

# JOB MOBILITY IN IRELAND

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The movement of workers from one job to another allows workers and firms to adapt to changing economic and personal circumstances. Job mobility contributes to the efficient working of the labour market; as workers can seek out new jobs in which they can be more productive and for which they will be better rewarded. Internationally, changing jobs appears to be an important part of worker's experience in the labour market. However, little is known about job mobility in an Irish context. Recent research by Adele Bergin helps to establish the prevalence of job changing in Ireland, how it has changed over time, and the types of worker most likely to switch jobs.

Using a sample of workers aged 20 to 60 years from the Living in Ireland Survey covering the period 1995 to 2001, the paper finds that each year approximately 10 per cent of workers changed jobs. However, this figure masks an important trend evident in the data. In 1995 fewer than 7 per cent of workers changed jobs and this rate almost doubled by 2000. In addition, in each year the bulk of job changes were voluntary – essentially workers finding better jobs – and the rate of voluntary mobility trebled over the period 1995 to 2000. This is unsurprising, as during upturns there is an increase in vacancies and there are more potential employment opportunities available to workers. The rate of involuntary mobility – workers who were made redundant, dismissed or lost their job through the closure of a business – remained relatively constant at around 2½ per cent each year.

Which workers are more (or less) likely to change jobs? Younger workers are more likely to switch jobs, as they are more likely to try a variety of jobs in order to acquire knowledge of the labour market and their own preferences and ability for different jobs (a process known as “job shopping” in the literature). Workers who change jobs are around 8/9 years younger than the sample average. There are several reasons to expect that there might be gender differences in mobility rates. For example, women may be less likely to change jobs if they are more constrained by non-market variables such as their partner's location or the rearing of children. The paper finds that once other characteristics are controlled for, that gender does not affect the probability of changing jobs. A higher level of general education does not make a person more or less likely to change jobs; but an occupation specific qualification – which may tend to be specific to a particular job, and of less value to other

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employers – makes a person less likely to change jobs. Workers in the public sector are less likely to change jobs.

The paper also decomposes the extent to which the increase in voluntary mobility is attributable to changes in the composition or characteristics of workers (in particular by the increase in the number of young workers in the labour force) and how much of the increase is attributable to other factors. It finds that only 30 per cent of the increase in mobility is due to compositional changes. The improving labour market conditions facing workers is found to be an important factor in explaining the increase in voluntary mobility. However, a substantial part of the increase in job mobility over the period remains unexplained. It may be that there has been an increase in job instability over the period, although this is not necessarily worrying as the increase in mobility was voluntary in nature. At the same time, worker preferences may also have changed over the period, with a decline in the importance of the idea of a “job for life”.

<sup>†</sup>Adele Bergin, 2009. “Job Mobility in Ireland”, *The Economic and Social Review*, Vol. 40, No. 1, Spring, pp. 15-47.