Both politicians and business executives regularly stress the importance of further education and training for economic growth and individual life chances. Previous studies in Germany showed that formal further education, i.e. achieving a higher educational degree, lead to upward mobility and decrease the risk of becoming unemployed. The results for non-formal further education, i.e. short training courses, on the other hand are less clear. In this paper we study the effects of non-formal further training on labor market mobility using new data from the National Educational Panel Study (NEPS), Starting Cohort 6.

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Our Event-History analyzes confirm the expectation derived from Human Capital Theory that firm-internal training leads to job stability. Yet, we could not find evidence for upward mobility due to firm-internal training. Individual vocational further training courses on the other hand seem to increase intra-firm mobility but only within an occupation. We also analyze whether firm-internal training courses mainly occur after job mobility as Thurow’s Job Competition Model suggests. The data show that participation rates are much higher directly after job mobility compared to directly before. Yet, in the longer run before job changes the rates are not much below the average. Together these results suggest that non-formal firm-internal training increases job stability and adapts recent job changers to new tasks. Vocational training courses outside of the firm on the other hand seem to be connected to mobility on occupational labor markets.