Quits and ladders: Does mobility improve outcomes?

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### Purpose:

This article compares internal and external job mobility (quits and promotions) as separate mechanisms for improving earnings and job-fit.

### Design/methodology/approach:

We sample the core workforce from the British Household Panel Survey, estimating the effects of quits and promotions on two sets of outcomes. The first are subjective; satisfaction with work, pay, and hours. The second are objective realities about the job; gross monthly pay and weekly working hours. We use linear fixed-effects estimation to control for individual heterogeneity.

### Findings:

Quits and promotions are distinctly different mechanisms for improving earnings and conditions. External quits improve satisfaction with work, pay, and hours but have little effect on earnings growth. Internal promotions bring earnings growth but have little effect on satisfaction outcomes. Our findings shed light what drives “voluntary” mobility; internal mobility may be driven by higher “reservation wages” and career progression, while external mobility may be driven by a poor job-fit.

### Practical implications:

Researchers should treat mobile labour markets with scepticism. The growth of “boundaryless careers” may closer resemble a release-valve for poor working conditions and poor job-fit, and not a wealth of new opportunities for progress or earnings growth.

### Originality/value:

Studies of job mobility overwhelmingly focus on the effects quitting without explicitly comparing this mobility to promotions. This omission gives an incomplete picture of mobility. Including promotions into the discussion helps to understand why workers commit to internal careers and to firm tenure. Our article shows that quits and promotions yield distinctly different outcomes for core workers, despite both mobility types being labelled “voluntary”. Inequality in earnings and working conditions are closely tied to access to the “life-chances” of mobility; those who are able to pursue promotion are rewarded objectively; those who quit for a new employer seek a better job-fit. Introduction

# Introduction

Researchers assume job mobility is of interest to workers because it leads to “better” positions elsewhere (Gesthuizen and Dagevos 2008; Le Grand and Tåhlin 2002; Kalleberg and Sorensen 1979). This assumption exists in both economic (job-match and job-search theories) and sociological (attainment theory) approaches, widely cited in inequality research (Schmelzer 2010; Jovanovic 1979; Sørensen 1975; Burdett 1978). These theories can easily apply to internal promotions as well as external quits, but empirical work has overwhelmingly focused on quitting, ignoring the effect of promotions (Le Grand and Tåhlin 2002; Kalleberg and Mastekaasa 2001). This approach offers an incomplete view of mobility and its consequences.

We suggest the topic is underdeveloped in two ways. First, researchers have focused more on the likelihood of mobility than on the effects of mobility (Steenackers and Guerry 2016; Hachen Jr 1990; Hachen Jr 1992). Second, when authors explore the effects of mobility, they often ignore the impact of promotions (Kronberg 2013; Kronberg 2014; Caparrós Ruiz, Lucía Navarro Gómez, and Federico Rueda Narváez 2004). We consider these limitations below.

The article has two aims. First, we explicitly compare the effects of internal and external mobility for the economic core. Do quits and promotions have a similar effect on earnings and job-fit? Second, we consider mobility’s effects on subjective and objective outcomes. Comparing and contrasting the effects of quits and promotions on two different sets of outcomes informs recent debates over the motivations tied to mobility (Kalleberg and Mouw 2018; Steenackers and Guerry 2016). Is mobility used to correct the job-fit between an employee and her working conditions, or do workers use it to maximise earnings growth by catching a reservation wage?

We use the British Household Panel Survey as a representative sample of British workers. This approach has three strengths, which are relevant to the wider job mobility debate. First, we use explicit measures of quits and promotions. A review of the literature shows that authors often sample and operationalise mobile workers in complex ways, some of which may not be valid (Steenackers and Guerry 2016; Keith and McWilliams 1995; Keith and McWilliams 1997). Second, we consider outcomes other than objective pay. By including subjective outcomes, we are able capture *changes in job-fit and general satisfaction* [Latzke et al. (2016); Dwyer (2004); kalleberg2001satisfied]. Third, we use longitudinal data to shift the focus away from comparing movers to non-movers and towards the effects of moving (Reichelt and Abraham 2017; Cha 2014; Caparrós Ruiz, Lucía Navarro Gómez, and Federico Rueda Narváez 2004).

