



Job mobility and Pay: Floor and Ceiling Effects in Germany and the UK

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Outline

- Present Thesis
- Floor and Ceiling Effects
- Patterns of Mobility
- Patterns of Mobility by Gender and Education
- Findings
- Quick discussion of floor and ceiling effects as proposed by Pavlopoulos (2013)

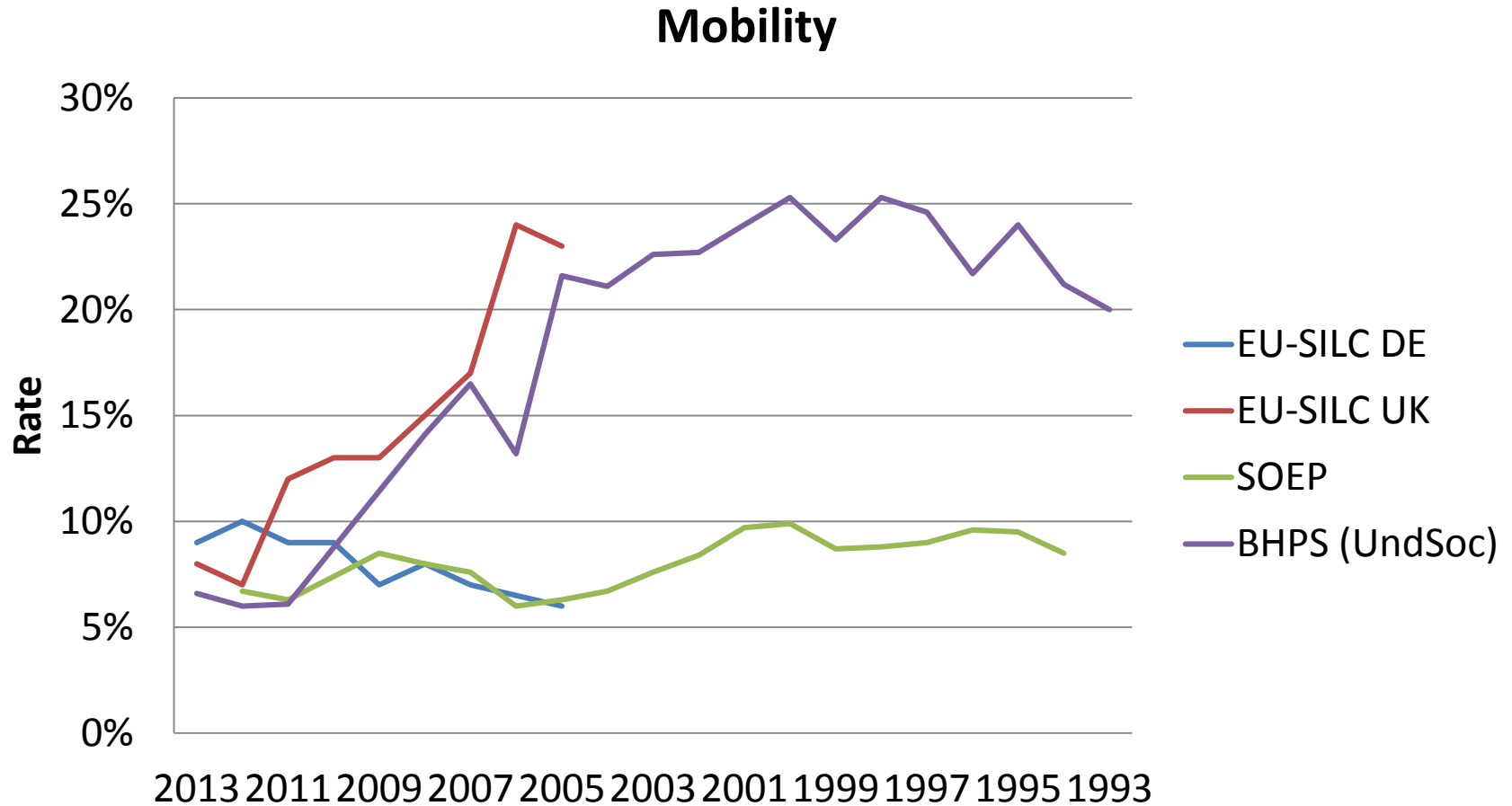
Thesis

- I estimate worker “Return on Mobility” in Germany and the UK
- Three aims:
 - How does mobility affect outcomes? Do internal or external changes reward workers?
 - What are the differences between workers? Are all affected by mobility positively/negatively?
 - Do institutions play a part in shaping the relationship between mobility and outcomes?
- I run parallel case studies using DE/UK panels for the years 2000-2008.

