		
Variable	Matched	Treated	Control	%bias	bias	t	p>|t|	V(T)/V(C)
dnace1 _8	U	0.04545	0.0141	18.4		1.65	0.099	.
	M	0	0	0	100	.	.	.
dnace1 _9	U	0	0.00504	-10.1		-0.47	0.637	.
	M	0	0	0	100	.	.	.
year	U	2006.5	2006.5	-0.2		-0.01	0.991	0.88
	M	2006.1	2006.3	-9.3	-5020.5	-0.37	0.719	0.49

Source: Own calculations

Table A.10: Balancing test for the kernel matching binomial model comparing group 1 and group 0 pertaining to the multinomial model considering employment of foreign managers, baseline 100% FDI increase benchmark case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.384	2.190	-0.194	1.91	0.0564*
lnemp	2.379	3.217	0.838	4.59	0.0000***
lnemp2	7.749	12.646	4.898	4.08	0.0001***
ebitda	3.782	12.687	8.905	2.29	0.0223**
lnKint	10.047	10.154	0.107	0.50	0.6184
lnKint2	103.446	106.393	2.946	0.68	0.4999
dFr	0.178	0.388	0.210	3.69	0.0003***
dFrMgr	0.028	0.095	0.067	2.04	0.0421**
lnTFP	1.997	2.088	0.091	0.68	0.4939
TFPGr	-0.021	-0.024	-0.003	0.04	0.9683
exp_share	0.184	0.299	0.116	2.87	0.0043***
ShHEemp	26.835	32.212	5.377	1.58	0.1146
dnace1_1	0.000	0.000	0.000	.	.
dnace1_2	0.101	0.065	-0.037	1.16	0.2459
dnace1_3	0.161	0.199	0.038	0.79	0.4309
dnace1_4	0.039	0.015	-0.024	1.41	0.1597
dnace1_5	0.456	0.378	-0.078	1.31	0.1919
dnace1_6	0.052	0.095	0.042	1.25	0.2119
dnace1_7	0.073	0.104	0.032	0.88	0.3772
dnace1_8	0.087	0.119	0.032	0.83	0.4056
dnace1_9	0.020	0.005	-0.015	1.34	0.1811
dnace1_10	0.010	0.015	0.005	0.32	0.7471
Iyear	2.005.658	2.005.184	-0.474	2.61	0.0094***
Number of observations (baseline): 105710					

Notes: ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.11: Balancing test for the kernel matching binomial model comparing group 2 and group 0 pertaining to the multinomial model considering employment of foreign managers, baseline 100% FDI increase benchmark case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.384	2.165	-0.219	2.88	0.0041***
lnemp	3.553	3.442	-0.111	0.69	0.4917
lnemp2	15.088	14.682	-0.406	0.32	0.7479
ebitda	16.697	24.039	7.343	2.08	0.0378**
lnKint	10.471	10.188	-0.283	1.70	0.0905*
lnKint2	112.007	106.961	-5.046	1.27	0.2038
dFr	0.602	0.857	0.255	6.61	0.0000***
dFrMgr	0.070	0.538	0.469	11.17	0.0000***
lnTFP	2.076	2.145	0.069	0.69	0.4884
TFPGr	-0.037	-0.022	0.015	0.38	0.7063
exp_share	0.484	0.592	0.108	3.02	0.0027***
ShHEemp	32.792	42.413	9.621	3.47	0.0006***
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.000	0.000	0.000	.	.
dnace1_2	0.343	0.214	-0.128	3.06	0.0023***
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.468	0.500	0.032	0.66	0.5093
dnace1_5	0.073	0.143	0.070	2.20	0.0279**
dnace1_6	0.000	0.000	0.000	.	.
dnace1_7	0.090	0.071	-0.019	0.72	0.4698
dnace1_8	0.026	0.071	0.045	2.00	0.0465**
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.005.378	2.005.214	-0.164	1.21	0.2257
Number of observations (baseline): 105426					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.12: Balancing test for the kernel matching binomial model comparing group 2 and group 1 pertaining to the multinomial model considering employment of foreign managers, baseline 100% FDI increase benchmark case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.187	2.208	0.021	0.09	0.9250
lnemp	3.605	3.697	0.092	0.22	0.8231
lnemp2	15.804	16.430	0.627	0.19	0.8470
ebitda	23.639	30.102	6.463	0.59	0.5570
lnKint	10.442	10.223	-0.219	0.44	0.6616
lnKint2	112.904	108.940	-3.964	0.35	0.7253
dFr	0.752	0.900	0.148	1.63	0.1074
dFrMgr	0.371	0.500	0.129	1.08	0.2855
lnTFP	2.204	2.353	0.149	0.54	0.5888
TFPGr	0.047	0.124	0.076	0.68	0.4991
exp_share	0.558	0.535	-0.023	0.24	0.8093
ShHEemp	35.166	38.831	3.665	0.56	0.5769
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.000	0.000	0.000	.	.
dnace1_2	0.318	0.200	-0.118	1.11	0.2698
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.512	0.600	0.088	0.73	0.4683
dnace1_5	0.043	0.100	0.057	0.90	0.3695
dnace1_6	0.000	0.000	0.000	.	.