We offer two findings. First, voluntary mobility is common; quits and promotions are equally likely and are the dominant form of mobility among the core workforce. Second, internal and external mobility are distinctly different mechanisms for improving outcomes. Internal mobility has the strongest effect on earnings growth, while external mobility has the strongest effect on job-fit. Crucially, there is no evidence that quits are a substitute for promotions. Instead, British workers may be using external mobility to better match their skills to their working environment and conditions, in an unpredictable market where they are responsible for skill matching themselves.

We structure the article as follows; first we summarise the theoretical literature, and introduce a key assumption. Second, we summarise the empirical works and present three hypotheses. Third, we outlines the methodology and approach; fourth, we present the results. A brief discussion concludes.

# Theoretical framework

Workers seek the highest level of compensation possible (Sørensen 1975; Sørensen and Tuma 1978). Voluntary mobility may be one way of achieving this, whether within firms (Gesthuizen 2009; Gesthuizen and Dagevos 2008; Althauser and Kalleberg 1981) or between them (Jovanovic 1979; Burdett 1978; Keith and McWilliams 1997).

In economics, mobility is understood through two approaches; the job-search approach relies on two reservation wages, X and Y (where X<Y). Reservation wage X draws workers into employment, while reservation wage Y draws workers to new positions. Mobility between positions can only occur if workers see financial gain in changing jobs; “An employed worker who is looking for another job will accept any offer received with a wage greater than his current wage” (Burdett 1978, p212). Here, mobility is driven by the promise of wages, which results in “wage quits”. Thus, Britain’s high rates of job mobility (compared to Germany, for example) may stem from its wage inequality, where workers see more opportunities to secure a reservation wage in a new position.

The job-match approach predicts mobility when a mismatch exists between a worker’s skills and her earnings or conditions (Jovanovic 1979). Since work is an “experience good”, workers take time to evaluate whether their productivity fits with their environment. If a mismatch exists, workers correct this by pursuing new positions (Kalleberg and Sorensen 1979; Jovanovic 1979). In this approach too, mobility is (assumedly) the best way to improve earnings or conditions. Thus, Britain’s higher rates of mobility, when compared to other EU countries, stem from the onus placed on the worker to match their skills to their conditions and responsibilities.

In sociology, mobility is largely understood using the job-match approach; and is also assumed to move workers to “better” jobs. Sørensen (1975 p460) proposes “A person may be assumed to shift jobs voluntarily if he can obtain a better job”; while Hachen Jr (1990 p320) claims “… in industrial societies, individual attainment… is in large part a function of job changes”. This fits with the wider understanding of inequality in sociology; sociologists see inequality (in wages or conditions) as tied to specific positions in a hierarchy; a change in position is then the best mechanism to improve one’s condition. Sørensen (1977 p967) suggests “different people in the same job will obtain the same rewards… the same person will obtain different rewards in different jobs”.

Taking these theories together, especially those in sociology, there is no reason why studies of mobility would ignore internal promotions. The theories above mostly consider the relationship between a given position and the subsequent position; the channels which secure this position are irrelevant once they are “voluntary”. Empirical work however, has focused heavily on external mobility to new employers without comparing such mobility to promotions.

As a result, many articles frame quitting as the best strategy to improve earnings and conditions, without noting the benefits of pursuing promotions. What is more, the few papers which do compare internal and external mobility often show that internal mobility yields greater gains for workers when compared to external mobility. We summarise these papers below.