What are Floor and Ceiling effects? (Pavlopoulos 2013)

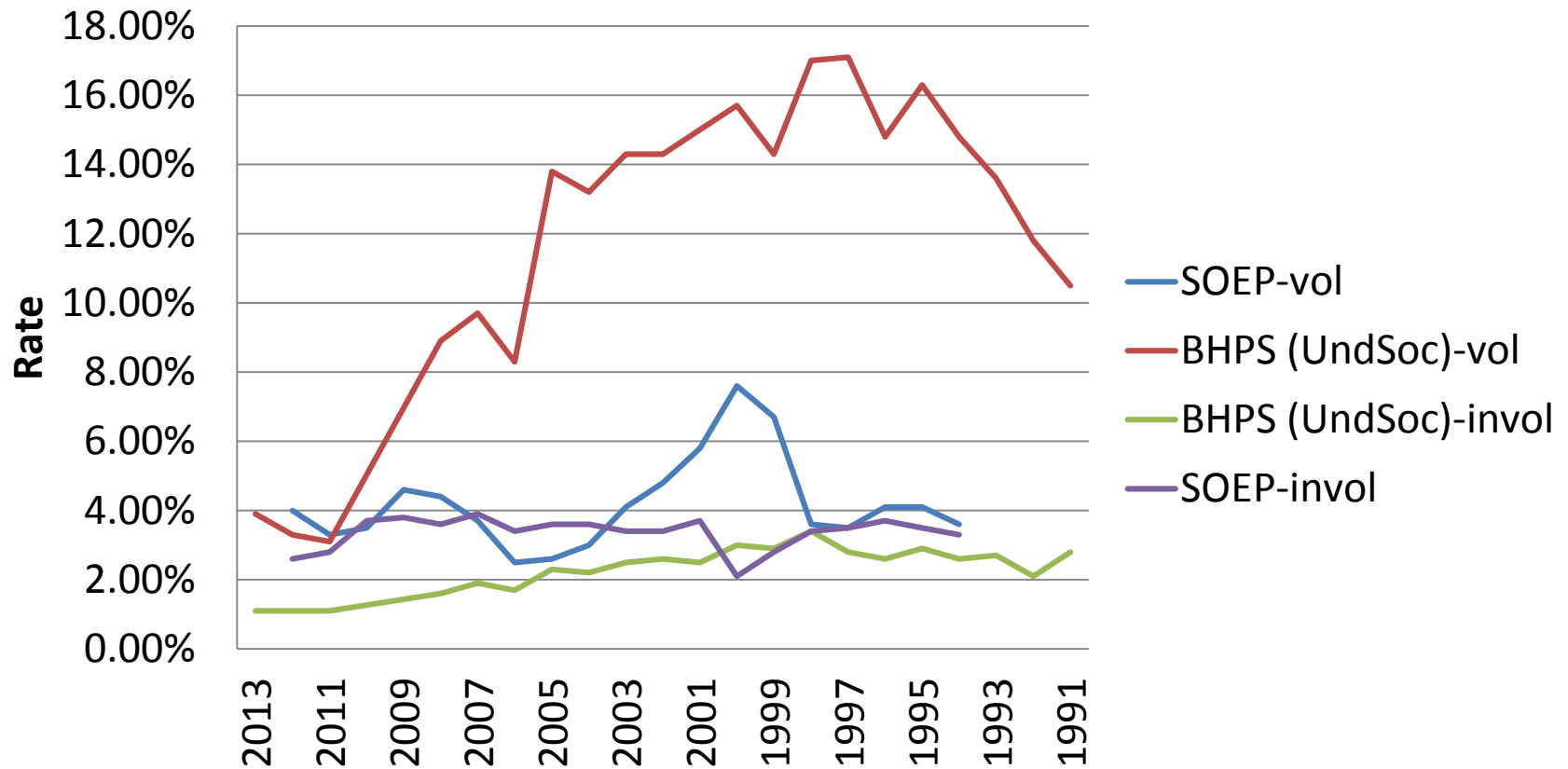
- “Low-paid workers need to change jobs to reach their maximum rewards, while high-paid workers have little to gain from a job change as they have reached their ‘ceiling’ earnings.”
 - In this way, secondary educated workers will rely on voluntary mobility to improve their conditions.
 - Third level educated workers will gain less from mobility, because of a ceiling on wages.
 - Further, secondary educated workers will hurt from involuntary mobility.
 - Third level educated workers will not hurt from involuntary mobility because of a floor on wages.