dnace1_7	0.108	0.100	-0.008	0.11	0.9147
dnace1_8	0.019	0.000	-0.019	0.80	0.4264
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.005.223	2.005.100	-0.123	0.33	0.7449
Number of observations (baseline): 312					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.13: Balancing test for the kernel matching binomial model comparing group 1 and group 0 pertaining to the multinomial model considering employment of foreign managers, baseline 150% FDI increase benchmark case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.333	2.164	-0.169	1.64	0.1017
lnemp	2.646	3.326	0.680	3.80	0.0002***
lnemp2	9.112	13.365	4.253	3.52	0.0005***
ebitda	5.842	13.573	7.731	1.75	0.0814*
lnKint	9.984	10.208	0.224	1.08	0.2805
lnKint2	101.949	107.503	5.554	1.31	0.1907
dFr	0.281	0.387	0.106	1.86	0.0641*
dFrMgr	0.001	0.086	0.085	2.94	0.0035***
lnTFP	1.972	2.076	0.103	0.79	0.4297
TFPGr	0.024	-0.025	-0.049	0.76	0.4488
exp_share	0.181	0.300	0.118	2.97	0.0032***
ShHEemp	25.885	31.021	5.136	1.58	0.1152
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.116	0.070	-0.046	1.41	0.1581
dnace1_2	0.148	0.204	0.056	1.21	0.2285
dnace1_3	0.040	0.022	-0.019	0.99	0.3232
dnace1_4	0.356	0.349	-0.006	0.11	0.9095
dnace1_5	0.049	0.108	0.058	1.69	0.0919*
dnace1_6	0.103	0.108	0.004	0.12	0.9043
dnace1_7	0.144	0.113	-0.031	0.79	0.4274
dnace1_8	0.014	0.005	-0.008	0.82	0.4146
dnace1_9	0.019	0.016	-0.003	0.22	0.8296
Iyear	2.005.534	2.005.199	-0.335	1.88	0.0607*
Number of observations (baseline): 105685					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.14: Balancing test for the kernel matching binomial model comparing group 2 and group 0 pertaining to the multinomial model considering employment of foreign managers, baseline 150% FDI increase benchmark case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.254	2.166	-0.088	1.02	0.3095
lnemp	3.757	3.372	-0.385	2.13	0.0334**
lnemp2	16.523	14.481	-2.042	1.42	0.1565
ebitda	21.834	24.515	2.681	0.54	0.5878
lnKint	10.529	10.396	-0.133	0.72	0.4723
lnKint2	113.241	111.441	-1.800	0.41	0.6843
dFr	0.609	0.833	0.224	5.08	0.0000***
dFrMgr	0.081	0.545	0.464	10.23	0.0000***
lnTFP	2.024	1.987	-0.038	0.35	0.7240
TFPGr	-0.110	-0.120	-0.010	0.24	0.8083
exp_share	0.513	0.561	0.048	1.21	0.2270
ShHEemp	26.447	45.354	18.908	6.78	0.0000***
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.000	0.000	0.000	.	.
dnace1_2	0.347	0.167	-0.180	4.14	0.0000***
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.494	0.500	0.006	0.12	0.9042
dnace1_5	0.047	0.167	0.120	3.44	0.0006***
dnace1_6	0.000	0.000	0.000	.	.
dnace1_7	0.070	0.083	0.013	0.46	0.6447
dnace1_8	0.042	0.083	0.041	1.52	0.1305
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.005.267	2.005.167	-0.100	0.66	0.5067
Number of observations (baseline): 105424					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.15: Balancing test for the kernel matching binomial model comparing group 2 and group 1 pertaining to the multinomial model considering employment of foreign managers, baseline 150% FDI increase benchmark case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.196	2.173	-0.024	0.11	0.9163
lnemp	3.560	3.663	0.104	0.24	0.8089
lnemp2	15.555	16.273	0.719	0.21	0.8337
ebitda	23.225	29.063	5.838	0.51	0.6126
lnKint	10.525	10.467	-0.058	0.11	0.9129
lnKint2	115.060	114.035	-1.025	0.09	0.9320
dFr	0.698	0.778	0.079	0.72	0.4750
dFrMgr	0.357	0.444	0.087	0.71	0.4812
lnTFP	2.121	2.159	0.038	0.15	0.8827
TFPGr	-0.038	0.022	0.060	0.55	0.5869
exp_share	0.518	0.524	0.006	0.06	0.9500
ShHEemp	36.098	38.873	2.775	0.41	0.6855
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.000	0.000	0.000	.	.
dnace1_2	0.276	0.222	-0.053	0.49	0.6248
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.523	0.556	0.033	0.26	0.7964
dnace1_5	0.057	0.111	0.054	0.77	0.4440
dnace1_6	0.000	0.000	0.000	.	.
dnace1_7	0.120	0.111	-0.009	0.11	0.9114
dnace1_8	0.024	-0.000	-0.024	0.88	0.3847
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.005.192	2.005.111	-0.081	0.20	0.8393
Number of observations (baseline): 285					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.16: Balancing test for the kernel matching binomial model comparing group 1 and group 0 pertaining to the multinomial model considering employment of foreign managers, baseline 200% FDI increase benchmark case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.280	2.149	-0.130	1.16	0.2488
lnemp	3.083	3.245	0.163	0.85	0.3965
lnemp2	12.108	12.799	0.690	0.55	0.5818
ebitda	7.656	12.182	4.526	1.14	0.2569
lnKint	10.276	10.196	-0.079	0.36	0.7205
lnKint2	108.127	107.320	-0.808	0.18	0.8602
dFr	0.301	0.379	0.079	1.32	0.1893
dFrMgr	0.017	0.103	0.086	2.54	0.0115**
lnTFP	1.670	2.070	0.400	2.86	0.0045***
TFPGr	-0.052	-0.028	0.024	0.38	0.7043
exp_share	0.112	0.300	0.188	4.73	0.0000***
ShHEemp	27.585	31.859	4.274	1.24	0.2173
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.122	0.057	-0.065	2.00	0.0461**
dnace1_2	0.176	0.218	0.043	0.85	0.3983
dnace1_3	0.030	0.023	-0.007	0.37	0.7102
dnace1_4	0.362	0.351	-0.011	0.19	0.8523
dnace1_5	0.048	0.103	0.055	1.55	0.1231
dnace1_6	0.126	0.098	-0.029	0.75	0.4554
dnace1_7	0.078	0.121	0.043	1.09	0.2762
dnace1_8	0.040	0.006	-0.034	2.31	0.0214**
dnace1_9	0.017	0.017	-0.000	0.00	10.000
Iyear	2.005.805	2.005.247	-0.558	2.95	0.0034***
Number of observations (baseline): 105668					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.17: Balancing test for the kernel matching binomial model comparing group 2 and group 0 pertaining to the multinomial model considering employment of foreign managers, baseline 200% FDI increase benchmark case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.491	2.328	-0.162	1.68	0.0949*
lnemp	3.898	3.603	-0.295	1.37	0.1732
lnemp2	17.798	15.930	-1.868	1.05	0.2958
ebitda	17.931	20.809	2.878	0.63	0.5269
lnKint	10.485	10.422	-0.064	0.26	0.7947
lnKint2	112.821	112.651	-0.171	0.03	0.9761
dFr	0.730	0.800	0.070	1.30	0.1940
dFrMgr	0.128	0.444	0.317	5.66	0.0000***
lnTFP	1.760	1.901	0.142	1.34	0.1800
TFPGr	-0.030	-0.019	0.011	0.31	0.7546
exp_share	0.575	0.580	0.005	0.12	0.9071
ShHEemp	24.827	37.422	12.595	4.13	0.0000***
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.000	0.000	0.000	.	.
dnace1_2	0.356	0.200	-0.156	2.82	0.0052***
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.444	0.400	-0.044	0.70	0.4848
dnace1_5	0.023	0.200	0.177	4.19	0.0000***
dnace1_6	0.000	0.000	0.000	.	.