# Voluntary mobility to “better” positions

We argue that discussions of mobility and outcomes suffer from two issues. First, authors spend significant efforts predicting mobility without exploring its effects. This is especially true in the field of Personnel Psychology (Steenackers and Guerry 2016; Jackofsky and Peters 1983; Mobley 1977), although examples exist in sociology also (Hachen Jr 1990). These papers help to understand what pushes workers to move, but rarely show us the effect of movement itself. Second, and linked to the first point, authors who do explore the impact of mobility rarely consider the impact of promotions. At best, authors present movement between firms as the only strategy for improving earnings and conditions (Kronberg 2013; Caparrós Ruiz, Lucía Navarro Gómez, and Federico Rueda Narváez 2004). At worst, authors consider this point irrelevant. When considering the effect subjective has on internal and external mobility, Jacofsky and Peters (1984) suggest *“It is reasonable to believe that intra- and interorganizational movement are similar with regard to their impact on individuals”*. We are curious, and so explore this assumption below.

Conclusions about the effects of mobility depend on whether promotions are included in the analysis. We illustrate this point by splitting the literature into two camps; first, studies where authors estimate the impact of quits alone; second, studies which compare the effects of quits and promotions. When studies estimate the effect of quitting alone, they are framed as a mechanism for improving outcomes (both job-fit and earnings). When studies estimate and compare quits and promotions, they reach different conclusions. Here, promotions yield higher objective returns, but lower subjective returns. At the very least, authors have shown that quits and promotions yield significantly different outcomes for workers; suggesting two separate mechanisms for improving conditions and earnings (Kalleberg and Mastekaasa 2001; Gesthuizen and Dagevos 2008; Dwyer 2004).

## External mobility

Authors typically find a positive relationship between quitting and earnings or satisfaction. Whether the outcomes are subjective feelings about job-fit (Sallaz 2017; Kalleberg and Mastekaasa 2001) or objective measures like gross pay (Kronberg 2013; Cha 2014), workers who quit move to more favourable positions; even when remaining in the same occupation (Le Grand and Tåhlin 2002). When authors find a negative relationship between quitting and some outcome, they frame the effect as a concession for greater gains in other measure. For example, Dwyer (2004) explores voluntary downward earnings mobility, finding that workers who quit in this way often seek better work-life balance, which they are willing to “buy” with lower earnings.

In terms of objective pay, workers who quit move to higher paying positions (**???**; Schmelzer 2010; Caparrós Ruiz, Lucía Navarro Gómez, and Federico Rueda Narváez 2004). The effect is significant over the long-term, and is increasing for some workers (Latzke et al. 2016). Even when models correct for individual heterogeneity (where certain workers are more likely to quit than others), “economic” quits lead to better paid positions with new employers (Fuller 2008; Keith and McWilliams 1995). These papers offer a strong support for the job-search approach; workers use mobility to reach a certain reservation wage, which they supposedly can’t get by remaining with the same employer.

There are some caveats to the effect. First, Latzke et al. (2016), Schmelzer (2010), and Schmelzer and Ramos (2015) find that the premium of quits depends largely on “direct” mobility where workers avoid unemployment and move from one position directly to another. Successful transitions from one job to another require workers to search for opportunities on the job. Second, there are significant differences between workers in the mobility-outcomes relationship. The positive effect of quitting may be mitigated by worker characteristics, where men benefit from mobility more than women, and white workers gain more from mobility more than black workers (Kronberg 2014; Kronberg 2013). Although these differences are not always replicated in other studies, generally, authors agree that core workers benefit from external mobility more than periphery workers (Caparrós-Ruiz et al 2004; Cha 2014; Fuller 2008).

In terms of job fit and other “soft” outcomes, quits also leads to better positions with a better job-fit. Latzke et al. (2016) show external quits to a new employer have significant and lasting effects on satisfaction with work, as well as general satisfaction. This premium remains strong over time, whereas the premium tied to pay has declined over time. In the US, Sallaz (2017) finds that call centre workers with poor conditions see quitting as a strategy to improve job-fit in the next position, even when moving to objectively lower paid positions. Here, workers are motivated to leave “dead-end” jobs and are willing to accept less pay for better opportunities and conditions. Similarly, Dwyer (2004) shows that downward wage mobility is an explicit strategy to improve conditions and job-fit with a new employer. In both examples, the strategy fits with the job-matching approach discussed above; thus quits not only have a financial benefit for workers, but are said to have subjective benefits too.

