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Labour Market Mobility

Destabilization and Destandardization: For Whom? The Development of West German Job Mobility since 1984

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Abstract

We use the Socio-Economic Panel to study how the job-shift patterns of West German workers changed between 1984 and 2008, analyzing trends separately by gender, education, labor force experience, firm size, and sector. We document a considerable reduction in the rate of within-firm job changes, especially for men in large companies and with limited labor force experience, which we interpret as evidence of a decline of internal labor markets and increasing difficulties at labor market entry. A second major result of our analysis is that rates of between-firm mobility and employment exit have risen primarily for low-educated men and women.

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1. Introduction

Over the past few decades, developed economies have undergone dramatic changes, including an intensification of global trade, the internationalization of production, far-reaching technological changes, in particular the diffusion of information technology, and the privatization of state-owned enterprises. Many commentators argue that these developments have reduced the scope for long-term employment relationships and thus fundamentally altered individual career patterns. More specifically, it is often claimed that employees are facing increased risks of involuntary employer changes and employment exits, while at the same time having fewer opportunities for within-firm career advancement. In an important recent contribution, Mayer et al. (2010) have labeled this view the "destabilization and destandardization thesis" (D&D thesis).

It is important to know whether careers really have become less stable and predictable, not least because declines in employment stability and the predictability of employment biographies may have far-reaching consequences for a

variety of life outcomes.[1] While the D&D thesis features prominently in scientific and public discourse, there is still little robust evidence on how employment biographies have in fact changed. On the whole, the few existing quantitative studies on German mobility trends suggest that, so far, tendencies towards destabilization have been limited. There is evidence of a modest decline in employer tenure, particularly among men, and of a mild increase in the risk of unemployment, again more so for men than for women (see, for example, Bergemann/Mertens, 2004; Kurz/Hillmert/Grunow, 2006; Struck et al., 2007). Nevertheless, existing evidence does not signal strong tendencies toward D&D.

The extant empirical literature is, however, limited in several ways. A first and obvious limitation is that the observation periods even of the most recent studies do not extend beyond the early 2000s. More importantly, previous studies have concentrated on *external* mobility, i.e., on *employer changes* and *transitions to unemployment or non-employment* (and, in some cases, also on occupational mobility). While we, too, study these transitions, we also use the SOEP's information on *within-firm job changes*, an outcome which, to our knowledge, has only been examined by Diewald/Sill (2005) to date. The scarcity of evidence on within-firm career patterns is regrettable because many commentators believe that declining prospects for (upward) within-firm mobility are an important dimension of D&D, particularly for those working in large firms where "internal labor markets" may have been scaled back. Another contribution of our study is to systematically analyze the *social structuring of labor market mobility*. In contrast to most existing research, we focus on group-specific rather than aggregate trends (for a rare exception that also examines group-specific trends, see Erlinghagen, 2006b). In addition to analyzing men and women separately, we focus on differences by education and labor market experience. Following Carroll/Mayer's (1986) classical study, we also take two important employer characteristics into account: firm size and sector.

By focusing on group-specific trends, we can adjudicate between competing versions of the D&D thesis. Taking different educational groups into consideration allows us to address the contested question of whether processes of

[1] The negative effects of involuntary job loss or downward job mobility on material well-being are obvious. Yet the mere *perception* that one's long-term career prospects are uncertain, or even dire, may affect behavior and well-being in subtle and often undesirable ways. Consequently, individuals may be reluctant to make long-term commitments in a variety of domains, ranging from fertility decisions to housing purchases or saving for old age. Workers who are worried about their employment prospects may also be more likely to avoid conflict with their employer, even in cases where fundamental rights are violated, and they may be more likely to work when sick. Finally and importantly, perceived insecurity may also reduce psychological well-being by increasing anxiety and stress.

D&D are concentrated among low-qualified workers or pervade all educational levels. While authors such as Beck (1992) or Sennett (1998) expect destabilization to be just as strong or even stronger among higher educational groups or social classes (see the critical discussion in Goldthorpe, 2002), there are also good reasons to suspect that existing inequalities have been preserved or even reinforced, since technological progress and the "off-shoring" of routine activities to low-wage countries have reduced the demand for low-skilled workers.

Moreover, by investigating differences between more and less experienced workers, we study one important possible line of cleavage between labor market insiders and outsiders. Empirical studies regularly show that younger German workers fare quite well in international comparison, often attributing this to Germany's system of vocational training. There are, however, also more discomforting findings suggesting that, in Germany, D&D might indeed be concentrated among younger workers. Erlinghagen (2006b) found that the employment stability of young people declined in the 1990s, and Gebel/Giesecke (2009) documented substantial increases in the prevalence of fixed-term contracts among younger workers.

As noted above, we also study how mobility trends vary by two employer characteristics: company size – in terms of number of employees – and economic sector. The size of a firm is particularly interesting with regard to the notion that internal labor markets have been scaled back: for obvious reasons, these can only be created in large firms in the first place – and can therefore only be dismantled there, too. The results of earlier studies, which have documented a decline in employment stability (Erlinghagen, 2006b) and a growing prevalence of fixed-term contracts (Giesecke/Groß, 2002) in large firms, are already suggestive of such a trend. Our comparison of mobility trends by economic sector will show whether aggregate mobility trends are primarily a result of growing service sector employment or whether job security has also declined *within* economic sectors. Trends in the public sector are of interest, too: Here, previous research (e.g., Giesecke, 2006) has documented a noteworthy divide between core employees with exceptionally high employment stability and marginal workers with fixed-term contracts. Given constant pressure for cost reduction, this divide may well have deepened more recently, with obvious consequences for job-shift patterns among public employees.

