

ANNEX G: POSITIVE CORRELATION

Management scores and financial performance

Management scores have been found to be positively correlated with firms' financial performance in other countries.¹ Plotting the management scores of Singapore's manufacturing firms on the x-axis and their revenue on the y-axis, we also see a positive correlation between firms' management quality and revenue in Singapore (Figure 6).

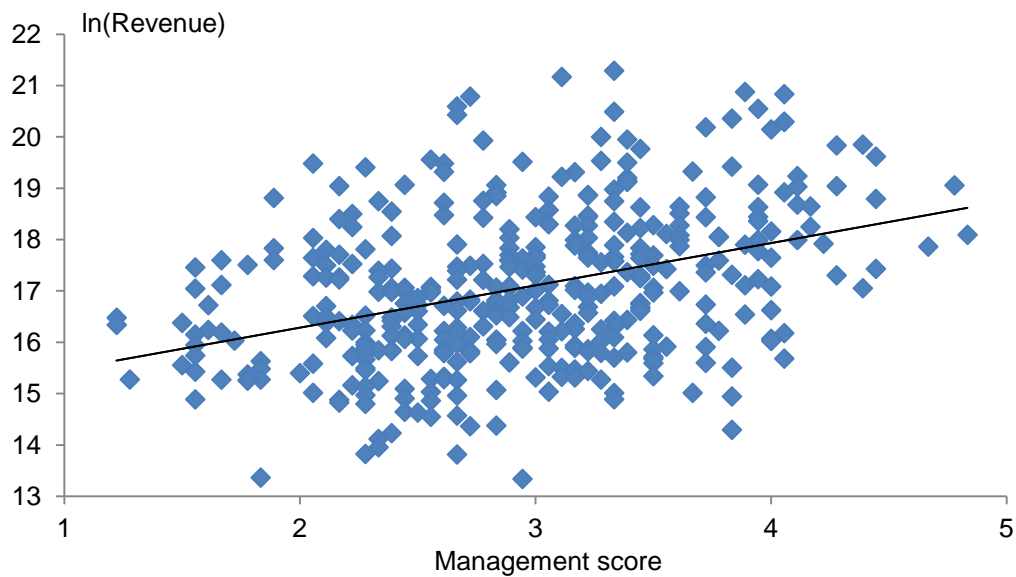


Figure 10: Management score vs revenue of firms

¹ Bloom, Nicholas and John Van Reenen, "Measuring and Explaining Management Practices Across Firms and Countries", *The Quarterly Journal of Economics* 122 (4): (2007), p.1351-1408.