None of the authors above see promotions or internal moves as having potential to improve earnings or job-fit. As a result, the articles take a limited view of “voluntary” mobility. Despite a decline in firm tenure and career opportunities (Jacoby 1999), internal careers are the hope for most workers (Ng et al. 2007; Rigotti, Korek, and Otto 2014). It is also the “most desired type of job mobility, because promotions increase status, esteem, responsibilities, and financial rewards” (Ng et al. 2007). How does this mobility type compare to quits?

## Internal and external mobility

Studies comparing the consequences of quits and promotions are rare. However, when compared and contrasted, three wrinkles emerge. First, promotions lead to stronger and more significant earnings growth than quits (Le Grand and Tåhlin 2002; Gesthuizen and Dagevos 2008). Second, quits lead to stronger and more significant effects on subjective satisfaction than promotions (Gesthuizen 2009). Lastly, promotions are associated with a mix of positive and negative consequences for workers (Lup 2017; Rigotti, Korek, and Otto 2014). Overall, if workers want to improve their conditions at work, they must consider which outcomes are in need of attention before committing to a type of change. We consider these points in sequence.

On the first point, mobility within the firm often results in greater earnings growth than mobility to a new firm (Le Grand and Tåhlin 2002; @ Pavlopoulos et al. 2007). In Sweden Le Grand and Tåhlin (2002) compare internal and external mobility, controlling for a variety of biases. They find internal promotions have the strongest effect on earnings growth, although external movement also carries a premium. The effect is also “pure”, in that it remains when controlling for occupational change. In the Netherlands Gesthuizen and Dagevos (2008) report a similar finding; internal promotion has the strongest effect on earnings growth and socio-economic status. As before, quits hold a premium for both outcomes, but this premium is weaker and less significant than the premium tied to promotions.

One caveat to the findings above is that it may rely on a market’s institutional setting. Pavlopoulos et al. (2007) analyse panel data from the UK and Germany. Results from Britain confirm Le Grand and Tahlin’s (2006) findings, promotions have the strongest effect on British workers’ earnings growth. However, results from Germany are the reverse; quits have the strongest effect on German workers’ earnings. Generally, when authors compare quits and promotions, they confirm the reservation wage hypothesis for promotions, moreso than quits.

On the second point, authors consistently find that quits have the stronger effect on job-fit and satisfaction, when compared to promotions. In the Netherlands, Gesthuizen (2009) finds quits improve several subjective outcomes, while internal mobility has a weak effect on these. Moving to a new employer improves workers’ job-fit, their satisfaction with wages, and their satisfaction with hours. Gesthuizen and Dagevos (2008) find that external mobility has the strongest effect on subjective feelings about work using several measures of satisfaction. These papers suggest that subjective feelings about work and the mismatch between a worker’s expectations and working conditions, drive mobility. Since the majority of these papers look at difference scores and within estimators, it’s possible that those who quit are at a lower base than those who take a promotion. However, the intervention of quitting still has a stronger and more significant effect for each outcome than the effect of promotion.

On the last point, the two sets of findings above make sense when we consider the wider effects of promotion. Respondents who experience promotion report both positive and negative changes in outcomes (Lup 2017; Rigotti, Korek, and Otto 2014). In the UK Lup (2017) finds that women who are promoted often report lower working conditions after the transition, despite seeing minor positive changes in satisfaction with work. In Germany Rigotti, Korek, and Otto (2014) show that promotions lead workers to a mix of both positive and negative outcomes. Here, higher career satisfaction is balanced with increased strain and increased demands. It makes sense that promotions would yield stronger earnings growth but negative effects on subjective feelings about work; after all, these workers transition to positions with new responsibilities and pressures. These pressures are often greater than the objective rewards and resources given to those who are promoted, and so internal mobility moves workers to “better” jobs in some outcomes, but compromises in others. For this reason, it’s possible that internal promotions are mostly motivated by reservation wages, while external mobility, may be motivated by concerns over job fit.

