



## **Macroeconomic implications of firm strategy for competitiveness: Insights from a survey of Canadian firms**

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A growing body of literature suggests that innovation, organizational capital and firm agility matter for a firm's performance and ability to create competitive advantage. These aspects of a firm's intangible capital are difficult to measure, but are contained in the behavioural and strategic elements of a firm's plans and decisions and in characteristics of their organizational processes and culture. Studies for Canada in this area have been limited to date. This study helps to fill this gap using a unique data set constructed to extract signals on elements of intangible capital at the firm level. Specifically, we use a survey of 150 firms conducted by the Bank of Canada's regional offices, designed to better understand factors affecting Canadian productivity and to inform the outlook for exports, investment and potential output growth in the post-recession environment. The survey explores elements of Canadian firms' long-term strategic plans in the face of global competitiveness challenges, innovation imperatives and various constraints, as well as firm responses to recent economic shocks and changing competitive conditions. We look at the relationship between elements of a firm's intangible and tangible capital and their self-evaluation of their present and future productivity performance relative to domestic and global counterparts.

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