

# IAB-DiskAB

Invitation

## Labour Mobility, Skill-Relatedness and Industry Evolution

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Knowledge inflows are an important determinant for the innovative and economic performance of firms and industries in the knowledge economy. In general, a significant part of knowledge, such as skills and competences, is not codifiable. Instead it is embodied in human capital. Thus, job mobility is a major transfer channel of knowledge transfer between firms and regions. Recent studies dealing with the relationship between labour mobility and firm performance have shown that the effects of labour mobility cannot be properly assessed without paying attention to how the knowledge embedded in the new employee is related to the knowledge existing in the hiring firm. Additionally, the geographical scale of mobility matters, since firms located within the same region are technologically closer to each other than firms located in different regions. Existing studies however provide only static evidence on the relationship between labour mobility and firm performance. We argue that the knowledge requirements of a firm change over the life cycle of its industry because product characteristics, innovation sources and competitive factors vary significantly between the life cycle stages of an industry. In an explorative study utilizing employment history data of the IAB, we investigate the role of different types of industry experience embodied in mobile workers for subsequent employment growth of the receiving firms along the industry life cycle. As a measure of technological proximity between industry knowledge bases we employ the concept of skill-relatedness which captures the extent to which different industries make use of similar (dissimilar) human capital resources. Based on a comprehensive firm panel data set we run fixed effects panel regressions to obtain the significance of similar, related and unrelated labour inflows on firms' employment growth for a selection of industries in West Germany. These industries have experienced either a stylized life cycle sequence from young to mature or revitalized from maturity. The first results show mixed evidence for the relevance of related knowledge inflows along the life cycles.

**Tuesday, July 2, 2013**

**10:00**

**Room 168 (BA building)**