The empirical results above challenge the idea that mobility is a utilitarian process which brings workers to “better” positions elsewhere. We draw two conclusions from the review; first, there is a lack of studies which compare the impact of both quits and promotions. Second, there is a lack of studies which use outcomes other than pay; in this way, job-fit is left unexplored. With this in mind, we propose three hypotheses, which stem from the above review:

**Hypothesis 1: Internal and external mobility will have significantly different effects on outcomes**

**Hypothesis 2: External mobility will bring greater subjective satisfaction than internal mobility**

**Hypothesis 3: Internal mobility will bring greater earnings growth than external mobility**

# Methodology

The approach of the article can be summarised as follows. We merge nine rounds of the BHPS covering the pre-crisis period (2000-2008). The panel contains measures of subjective and objective reward, a number of controls, and measures of voluntary job mobility. We estimate the effect of job mobility on subjective outcomes first, using fixed-effects linear regression. We then compare the estimates for internal and external mobility using an f-test. We carry out the same estimation for objective outcomes, and discuss the results.

## Sample

The British Household Panel Survey is a longitudinal study of UK respondents (Taylor et al. 1993). The data was collected at the household level between 1991 and 2008, with a focus on detailed work histories, socio-economic measures, and rewards at work. It is routinely used to represent the wider British workforce (Pavlopoulos et al. 2007; Lup 2017), and is particularly useful for studies of job mobility since the survey explicitly measures both internal and external mobility types, quits and promotions.

The sample is made up of; observations from respondents missing no more than one wave between 2000 and 2008; observations where respondents are employed at each interview and are not in self-employment, inactivity, or education; observations where respondents have no missing job history information for a given survey year. The final data is a semi-balanced, person-year file, which ignores households and focuses on individual responses. It contains 3,782 respondents and 32,560 person-year observations. Although authors argue that unbalanced panels do not hinder multilevel estimation techniques (Gelman and Hill 2006), we use a semi-balanced panel for theoretical reasons, avoiding respondents who fall into and out of unemployment. In this way, the analysis focuses on the core workforce.

## Variables

Two sets of files contain the variables used for estimation, the individual response files “INDRESP”, and the individual job history files “JOBHIST”. Individual response files focus on the status of a given respondent in a survey year. They contain all outcomes (subjective and objective reward) and all controls. The job history files contain measures of job spell data which can be used to measure job mobility. Job history files take the form of job spells nested in individuals. We consider only the most recent spell in a giver respondent’s work history file. Brief, earlier, spells (lasting less than a year) represent economic turbulence rather than clear transitions to new positions. Although previous authors often control for periods of unemployment between positions, this is not the aim of this article, and so these periods are ignored. We allow respondents to have brief periods of unemployment when changing positions, although these are relatively rare. We discuss each of the measures below.

### Job Mobility

Each job history file contains information on the last 12 months of a respondent’s career. Respondents recount each spell of employment, from their most recent, working backwards. Of those who change spell, it’s possible to discern between internal and external changes (JHSTAT). It is also possible to discern between voluntary and involuntary changes (JHSTPY). Those who list a “promotion” or a move to a “better job” are said to move for voluntary reasons. Those who move due to “dismissal”, “redundancy”, or “temporary contracts” are said to move for involuntary reasons. The purpose of the article is to estimate the effect of voluntary mobility, but we argue that controlling for involuntary events is important, since these likely impact outcomes (Keith and McWilliams 1995; **???**). Respondents who change positions for “other” reasons are controlled for in a category marked “other”; these estimates are not relevant to the analysis and are ignored.