dnace1_7	0.138	0.100	-0.038	0.94	0.3479
dnace1_8	0.038	0.100	0.062	1.82	0.0699*
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.005.584	2.005.400	-0.184	0.97	0.3331
Number of observations (baseline): 105422					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.18: Balancing test for the kernel matching binomial model comparing group 2 and group 1 pertaining to the multinomial model considering employment of foreign managers, baseline 200% FDI increase benchmark case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.353	2.340	-0.014	0.06	0.9510
lnemp	3.716	3.782	0.066	0.14	0.8869
lnemp2	16.272	17.651	1.379	0.36	0.7173
ebitda	30.238	25.474	-4.764	0.61	0.5425
lnKint	10.804	10.510	-0.294	0.52	0.6078
lnKint2	120.521	115.460	-5.061	0.39	0.6996
dFr	0.785	0.875	0.090	0.88	0.3814
dFrMgr	0.474	0.500	0.026	0.19	0.8480
lnTFP	2.380	1.977	-0.403	1.48	0.1457
TFPGr	0.151	0.025	-0.126	1.17	0.2491
exp_share	0.638	0.551	-0.087	0.84	0.4060
ShHEemp	38.470	39.513	1.043	0.15	0.8833
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.000	0.000	0.000	.	.
dnace1_2	0.223	0.125	-0.098	0.96	0.3414
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.615	0.500	-0.115	0.86	0.3949
dnace1_5	0.036	0.125	0.089	1.21	0.2305
dnace1_6	0.000	0.000	0.000	.	.
dnace1_7	0.075	0.125	0.050	0.61	0.5420
dnace1_8	0.050	0.125	0.075	0.98	0.3316
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.005.593	2.005.125	-0.468	1.07	0.2879
Number of observations (baseline): 266					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.19: Balancing test for the kernel matching binomial model comparing group 1 and group 0 pertaining to the multinomial model considering employment of foreign managers, robustness check version

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.243	2.135	-0.108	0.85	0.3947
lnemp	2.676	3.245	0.570	2.76	0.0062***
lnemp2	9.174	12.785	3.612	2.74	0.0065***
ebitda	3.123	12.201	9.078	2.09	0.0372**
lnKint	10.139	10.191	0.052	0.21	0.8315
lnKint2	104.832	107.216	2.384	0.48	0.6321
dFr	0.297	0.379	0.081	1.22	0.2227
dFrMgr	0.074	0.101	0.026	0.65	0.5180
lnTFP	1.824	2.073	0.249	1.57	0.1181
TFPGr	-0.111	-0.020	0.091	1.25	0.2106
exp_share	0.138	0.299	0.161	3.56	0.0004***
ShHEemp	25.389	32.084	6.695	1.73	0.0842*
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.085	0.053	-0.032	0.95	0.3417
dnace1_2	0.131	0.213	0.082	1.50	0.1353
dnace1_3	0.013	0.024	0.011	0.56	0.5781
dnace1_4	0.444	0.361	-0.083	1.23	0.2209
dnace1_5	0.104	0.107	0.003	0.06	0.9528
dnace1_6	0.048	0.101	0.052	1.34	0.1820
dnace1_7	0.134	0.112	-0.022	0.48	0.6306
dnace1_8	0.023	0.006	-0.018	1.25	0.2127
dnace1_9	0.012	0.018	0.006	0.32	0.7472
Iyear	2.005.354	2.005.254	-0.099	0.49	0.6251
Number of observations (baseline): 86329					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.20: Balancing test for the kernel matching binomial model comparing group 2 and group 0 pertaining to the multinomial model considering employment of foreign managers, robustness check version

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.230	2.426	0.196	1.96	0.0505*
lnemp	3.509	3.481	-0.028	0.12	0.9034
lnemp2	17.441	15.035	-2.407	1.40	0.1634
ebitda	20.161	17.721	-2.440	0.76	0.4498
lnKint	10.618	10.411	-0.207	0.98	0.3299
lnKint2	115.121	112.048	-3.073	0.61	0.5399
dFr	0.624	0.667	0.042	0.75	0.4516
dFrMgr	0.034	0.357	0.323	6.94	0.0000***
lnTFP	1.570	1.931	0.361	3.57	0.0004***
TFPGr	-0.100	-0.110	-0.010	0.19	0.8504
exp_share	0.427	0.505	0.078	1.83	0.0680*
ShHEemp	37.187	33.033	-4.154	1.37	0.1731
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.009	0.067	0.058	2.36	0.0189**
dnace1_2	0.265	0.267	0.002	0.04	0.9706
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.242	0.267	0.025	0.48	0.6300
dnace1_5	0.011	0.133	0.122	3.67	0.0003***
dnace1_6	0.000	0.000	0.000	.	.
dnace1_7	0.446	0.200	-0.246	4.77	0.0000***
dnace1_8	0.028	0.067	0.039	1.47	0.1414
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.005.440	2.005.267	-0.173	1.01	0.3111
Number of observations (baseline): 86093					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.21: Balancing test for the kernel matching binomial model comparing group 2 and group 1 pertaining to the multinomial model considering employment of foreign managers, robustness check version

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.434	2.419	-0.015	0.09	0.9304
lnemp	3.666	3.442	-0.224	0.59	0.5592
lnemp2	16.288	15.338	-0.950	0.34	0.7334
ebitda	16.090	18.243	2.153	0.27	0.7841
lnKint	10.176	10.105	-0.071	0.21	0.8344
lnKint2	106.689	103.992	-2.698	0.40	0.6927
dFr	0.572	0.600	0.028	0.27	0.7901
dFrMgr	0.209	0.300	0.091	0.98	0.3318
lnTFP	2.028	2.200	0.172	0.93	0.3531
TFPGr	-0.038	-0.074	-0.036	0.29	0.7700
exp_share	0.488	0.514	0.026	0.32	0.7507
ShHEemp	26.630	25.788	-0.842	0.18	0.8579
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.098	0.100	0.002	0.03	0.9772
dnace1_2	0.348	0.400	0.052	0.50	0.6192
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.304	0.300	-0.004	0.04	0.9645
dnace1_5	0.040	-0.000	-0.040	1.35	0.1797
dnace1_6	0.000	0.000	0.000	.	.
