

# *SELF-REPORTED TECHNOLOGY CHANGE AND FIRM PERFORMANCE*

**TALOSAGA TALOSAGA**

Lynda Sanderson

This paper investigates the relationship between measures of firm performance and self-reported measures of technological change. A probit model is used to find firm characteristics correlated with future technological change. Propensity score matching is used to control for observable differences between firms that report major technological change and those that do not. Past technological change, firm size, labour productivity and R&D activity are found to be positively correlated with future technological change. Foreign ownership is found to be negative correlated, controlling for other firm characteristics, and technological change was lower during and just after the Global Financial Crisis. Technological change is associated with large future investment in capital and a smaller increase in employment, but is found to have no significant effect on measures of firm productivity.