### Outcomes

Previous studies estimating the consequences of mobility typically focus on pay. While we include the measure here (paygu), the literature notes *“jobs may be characterized by the economic, social and psychological rewards they provide incumbents”* (Sørensen 1977 p967). With this in mind, focusing on economic consequences alone would offer an incomplete picture of mobility. We consider three subjective outcomes related to pay, hours, and the work itself (jobsat2, jobsat6, and jobsat7). Beyond this, we consider the impact of mobility on weekly working hours, which have been cited as important in more recent works (Sallaz 2017).

### Controls

Measuring the impact of mobility alone would not give its true effect, especially since fixed-effects regression is vulnerable to omitted-variable bias (Longhi and Nandi 2014). Hence, we include a standard set of controls. Factors like education and gender cannot be included since these are time invariant throughout a person’s time in the panel (Longhi and Nandi 2014; Wooldridge 2015). However, factors like industry and occupation can be included and would offer a “pure” effect for mobility, in that workers would move to similar positions (Le Grand and Tåhlin 2002). Age and the number of children in the home are also standard controls which commonly explain earnings inequality (Cha 2014; Fuller 2008; Keith and McWilliams 1995). Contract type, and the size of the firm are also said to impact differences in earnings (Schmelzer 2010). Lastly, the survey year, the country’s unemployment rate, and the rate of economic growth are included in an effort to control for macro changes which may affect wages and subjective evaluations of work.

## Estimation

Since voluntary job mobility is not a random event, we control for worker differences by using fixed effects linear estimation. Part of the reason several articles report strong and significant estimates between mobility and outcomes, may be due to differences between mobile and immobile workers (individual heterogeneity). Fixed-effects linear estimation allows us to control for these differences (Allison 2009; Longhi and Nandi 2014).

The method removes all unobserved individual heterogeneity from model’s estimates by subtracting each term from its cluster mean. Wooldridge (2015 p485) refers to this process as *“time demeaning…any explanatory variable that is constant over time for all [individuals] gets swept away by the fixed effects transformation”*. In this approach, all time invariant measures, both observed and unobserved, are dropped from the estimates. The method is particularly suited to Sørensen (1977) who argues worker resources are fixed from the moment they enter the labour market. Thus, the change in outcomes resulting from mobility is the effect of respondents “closing the gap” between resources and attainment.

Two limitations should be noted. First, fixed-effects modelling techniques provide unbiased estimates for mobility. However, the method is inefficient and relies on variance within clusters alone, discarding between cluster differences (Allison 2009; Longhi and Nandi 2014). Fixed-effects estimates produce larger standard errors, wider confidence intervals, and larger p-values. In response, we treat estimates with p-values of less than 0.1 as statistically significant. Second, fixed effects estimates are susceptible to omitted variable bias. If models omit important measures tied to an outcome, other measures which correlate with the effect will produce significant results. The models below already consider a wide range of explanations for inequality in outcomes, including changes in the occupation and industry of respondents. On average, the models are more conservative than those of other, similar authors.

# Results

Table 1 lists the frequency of mobility considered overall, between, and within respondents. Most of the UK’s movement is “voluntary”, either to a new employer, or to a new positions with the same employer (column 1). Regarding variation within respondents (column 2), 33% of those sampled changed employers voluntarily at least once; while 30% took internal promotions at least once.

Involuntary mobility is less common, only 11% of workers experienced involuntary mobility to a new employer, and only 2% changed position involuntarily with the same employer. It should be noted, the sample does not fairly represent involuntary mobility. Since we focus on the core workforce alone, it is likely that we under-estimate the experiences of involuntary mobility in the market.

Lastly, voluntary mobility has a longer average period than any other mobility type (column 3). For the average worker, both types of voluntary mobility are more common over the 9 wave period than other mobility types. Together, the figures suggest many British workers move often for voluntary reasons.

[TABLE 1 HERE]

## Mobility and subjective outcomes

Mobility is prevalent, but what do workers get from it? The results of three fixed-effects regression models are listed below. They consider the subjective benefits of moving to new positions; satisfaction with work (1), satisfaction with pay (2), and satisfaction with hours (3). For clarity, we omit the estimates for “other” mobility types, which are controlled for, but are irrelevant to the argument.