dnace1_7	0.185	0.200	0.015	0.17	0.8625
dnace1_8	0.023	-0.000	-0.023	1.02	0.3098
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.005.269	2.005.200	-0.069	0.20	0.8412
Number of observations (baseline): 266					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.22: Balancing test for the kernel matching binomial model comparing group 1 and group 0 pertaining to the multinomial model considering employment of parent country national managers, baseline 100% FDI increase benchmark case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.337	2.190	-0.147	1.46	0.1453
lnemp	2.692	3.234	0.542	3.03	0.0026***
lnemp2	9.236	12.776	3.540	2.97	0.0032***
ebitda	5.320	12.899	7.580	1.97	0.0490**
lnKint	10.081	10.146	0.065	0.31	0.7560
lnKint2	104.367	106.155	1.789	0.42	0.6769
dFrMgr	0.067	0.107	0.040	1.12	0.2635
dFr	0.272	0.403	0.131	2.29	0.0224**
lnTFP	1.551	2.086	0.535	3.73	0.0002***
TFPGr	-0.217	-0.028	0.189	2.59	0.0099***
exp_share	0.092	0.309	0.216	5.73	0.0000***
ShHEemp	24.155	32.425	8.270	2.56	0.0107**
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.012	0.063	0.051	1.96	0.0506*
dnace1_2	0.136	0.199	0.063	1.37	0.1725
dnace1_3	0.017	0.015	-0.002	0.17	0.8681
dnace1_4	0.413	0.383	-0.029	0.50	0.6141
dnace1_5	0.099	0.092	-0.006	0.19	0.8524
dnace1_6	0.075	0.102	0.027	0.77	0.4430
dnace1_7	0.208	0.117	-0.091	2.23	0.0261**
dnace1_8	0.012	0.010	-0.003	0.22	0.8266
dnace1_9	0.008	0.015	0.006	0.48	0.6326
Iyear	2.005.732	2.005.175	-0.557	3.16	0.0017***
Number of observations (baseline): 105716					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.23: Balancing test for the kernel matching binomial model comparing group 2 and group 0 pertaining to the multinomial model considering employment of parent country national managers, baseline 100% FDI increase benchmark case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	1.889	2.237	0.349	3.18	0.0017***
lnemp	3.529	3.793	0.265	1.42	0.1558
lnemp2	14.201	17.082	2.881	1.72	0.0865*
ebitda	11.771	36.814	25.044	5.97	0.0000***
lnKint	10.174	10.569	0.396	1.46	0.1459
lnKint2	106.581	117.987	11.406	1.79	0.0750*
dFrMgr	0.285	0.500	0.215	3.63	0.0003***
dFr	0.619	0.667	0.047	0.80	0.4250
lnTFP	2.228	2.588	0.360	2.80	0.0055***
TFPGr	0.098	0.147	0.049	0.83	0.4060
exp_share	0.528	0.408	-0.120	2.38	0.0178**
ShHEemp	49.684	40.446	-9.237	2.52	0.0124**
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.000	0.000	0.000	.	.
dnace1_2	0.301	0.333	0.033	0.57	0.5696
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.311	0.500	0.189	3.17	0.0017***
dnace1_5	0.042	0.000	-0.042	2.52	0.0124**
dnace1_6	0.000	0.000	0.000	.	.
dnace1_7	0.346	0.167	-0.180	3.44	0.0007***
dnace1_8	0.000	0.000	0.000	.	.
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.005.960	2.005.167	-0.794	4.77	0.0000***
Number of observations (baseline): 105420					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.24: Balancing test for the kernel matching binomial model comparing group 2 and group 1 pertaining to the multinomial model considering employment of parent country national managers, baseline 100% FDI increase benchmark case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.076	2.200	0.124	0.48	0.6299
lnemp	3.452	3.350	-0.103	0.23	0.8201
lnemp2	14.567	14.851	0.284	0.08	0.9382
ebitda	32.600	31.549	-1.051	0.07	0.9455
lnKint	10.586	10.810	0.224	0.36	0.7208
lnKint2	117.887	123.131	5.244	0.37	0.7159
dExpatMgr	0.273	0.333	0.060	0.52	0.6082
dFrMgr	0.394	0.500	0.106	0.85	0.4011
dFr	0.733	0.833	0.100	0.96	0.3399
lnTFP	2.319	2.121	-0.198	0.68	0.5002
TFPGr	0.112	-0.012	-0.125	0.92	0.3627
exp_share	0.603	0.492	-0.110	1.02	0.3135
ShHEemp	41.488	47.480	5.992	0.83	0.4087
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.000	0.000	0.000	.	.
dnace1_2	0.256	0.167	-0.089	0.86	0.3907
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.488	0.500	0.012	0.10	0.9238
dnace1_5	0.154	0.167	0.013	0.14	0.8890
dnace1_6	0.000	0.000	0.000	.	.
dnace1_7	0.103	0.167	0.064	0.74	0.4626
dnace1_8	0.000	0.000	0.000	.	.
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.005.418	2.005.000	-0.418	0.98	0.3327
Number of observations (baseline): 312					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.25: Balancing test for the kernel matching binomial model comparing group 1 and group 0 pertaining to the multinomial model considering employment of parent country national managers, baseline 150% FDI increase benchmark case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.248	2.162	-0.087	0.85	0.3948
lnemp	2.495	3.332	0.838	4.75	0.0000***
lnemp2	8.415	13.434	5.019	4.30	0.0000***
ebitda	3.616	13.817	10.201	2.74	0.0065***
lnKint	10.193	10.202	0.009	0.04	0.9653
lnKint2	106.586	107.322	0.736	0.17	0.8620
dFrMgr	0.038	0.100	0.062	1.92	0.0550*
dFr	0.207	0.400	0.193	3.54	0.0005***
lnTFP	1.897	2.074	0.177	1.31	0.1908
TFPGr	-0.024	-0.030	-0.006	0.09	0.9269
exp_share	0.148	0.306	0.158	4.10	0.0001***
ShHEemp	28.273	31.427	3.155	0.95	0.3407
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.086	0.068	-0.018	0.59	0.5547
dnace1_2	0.133	0.200	0.067	1.49	0.1380
dnace1_3	0.027	0.021	-0.006	0.33	0.7438
dnace1_4	0.394	0.358	-0.036	0.65	0.5160
dnace1_5	0.095	0.105	0.010	0.28	0.7764
dnace1_6	0.084	0.105	0.021	0.61	0.5400
dnace1_7	0.119	0.111	-0.009	0.24	0.8090
dnace1_8	0.018	0.011	-0.007	0.56	0.5770
dnace1_9	0.025	0.016	-0.010	0.62	0.5328
Iyear	2.005.587	2.005.189	-0.398	2.29	0.0225**
Number of observations (baseline): 105690					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.26: Balancing test for the kernel matching binomial model comparing group 2 and group 0 pertaining to the multinomial model considering employment of parent country national managers, baseline 150% FDI increase benchmark case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.475	2.363	-0.112	1.28	0.2001
lnemp	3.507	3.974	0.467	2.34	0.0199**
lnemp2	15.667	18.828	3.161	1.75	0.0806*
ebitda	14.058	37.044	22.987	5.53	0.0000***
lnKint	11.507	10.977	-0.530	1.94	0.0537*
lnKint2	137.366	127.033	-10.332	1.50	0.1354
dFrMgr	0.240	0.400	0.160	3.05	0.0024***
dFr	0.508	0.600	0.092	1.66	0.0978*
lnTFP	1.849	2.268	0.419	3.75	0.0002***
TFPGr	0.205	-0.036	-0.241	4.98	0.0000***
exp_share	0.377	0.375	-0.002	0.05	0.9624
ShHEemp	41.430	39.353	-2.077	0.58	0.5647
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.000	0.000	0.000	.	.
dnace1_2	0.400	0.400	-0.000	0.00	0.9995
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.263	0.400	0.137	2.59	0.0101**
dnace1_5	0.047	0.000	-0.047	3.23	0.0014***
dnace1_6	0.000	0.000	0.000	.	.
dnace1_7	0.290	0.200	-0.090	1.91	0.0576*
dnace1_8	0.000	0.000	0.000	.	.
