

**Management and innovation:  
Evidence from randomized experiments and repeated surveys in Vietnam**

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**Abstract**

*We conducted randomized experiments to provide management training for 312 Vietnamese small manufacturers in 2010 and repeatedly collected follow-up data in the span of eight years. Analyzing panel data constructed from our original surveys with negligible incidence of attrition (less than 2 percent of the baseline sample), we find that our training sustainably improved management quality of the treated entrepreneurs and motivated them to continue improving their management. Such improved management spurred innovation by the quality improvement of an existing product and/or by the introduction of an upgraded product. As a consequence, the treated entrepreneurs were 17 percentage points more likely to continue business in declining industries with an average six-year survival rate of 52 percent among the control firms. Further, the treated entrepreneurs continued to have significantly higher business performance.*

**Keywords:** Management training, Innovation, *Kaizen*, Small and medium enterprises, Vietnam

**JEL classification:** L2, M1, O1

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