[TABLE 2 HERE]

Voluntary mobility immediately stands out in the models above; these changes lead workers to better positions. The finding is consistent with Sørensen’s (1977; 1975) predictions. We confirm hypothesis 1. However, internal and external mobility types differ in their effects. These results are not consistent with the attainment approach.

Considering satisfaction with work (model 1), both types of voluntary mobility lead workers to subjectively better positions, but mobility between firms has a stronger effect than mobility within a firm (F(1, 3723)= 25.54, p >F = 0.000). Workers who leave an employer find better positions than those who take a promotion with the same employer.

A similar result emerges for satisfaction with pay (model 2), voluntary mobility leads workers to subjectively better positions; however, the effect is larger between firms than within them (F(1, 3723) = 18.21, p > F = 0.000). Again, respondents who leave an employer find more satisfying positions than respondents who take promotions.

Lastly, satisfaction with time (model 3) is affected in the same way as the previous outcomes. Both types of voluntary mobility lead workers to better positions, but again, respondents who quit an employer see a larger effect, than respondents who take a promotion (F(1, 3723) = 10.32, p > F= 0.001). This too suggests that quitting has a stronger effect on subjective outcomes, than taking a promotion with the same employer.

In each case, those who leave an employer move to more satisfying positions than those who use internal career ladders. In this sense, voluntary mobility may be driven by two separate mechanisms, internal structures on one hand, and the wider market on the other. Using the findings above, we confirm hypothesis 2; internal and external mobility have significantly different effects on outcomes.

It may be that external mobility is driven by job-mismatch instead of attainment as described in the literature. Workers who quit a firm may be less interested in career progression, and more interested in leaving behind poor conditions for better ones.

Before committing to the explanation, it’s worth considering an alternative. It’s possible the effect stems from working conditions varying more between firms than within them. Sørensen (1977) suggests this implicitly, claiming that *“opportunity structures”* dictate the extent to which workers can close the gap between their rewards and their resources. These may be narrower in firms, than the wider market, leading to smaller mobility effects. Putting the issue another way, a firm is limited in how much conditions can vary within the organisation in a way that the market is not. If such opportunity structures exist, a set of objective outcomes will respond to mobility in the same way as above; with external mobility yielding strong effects, and internal mobility yielding weaker effects. We consider the idea below, while revisiting hypotheses 1 and 2.

## Mobility and objective outcomes

The models in Table 3 are similar to those in Table 2, but estimate the effect of mobility on weekly hours worked (1) and log wages (2). Since mobility has a significant effect on both outcomes, we consider the model for wages a second time, while controlling for weekly hours worked. The results vary drastically from the previous estimates, and suggest internal mobility has the strongest effect for workers’ pay.

[TABLE 3 HERE]

The effects of voluntary mobility are less clear than before. Voluntary change appears to have an effect on hours and pay, but only under certain conditions. Internal mobility has the largest premiums on pay without the corresponding rise in hours. External mobility leads workers to positions with higher pay and longer hours. While one mobility type resembles the attainment described by Sørensen (Sørensen 1975), the other resembles negotiations over working time, as a strategy to increase pay.

Starting with weekly working hours; voluntary mobility has a mixed effect on hours. External mobility leads workers to positions with longer hours (model 1), and internal mobility leads workers to positions with fewer hours. However, the effect for internal mobility is insignificant. Changing employers voluntarily may be the product of searching for longer hours, or moving from a part-time position, to a more full-time position.

Considering gross monthly pay (model 2), voluntary mobility has only a minor effect. Those who change positions voluntarily (within or between firms) gain a 1% increase in gross monthly pay. There is no difference between internal and external mobility. Although an increase in pay exists, workers may need to pursue several new positions over the course of a career before seeing a substantial earnings growth. Still, a mechanism for understanding earnings inequality exists in the model above.