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.006.149	2.005.000	-1.149	7.18	0.0000***
Number of observations (baseline): 105419					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.27: Balancing test for the kernel matching binomial model comparing group 2 and group 1 pertaining to the multinomial model considering employment of parent country national managers, baseline 150% FDI increase benchmark case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.196	2.142	-0.054	0.18	0.8551
lnemp	3.374	3.404	0.031	0.05	0.9565
lnemp2	14.724	14.720	-0.004	0.00	0.9993
ebitda	26.035	27.458	1.423	0.09	0.9304
lnKint	10.519	10.673	0.154	0.22	0.8242
lnKint2	114.927	119.409	4.483	0.28	0.7828
dExpatMgr	0.353	0.286	-0.068	0.47	0.6434
dFrMgr	0.418	0.429	0.011	0.07	0.9433
dFr	0.735	0.714	-0.020	0.15	0.8851
lnTFP	2.270	2.117	-0.152	0.48	0.6303
TFPGr	-0.003	0.003	0.007	0.04	0.9692
exp_share	0.558	0.552	-0.005	0.04	0.9689
ShHEemp	36.392	42.281	5.889	0.61	0.5435
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.000	0.000	0.000	.	.
dnace1_2	0.312	0.286	-0.026	0.18	0.8546
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.507	0.429	-0.078	0.50	0.6180
dnace1_5	0.094	0.143	0.049	0.48	0.6307
dnace1_6	0.000	0.000	0.000	.	.
dnace1_7	0.087	0.143	0.056	0.56	0.5780
dnace1_8	0.000	0.000	0.000	.	.
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.005.551	2.005.143	-0.408	0.83	0.4093
Number of observations (baseline): 285					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.28: Balancing test for the kernel matching binomial model comparing group 1 and group 0 pertaining to the multinomial model considering employment of parent country national managers, baseline 200% FDI increase benchmark case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.282	2.157	-0.125	1.16	0.2454
lnemp	2.554	3.250	0.697	3.80	0.0002***
lnemp2	8.907	12.882	3.975	3.38	0.0008***
ebitda	4.588	12.473	7.885	2.14	0.0334**
lnKint	9.963	10.199	0.236	1.15	0.2506
lnKint2	101.105	107.317	6.213	1.48	0.1407
dFrMgr	0.023	0.112	0.089	2.62	0.0090***
dFr	0.274	0.388	0.114	1.99	0.0469**
lnTFP	1.850	2.066	0.216	1.65	0.1000*
TFPGr	-0.032	-0.028	0.004	0.07	0.9448
exp_share	0.162	0.302	0.140	3.56	0.0004***
ShHEemp	30.185	31.712	1.527	0.46	0.6466
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.042	0.056	0.014	0.54	0.5891
dnace1_2	0.156	0.213	0.057	1.20	0.2316
dnace1_3	0.013	0.022	0.010	0.59	0.5571
dnace1_4	0.428	0.354	-0.074	1.28	0.2007
dnace1_5	0.106	0.101	-0.005	0.13	0.8952
dnace1_6	0.088	0.096	0.008	0.22	0.8273
dnace1_7	0.141	0.124	-0.017	0.42	0.6716
dnace1_8	0.020	0.011	-0.009	0.62	0.5340
dnace1_9	0.005	0.017	0.012	0.83	0.4055
Iyear	2.005.795	2.005.247	-0.548	3.01	0.0028***
Number of observations (baseline): 105672					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.29: Balancing test for the kernel matching binomial model comparing group 2 and group 0 pertaining to the multinomial model considering employment of parent country national managers, baseline 200% FDI increase benchmark case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.316	2.230	-0.086	0.67	0.5042
lnemp	3.330	3.349	0.019	0.07	0.9442
lnemp2	14.611	14.843	0.232	0.10	0.9191
ebitda	19.319	17.702	-1.617	0.18	0.8553
lnKint	10.699	10.723	0.024	0.08	0.9393
lnKint2	117.362	121.374	4.012	0.52	0.6049
dFrMgr	0.111	0.333	0.222	3.74	0.0002***
dFr	0.530	0.667	0.137	1.99	0.0484**
lnTFP	1.884	1.811	-0.073	0.51	0.6080
TFPGr	0.041	0.047	0.006	0.12	0.9035
exp_share	0.608	0.644	0.036	0.62	0.5341
ShHEemp	30.027	37.656	7.629	1.93	0.0548*
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.000	0.000	0.000	.	.
dnace1_2	0.444	0.333	-0.111	1.61	0.1094
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.358	0.333	-0.025	0.37	0.7146
dnace1_5	0.049	0.167	0.118	2.58	0.0104**
dnace1_6	0.000	0.000	0.000	.	.
dnace1_7	0.149	0.167	0.018	0.34	0.7363
dnace1_8	0.000	0.000	0.000	.	.
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.005.634	2.005.333	-0.301	1.28	0.2027
Number of observations (baseline): 105418					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.30: Balancing test for the kernel matching binomial model comparing group 2 and group 1 pertaining to the multinomial model considering employment of parent country national managers, baseline 200% FDI increase benchmark case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.077	2.322	0.244	0.73	0.4732
lnemp	2.951	3.642	0.691	0.87	0.3913
lnemp2	12.335	18.450	6.115	0.96	0.3439
ebitda	13.056	25.073	12.017	1.11	0.2754
lnKint	10.051	9.965	-0.086	0.14	0.8891
lnKint2	105.459	100.072	-5.387	0.44	0.6663
dExpatMgr	0.290	0.250	-0.040	0.24	0.8124
dFrMgr	0.309	0.250	-0.059	0.35	0.7289
dFr	0.631	0.750	0.119	0.69	0.4983
lnTFP	2.283	2.377	0.094	0.38	0.7079
TFPGr	0.039	0.144	0.105	0.63	0.5342
exp_share	0.625	0.708	0.083	0.54	0.5953
ShHEemp	27.307	24.668	-2.638	0.26	0.7950
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.000	0.000	0.000	.	.
dnace1_2	0.410	0.500	0.090	0.48	0.6347
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.466	0.500	0.034	0.18	0.8601
dnace1_5	0.066	-0.000	-0.066	1.00	0.3281
dnace1_6	0.000	0.000	0.000	.	.
dnace1_7	0.058	-0.000	-0.058	0.92	0.3630
dnace1_8	0.000	0.000	0.000	.	.
