Job mobility at the beginning of the employment career in the UK and Germany: Job shopping or job hopping?

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The beginning of the employment career is often associated with intensive job mobility that might have both a positive and negative impact on the future career. We argue that job mobility might have different impacts on future income development in different institutional settings. For these reasons we investigate direct job mobility (job-to-job mobility) and indirect job mobility (job mobility via unemployment) in the UK and Germany. While outcomes of direct job mobility have the same rationale for both countries, outcomes for indirect job mobility might be different in both countries. Using the British Household Panel Survey (BHPS) and the German Socio-Economic Panel (GSOEP), we will address the following questions. We will investigate the gains/losses for direct job mobility and mobility through unemployment and whether wage development is contingent on voluntary or involuntary job termination.

The analyses show that, in Germany’s rigid labour market, only direct voluntary job mobility brings permanent wage rewards. Indirect job mobility, on the other hand, has a long-lasting scar effect not only for involuntary but also for voluntary job movers. In the UK, by contrast, both voluntary direct job mobility and voluntary indirect job mobility are rewarded by wage gains.

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