Thinking of the two models together, the 1% increase in pay may be tied to workers taking longer hours. This effect does not exist for those who move internally, only external mobility types are affected. With this in mind, we ask what portion of the effect of mobility on pay (model 2) is explained by changes in weekly working time (model 1). Re-estimating gross pay while controlling for hours (model 3) eliminates the positive effect for external voluntary mobility, *but not internal voluntary mobility*. Thus external mobility is tied to bargains over hours for similar rates of pay; while internal mobility is tied to earnings growth, in itself. From the estimates above, we reject hypothesis 1. Voluntary mobility, in itself, does not improve objective outcomes, and relies heavily on the type of mobility pursued. However, we accept hypothesis 2; internal and external mobility yields different effects on the same outcome.

The estimates in Table 3 cast doubt over the previous findings. Voluntary mobility alone does not have a positive effect on all outcomes. In fact, there are differences between internal and external mobility when it comes to pay and weekly working hours. Further, these differences are the exact opposite of those in Table 2. External mobility is a strategy which increases pay through increased hours, while internal mobility increases the rate of pay, leading to earnings growth. Respondents who quit work for a new employer appear move to similarly paid positions, with longer working hours. Respondents who take promotions experience the attainment described by Sørensen (Sørensen 1977). For this reason, we accept hypothesis 3. Internal and external mobility, affect outcome type differently.

# Discussion

The idea that workers move to better positions when voluntarily changing jobs, does not emerge, as with several authors discussed in the review above (Sallaz 2017; **???**; Kalleberg and Mastekaasa 2001). Neither does the idea that opportunity structures provide large or small premiums within and between firms (Sørensen and Tuma 1978). Instead internal and external mobility are distinctly different mechanisms, with different forms of bargaining. Despite authors citing the death of internal labour markets, it seems that the reward systems found in internal structures do not appear in external structures (Cappelli 1999; Jacoby 1999). Authors who call for a nuanced approach to the study of job mobility should focus on the importance of internal mobility within the firm, which still rewards workers significantly (**???** (**???**); **???**).

The results do not refute that job mobility is important in understanding earnings inequality, rather they suggest that workers are pursuing two separate strategies for dealing with inequality in the British labour market. On one hand, workers who want to improve conditions leave an employer for better positions, even if it means working longer hours. On the other, workers who want higher earnings must use a firm’s internal structures to improve their worth. Understanding earnings inequality may rely on better understanding who it is who is promoted, and who it is who takes positions with the possibility of seeing promotion.

Attainment theory proposed by Sørensen (Sørensen 1975; Sørensen 1977; Sørensen and Tuma 1978) fails to account for two findings, although some are noted by efficiency wage theorists elsewhere (Akerlof and Yellen 1986) and internal labour market theory (Althauser 1989; Althauser and Kalleberg 1981). First, there is a distinct difference between internal and external mobility in terms of their effects on outcomes. External mobility improves subjective outcomes best, while internal mobility improves actual pay without increasing hours. Second, tied to the first point, there is a clear difference between mobility’s effect on subjective and objective outcomes. Attainment theory expects “psychological” rewards to work in the same way as “economic” rewards. The theory of attainment cannot account for mobility driven by precarity and mismatch, where workers try to adjust for poor working conditions for similar rates of pay. From the output, it seems job-mismatch drives external mobility as workers search for better conditions and an internal structure to commit to, one that may eventually offer attainment or progress in the form of internal promotion.

The suggestion that workers should embrace economic turbulence, and multi-employer careers in general, should be treated with skepticism; at least in the UK (Brown, Haltiwanger, and Lane 2008; OECD. 2010). This suggestion conflates the interests of employers and the interests of workers as the same. Workers may use external mobility to find firm internal labour markets to commit to, which will eventually grant them the chance to climb a career ladder. However, this is not the promise offered by advocates of mobile labour markets. Generally, sociologists should continue asking what workers get out of mobility.

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