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.005.721	2.005.750	0.029	0.05	0.9628
Number of observations (baseline): 266					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.31: Balancing test for the kernel matching binomial model comparing group 1 and group 0 pertaining to the multinomial model considering employment of parent country national managers, robustness check version

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.068	2.159	0.092	0.69	0.4925
lnemp	2.211	3.287	1.077	5.11	0.0000***
lnemp2	6.199	13.029	6.830	5.02	0.0000***
ebitda	1.471	12.614	11.143	2.40	0.0172**
lnKint	9.959	10.205	0.246	0.93	0.3541
lnKint2	102.152	107.425	5.272	0.99	0.3226
dFrMgr	0.072	0.114	0.042	0.93	0.3545
dFr	0.281	0.392	0.111	1.57	0.1181
lnTFP	1.686	2.084	0.398	2.49	0.0133**
TFPGr	-0.086	-0.017	0.069	0.91	0.3656
exp_share	0.111	0.304	0.193	4.01	0.0001***
ShHEemp	27.896	32.072	4.176	1.05	0.2937
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.031	0.057	0.026	0.79	0.4309
dnace1_2	0.114	0.216	0.102	1.75	0.0810*
dnace1_3	0.046	0.023	-0.023	0.97	0.3329
dnace1_4	0.375	0.358	-0.017	0.25	0.8055
dnace1_5	0.093	0.102	0.009	0.21	0.8357
dnace1_6	0.126	0.097	-0.029	0.65	0.5174
dnace1_7	0.120	0.114	-0.007	0.14	0.8884
dnace1_8	0.042	0.011	-0.031	1.59	0.1134
dnace1_9	0.051	0.017	-0.034	1.52	0.1299
Iyear	2.005.313	2.005.256	-0.058	0.27	0.7887
Number of observations (baseline): 86337					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.32: Balancing test for the kernel matching binomial model comparing group 2 and group 0 pertaining to the multinomial model considering employment of parent country national managers, robustness check version

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.389	2.298	-0.091	0.60	0.5506
lnemp	2.906	2.897	-0.009	0.02	0.9812
lnemp2	11.100	13.621	2.520	0.85	0.3975
ebitda	10.066	17.598	7.532	1.21	0.2304
lnKint	10.927	10.596	-0.332	0.70	0.4877
lnKint2	124.165	119.307	-4.858	0.45	0.6563
dFrMgr	0.289	0.167	-0.122	1.50	0.1354
dFr	0.555	0.500	-0.055	0.56	0.5746
lnTFP	1.877	1.764	-0.113	0.62	0.5388
TFPGr	-0.002	-0.243	-0.241	1.99	0.0497**
exp_share	0.539	0.512	-0.027	0.35	0.7252
ShHEemp	22.782	29.455	6.674	1.31	0.1935
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.000	0.000	0.000	.	.
dnace1_2	0.343	0.333	-0.009	0.10	0.9190
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.453	0.333	-0.119	1.26	0.2122
dnace1_5	0.032	0.000	-0.032	1.31	0.1925
dnace1_6	0.000	0.000	0.000	.	.
dnace1_7	0.173	0.333	0.161	1.92	0.0576*
dnace1_8	0.000	0.000	0.000	.	.
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.005.257	2.005.333	0.077	0.27	0.7894
Number of observations (baseline): 86085					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.33: Balancing test for the kernel matching binomial model comparing group 2 and group 1 pertaining to the multinomial model considering employment of parent country national managers, robustness check version

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.308	2.149	-0.159	0.51	0.6123
lnemp	2.253	2.709	0.455	0.55	0.5850
lnemp2	7.657	14.965	7.309	1.17	0.2529
ebitda	8.048	24.375	16.327	1.57	0.1260
lnKint	9.271	9.429	0.158	0.25	0.8014
lnKint2	90.035	90.659	0.624	0.05	0.9601
dExpatMgr	0.559	0.250	-0.309	1.82	0.0790*
dFrMgr	0.580	0.250	-0.330	1.94	0.0613*
dFr	0.779	0.750	-0.029	0.19	0.8524
lnTFP	2.449	1.982	-0.467	1.56	0.1294
TFPGr	0.018	-0.346	-0.365	1.38	0.1774
exp_share	0.374	0.532	0.158	1.00	0.3266
ShHEemp	17.302	21.897	4.595	0.51	0.6124
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.000	0.000	0.000	.	.
dnace1_2	0.225	0.250	0.025	0.16	0.8757
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.675	0.500	-0.175	0.99	0.3297
dnace1_5	0.043	0.000	-0.043	0.82	0.4182
dnace1_6	0.000	0.000	0.000	.	.
dnace1_7	0.056	0.250	0.194	1.53	0.1366
dnace1_8	0.000	0.000	0.000	.	.