Mobility in Germany and the UK

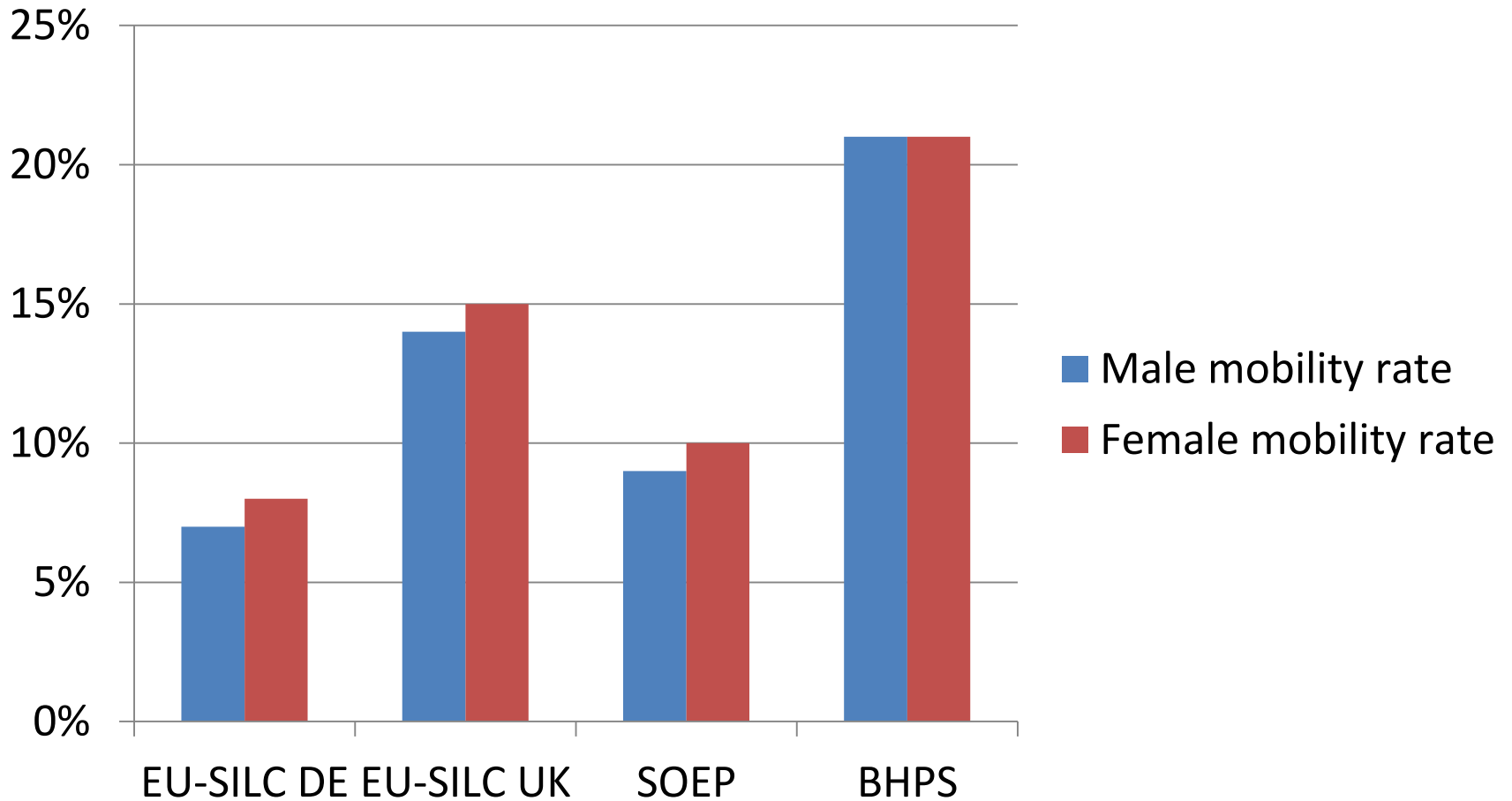


How does mobility differ?