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.005.953	2.005.000	-0.953	1.56	0.1292
Number of observations (baseline): 266					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.34: Balancing test for the kernel matching binomial model comparing group 1 and group 0 pertaining to the multinomial model considering employment of foreign experts, one year time frame case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.459	2.350	-0.109	1.37	0.1716
lnemp	3.329	3.689	0.361	2.56	0.0108**
lnemp2	12.806	15.513	2.707	2.63	0.0087***
ebitda	6.179	12.677	6.498	3.12	0.0019***
lnKint	10.297	10.042	-0.255	1.49	0.1377
lnKint2	108.550	103.668	-4.882	1.38	0.1668
dFrExp	0.104	0.080	-0.024	0.81	0.4213
dFr	0.357	0.400	0.043	0.85	0.3977
lnTFP	1.601	1.964	0.363	3.04	0.0025***
TFPGr	-0.050	-0.013	0.038	0.75	0.4520
exp_share	0.203	0.323	0.120	3.45	0.0006***
ShHEemp	34.455	32.657	-1.798	0.64	0.5227
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.093	0.072	-0.021	0.74	0.4589
dnace1_2	0.192	0.240	0.048	1.12	0.2620
dnace1_3	0.023	0.016	-0.007	0.52	0.6026
dnace1_4	0.270	0.304	0.034	0.72	0.4708
dnace1_5	0.043	0.096	0.053	1.93	0.0541*
dnace1_6	0.150	0.104	-0.046	1.36	0.1757
dnace1_7	0.180	0.128	-0.052	1.43	0.1530
dnace1_8	0.014	0.008	-0.006	0.60	0.5520
dnace1_9	0.019	0.016	-0.003	0.19	0.8505
Iyear	2.005.811	2.005.440	-0.371	2.39	0.0173**
Number of observations (baseline): 105665					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.35: Balancing test for the kernel matching binomial model comparing group 2 and group 0 pertaining to the multinomial model considering employment of foreign experts, one year time frame case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.554	2.571	0.017	0.29	0.7745
lnemp	3.862	3.942	0.080	0.56	0.5728
lnemp2	16.602	17.130	0.528	0.43	0.6656
ebitda	12.918	60.066	47.148	4.47	0.0000***
lnKint	10.618	11.641	1.023	5.39	0.0000***
lnKint2	113.922	139.619	25.697	5.48	0.0000***
dFrExp	0.230	0.222	-0.007	0.16	0.8733
dFr	0.484	0.444	-0.039	0.71	0.4792
lnTFP	2.141	2.613	0.471	4.02	0.0001***
TFPGr	-0.200	-0.056	0.144	3.65	0.0003***
exp_share	0.292	0.349	0.056	1.50	0.1337
ShHEemp	30.268	37.543	7.274	3.14	0.0018***
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.000	0.000	0.000	.	.
dnace1_2	0.410	0.333	-0.077	1.45	0.1489
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.193	0.222	0.029	0.64	0.5222
dnace1_5	0.000	0.000	0.000	.	.
dnace1_6	0.000	0.000	0.000	.	.
dnace1_7	0.355	0.333	-0.022	0.41	0.6813
dnace1_8	0.042	0.111	0.070	2.29	0.0226**
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.004.999	2.005.000	0.001	0.01	0.9901
Number of observations (baseline): 105425					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.36: Balancing test for the kernel matching binomial model comparing group 2 and group 1 pertaining to the multinomial model considering employment of foreign experts, one year time frame case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.377	2.414	0.037	0.20	0.8403
lnemp	3.907	4.170	0.262	0.63	0.5292
lnemp2	17.587	19.956	2.370	0.67	0.5034
ebitda	19.384	17.647	-1.737	0.24	0.8116
lnKint	10.261	10.317	0.056	0.18	0.8616
lnKint2	107.447	107.154	-0.292	0.05	0.9638
dFrExp	0.145	0.250	0.105	1.00	0.3217
dFr	0.454	0.750	0.296	2.39	0.0201**
lnTFP	2.405	2.290	-0.115	0.50	0.6196
TFPGr	0.042	-0.072	-0.114	1.35	0.1827
exp_share	0.403	0.262	-0.141	1.61	0.1125
ShHEemp	26.623	29.306	2.683	0.55	0.5851
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.000	0.000	0.000	.	.
dnace1_2	0.491	0.500	0.009	0.07	0.9458
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.273	0.250	-0.023	0.20	0.8458
dnace1_5	0.000	0.000	0.000	.	.
dnace1_6	0.000	0.000	0.000	.	.
dnace1_7	0.218	0.250	0.032	0.28	0.7771
dnace1_8	0.018	0.000	-0.018	0.73	0.4704
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.005.164	2.005.000	-0.164	0.50	0.6156
Number of observations (baseline): 266					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.37: Balancing test for the kernel matching binomial model comparing group 1 and group 0 pertaining to the multinomial model considering employment of foreign experts, two year time frame case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.434	2.343	-0.091	0.93	0.3522
lnemp	3.281	3.650	0.369	2.07	0.0392**
lnemp2	12.879	15.109	2.231	1.77	0.0781*
ebitda	7.743	12.109	4.366	1.62	0.1071
lnKint	10.015	10.038	0.023	0.11	0.9091
lnKint2	102.076	103.526	1.450	0.36	0.7201
dFrExp	0.047	0.067	0.020	0.66	0.5118
dFr	0.354	0.395	0.041	0.65	0.5181
lnTFP	1.806	1.971	0.165	1.01	0.3112
TFPGr	0.017	-0.002	-0.019	0.34	0.7316
exp_share	0.161	0.324	0.163	3.90	0.0001***
ShHEemp	28.504	32.812	4.308	1.26	0.2073
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.088	0.076	-0.012	0.35	0.7236
dnace1_2	0.194	0.227	0.033	0.61	0.5405
dnace1_3	0.010	0.017	0.007	0.47	0.6384
dnace1_4	0.396	0.311	-0.085	1.39	0.1663
dnace1_5	0.036	0.092	0.056	1.66	0.0980*
dnace1_6	0.084	0.101	0.017	0.45	0.6554
dnace1_7	0.130	0.134	0.005	0.11	0.9140
dnace1_8	0.008	0.008	0.000	0.04	0.9666
dnace1_9	0.030	0.017	-0.013	0.69	0.4909
Iyear	2.005.571	2.005.471	-0.101	0.54	0.5879
Number of observations (baseline): 86325					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.38: Balancing test for the kernel matching binomial model comparing group 2 and group 0 pertaining to the multinomial model considering employment of foreign experts, two year time frame case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.608	2.540	-0.068	0.49	0.6232
lnemp	3.939	4.156	0.217	0.58	0.5608
lnemp2	17.319	19.685	2.366	0.74	0.4647
ebitda	9.145	45.613	36.468	1.82	0.0726*
lnKint	10.724	11.030	0.306	0.62	0.5392
lnKint2	117.370	126.363	8.992	0.80	0.4283
dFrExp	0.129	0.267	0.138	1.34	0.1828
dFr	0.276	0.467	0.190	1.58	0.1186
lnTFP	1.858	2.299	0.441	1.89	0.0633*
TFPGr	-0.056	-0.121	-0.066	0.95	0.3449
exp_share	0.204	0.335	0.132	1.64	0.1062
ShHEemp	22.368	34.364	11.996	2.32	0.0233**
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.000	0.000	0.000	.	.
dnace1_2	0.333	0.400	0.067	0.55	0.5821
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.175	0.200	0.025	0.25	0.8015
dnace1_5	0.311	0.067	-0.244	2.94	0.0044***
dnace1_6	0.028	0.067	0.039	0.69	0.4917
dnace1_7	0.065	0.200	0.135	1.51	0.1363
dnace1_8	0.088	0.067	-0.021	0.33	0.7441
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.005.044	2.004.933	-0.110	0.40	0.6877
Number of observations (baseline): 86097					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.39: Balancing test for the kernel matching binomial model comparing group 2 and group 1 pertaining to the multinomial model considering employment of foreign experts, two year time frame case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.335	2.360	0.025	0.17	0.8688
lnemp	3.834	3.868	0.034	0.11	0.9148
lnemp2	16.741	17.281	0.540	0.22	0.8301
ebitda	17.070	15.062	-2.008	0.38	0.7015
lnKint	10.243	10.346	0.103	0.27	0.7865
lnKint2	108.313	109.958	1.644	0.21	0.8322
dFrExp	0.128	0.200	0.072	0.92	0.3618
dFr	0.437	0.500	0.063	0.59	0.5554
lnTFP	2.185	2.231	0.046	0.23	0.8202
TFPGr	-0.064	-0.078	-0.015	0.18	0.8580
exp_share	0.338	0.337	-0.001	0.02	0.9861
ShHEemp	31.594	31.346	-0.248	0.05	0.9589
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.000	0.000	0.000	.	.
dnace1_2	0.352	0.400	0.048	0.46	0.6464
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.210	0.200	-0.010	0.11	0.9102
dnace1_5	0.130	0.100	-0.030	0.44	0.6640
dnace1_6	0.100	0.100	0.000	0.01	0.9938
dnace1_7	0.193	0.200	0.007	0.08	0.9368
dnace1_8	0.015	-0.000	-0.015	0.83	0.4106
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.005.038	2.004.900	-0.138	0.48	0.6346
Number of observations (baseline): 266					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.40: Balancing test for the kernel matching binomial model comparing group 1 and group 0 pertaining to the multinomial model considering employment of foreign experts, three year time frame case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.434	2.343	-0.091	0.93	0.3522
lnemp	3.281	3.650	0.369	2.07	0.0392**
lnemp2	12.879	15.109	2.231	1.77	0.0781*
ebitda	7.743	12.109	4.366	1.62	0.1071
lnKint	10.015	10.038	0.023	0.11	0.9091
lnKint2	102.076	103.526	1.450	0.36	0.7201
dFrExp	0.047	0.067	0.020	0.66	0.5118
dFr	0.354	0.395	0.041	0.65	0.5181
lnTFP	1.806	1.971	0.165	1.01	0.3112
TFPGr	0.017	-0.002	-0.019	0.34	0.7316
exp_share	0.161	0.324	0.163	3.90	0.0001***
ShHEemp	28.504	32.812	4.308	1.26	0.2073
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.088	0.076	-0.012	0.35	0.7236
dnace1_2	0.194	0.227	0.033	0.61	0.5405
dnace1_3	0.010	0.017	0.007	0.47	0.6384
dnace1_4	0.396	0.311	-0.085	1.39	0.1663
dnace1_5	0.036	0.092	0.056	1.66	0.0980*
dnace1_6	0.084	0.101	0.017	0.45	0.6554
dnace1_7	0.130	0.134	0.005	0.11	0.9140
dnace1_8	0.008	0.008	0.000	0.04	0.9666
dnace1_9	0.030	0.017	-0.013	0.69	0.4909
Iyear	2.005.571	2.005.471	-0.101	0.54	0.5879
Number of observations (baseline): 86325					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.41: Balancing test for the kernel matching binomial model comparing group 2 and group 0 pertaining to the multinomial model considering employment of foreign experts, three year time frame case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.608	2.540	-0.068	0.49	0.6232
lnemp	3.939	4.156	0.217	0.58	0.5608
lnemp2	17.319	19.685	2.366	0.74	0.4647
ebitda	9.145	45.613	36.468	1.82	0.0726*
lnKint	10.724	11.030	0.306	0.62	0.5392
lnKint2	117.370	126.363	8.992	0.80	0.4283
dFrExp	0.129	0.267	0.138	1.34	0.1828
dFr	0.276	0.467	0.190	1.58	0.1186
lnTFP	1.858	2.299	0.441	1.89	0.0633*
TFPGr	-0.056	-0.121	-0.066	0.95	0.3449
exp_share	0.204	0.335	0.132	1.64	0.1062
ShHEemp	22.368	34.364	11.996	2.32	0.0233**
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.000	0.000	0.000	.	.
dnace1_2	0.333	0.400	0.067	0.55	0.5821
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.175	0.200	0.025	0.25	0.8015
dnace1_5	0.311	0.067	-0.244	2.94	0.0044***
dnace1_6	0.028	0.067	0.039	0.69	0.4917
dnace1_7	0.065	0.200	0.135	1.51	0.1363
dnace1_8	0.088	0.067	-0.021	0.33	0.7441
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.005.044	2.004.933	-0.110	0.40	0.6877
Number of observations (baseline): 86097					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations

Table A.42: Balancing test for the kernel matching binomial model comparing group 2 and group 1 pertaining to the multinomial model considering employment of foreign experts, three year time frame case

Weighted Variable(s)	Mean Control	Mean Treated	Diff.	t	Pr(T>t)
lnage	2.335	2.360	0.025	0.17	0.8688
lnemp	3.834	3.868	0.034	0.11	0.9148
lnemp2	16.741	17.281	0.540	0.22	0.8301
ebitda	17.070	15.062	-2.008	0.38	0.7015
lnKint	10.243	10.346	0.103	0.27	0.7865
lnKint2	108.313	109.958	1.644	0.21	0.8322
dFrExp	0.128	0.200	0.072	0.92	0.3618
dFr	0.437	0.500	0.063	0.59	0.5554
lnTFP	2.185	2.231	0.046	0.23	0.8202
TFPGr	-0.064	-0.078	-0.015	0.18	0.8580
exp_share	0.338	0.337	-0.001	0.02	0.9861
ShHEemp	31.594	31.346	-0.248	0.05	0.9589
dnace1_0	0.000	0.000	0.000	.	.
dnace1_1	0.000	0.000	0.000	.	.
dnace1_2	0.352	0.400	0.048	0.46	0.6464
dnace1_3	0.000	0.000	0.000	.	.
dnace1_4	0.210	0.200	-0.010	0.11	0.9102
dnace1_5	0.130	0.100	-0.030	0.44	0.6640
dnace1_6	0.100	0.100	0.000	0.01	0.9938
dnace1_7	0.193	0.200	0.007	0.08	0.9368
dnace1_8	0.015	-0.000	-0.015	0.83	0.4106
dnace1_9	0.000	0.000	0.000	.	.
Iyear	2.005.038	2.004.900	-0.138	0.48	0.6346
Number of observations (baseline): 266					

Notes: z-statistics are in parentheses, ***,**,* denote significance at 1%, 5% and 10%, respectively ; t-test at period = 0

Source: Own calculations