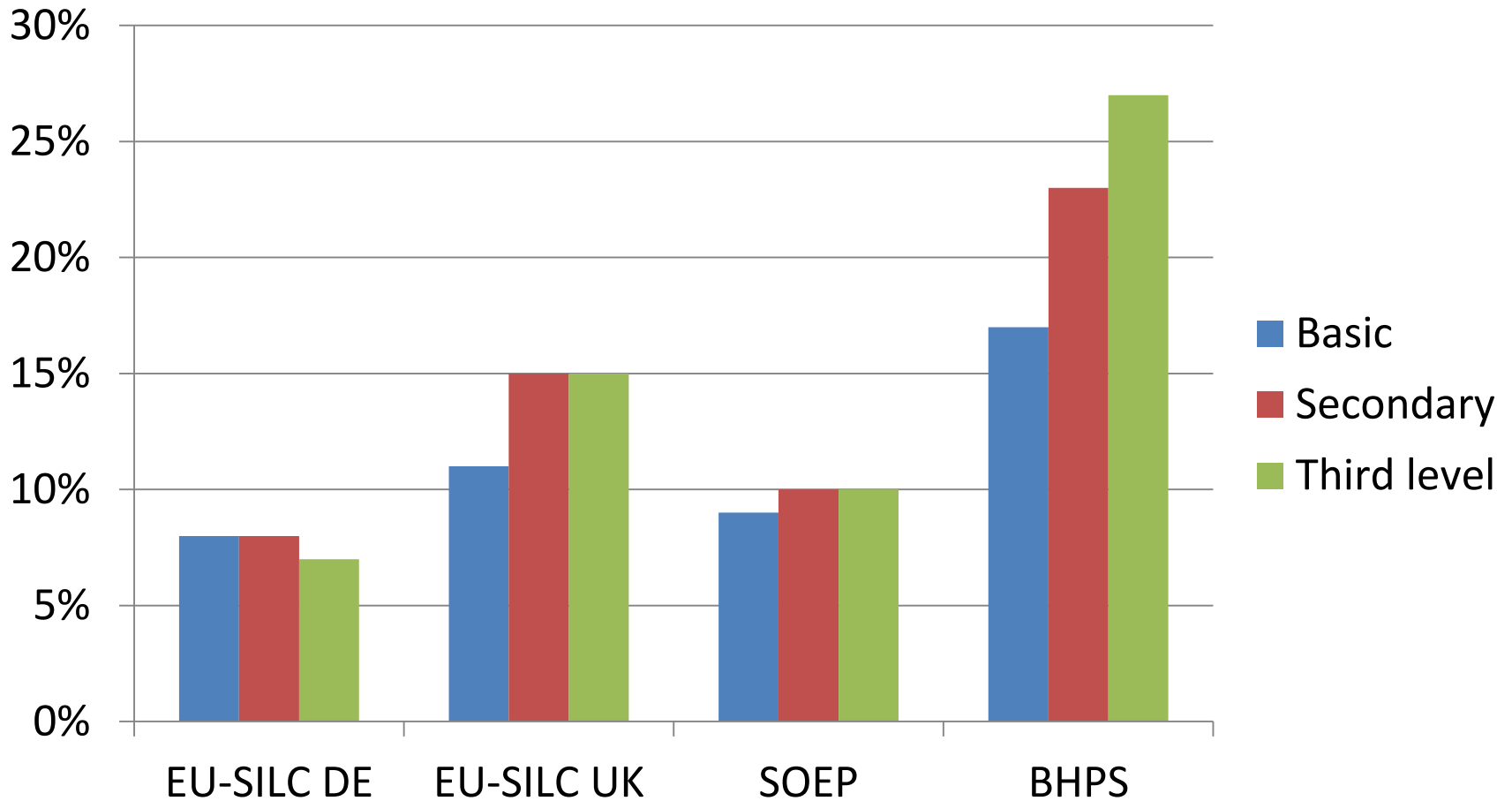
Voluntary and Involuntary Mobility



Basic mobility and gender



Basic mobility and Education



Findings

Germany

- Voluntary inter-firm changes
 - Minor positive returns in satisfaction, but not for hours or pay.
 - No significant change in pay.
- Intra-firm changes
 - Minor positive returns in satisfaction
 - Positive returns in pay.
- Involuntary changes
 - No change in satisfaction
 - No change in pay.

UK

- Voluntary inter-firm changes
 - Positive returns in satisfaction
 - Positive changes in gross monthly pay
- Voluntary intra-firm mobility
 - Minor positive returns in satisfaction
 - No significant change in pay
- Involuntary changes
 - No change in satisfaction
 - Large significant declines in pay

Pay and Satisfaction with pay in the United Kingdom

	Satisfaction with pay	Log pay
Inter-firm voluntary	+ (***)	+ (***)
Inter-firm involuntary	/ (.)	-- (***)
Intra-firm voluntary	+ (***)	+ (*)
Intra-firm involuntary	/ (.)	-- (**)
Observations	31,463	31,490
R-squared	0.07	0.18
Number of pid	6,917	6,920
Weight	clustered SE	clustered SE

Pay and Satisfaction with pay in Germany

	Satisfaction with pay	Log pay
Inter-firm voluntary	/ (.)	-(*)
Inter-firm involuntary	/ (.)	/ (.)
Intra-firm change	/ (.)	+ (***)
Observations	32,749	30,013
R-squared	0.10	0.18
Number of pid	4,180	4,066
Weight	w11103	w11103