2. Data and Analysis Strategy

Using the SOEP data, we focus on the (group-specific) probability of experiencing one of three events – a within-firm job change, a change of employer, or an exit into non-employment – between the interview in a base year t (1984–2007) and the interview in the subsequent year $t + 1$ (1985–2008).[2]

For all three transitions, we examine the proportion of respondents who were employed at the time of the interview in a base year t and reported one of the three changes in the following year $t + 1$. Our analysis is restricted to respondents who were living in West-Germany (i.e. the Old Länder) in both t and $t + 1$. We subdivide male and female employees according to two individual characteristics – education and labor market experience – and two employer characteristics: firm size and sector. Our analyses include all persons who were between 20 and 55 years of age in the relevant base year; school pupils, apprentices, students and respondents who were participating in occupational retraining courses were excluded from the analysis. Our final sample comprises a total of 108,537 observations of 17,325 persons. We observe a total of 1,729 within-firm changes, 5,079 employer changes, and 6,118 exits into non-employment.

To assess the strength and statistical significance of changes in the (group-specific) transition rates, we estimate regression models which specify group-specific mobility rates as a function of a linear time trend. Since mobility patterns depend on the general economic conditions, our models control for economic growth and the gender-specific unemployment rate for West-Germany in the base year.[3] Omitting subscripts for subgroup and transition type and noting that *UERATE* refers to the female unemployment rate in the case of women and female subgroups and to the rate for men in the case of men and male subgroups, our focal regression equation is as follows:

$$y_t = \beta_0 + \beta_1 t + \beta_2 GDPGR_t + \beta_3 UERATE_t + \varepsilon_t \quad (1)$$

In these regressions, the error term ε_t will be heteroscedastic because the mobility rates y_t are estimated rather than observed. We therefore estimate these regressions by weighted least squares, constructing weights according to the feasible generalized least squares (FGLS) approach detailed by Lewis/Linzer (2005). We also estimate similar models for two other quantities – counterfactual transition rates and coefficient estimates from year-specific mobility models – which we describe in the remainder of this section.

In a second step, we verify the extent to which the observed developments in the mobility patterns can be explained by changes in labor force composition

[2] By focusing on transitions to non-employment rather than (registered) unemployment, we avoid distortions due to a major labor market reform that merged the unemployment and social assistance programs in early 2005. Presumably, this change would lead us to overestimate the risk of unemployment towards the end of the study period, relative to previous years. Our main conclusions concerning the risk of non-employment do, however, continue to hold when we focus on transitions to unemployment.

[3] We also estimated these models without the unemployment rate because the latter is not independent of the outcomes we are attempting to explain, in particular the probability of entering non-employment. Results were very similar (available upon request).

(e.g., increasing employment in the service sector). We do so by estimating regression models similar to those described in the previous paragraph, but this time for "counterfactual transition rates". We estimate these counterfactual rates by first estimating year-specific transition models and then using the coefficient estimates from these models to predict mobility rates for our 1984/85 sample. The goal of this exercise is to simulate mobility rates for the – counterfactual – case that employee composition had remained unchanged after 1984. More precisely, we first estimate linear probability models of the following form, separately for each gender, base year t and type of transition:

$$y_{it} = \beta_{0t} + \sum \beta_{kt} x_{kit} + \varepsilon_{it} \tag{2}$$

Our set of predictors x_k includes all of our focal characteristics, that is, three education dummies based on a four-category measure of the highest degree obtained, a dummy variable identifying those who have no more than ten years of labor force experience, and a full set of interactions between firm size (over 2,000 employees vs. 2,000 or fewer employees) and sector (primary sector, private industry, private services and public sector). We also include dummies for month of interview in t and $t+1$ to control for changes in interview timing. Finally, our first set of counterfactual transition rates is based on specifications that account for temporal dependency by including a measure of employer tenure.[4] Given that employer tenure is endogenous to job mobility we do, however, also present results based on specifications that omit this variable.

After estimating these year-, gender-, and transition-specific linear probability models, we estimate $y^*_{t'g_{1984}}$, the (counterfactual) transition rate for subgroup g (e.g., women working in the public sector) that would have been obtained in year t' (e.g., 2001) if group g's composition had been the same as in 1984. We do this by, first, identifying the individuals in our sample who belonged to subgroup g in 1984, then using coefficient estimates for t' to predict their counterfactual transition probabilities $y^*_{it'}$, and, finally, averaging these predicted probabilities. More formally:

$$y^*_{t'g_{1984}} = \sum_{\forall i \in g_{1984}} y^*_{it'} \quad \text{with} \quad y^*_{it'} = \beta_{0t'} + \sum \beta_{kt'} x_{ki1984} \tag{3}$$

Third and finally, we study how the (net) effects of the characteristics considered here developed over the observation period. To address this question, we regress the coefficient estimates from the year-specific mobility models, that is, the β_{kt} 's from equation (2), on a linear time trend and our macro-economic controls.

[4] We use restricted cubic splines to allow for a non-linear effect of employer tenure.

3. Results

Figure 1 gives a first impression of the relative frequency of the transitions and of their development over time. Taking the results for male employees first (left-hand graph), it is evident that within-firm changes are less common than employer changes and exits into non-employment. At the beginning of our study period, the probability of experiencing a within-firm change was approximately three percent, and this declined over time – initial evidence of the dismantling of internal labor markets. This finding is substantiated by the results of the regression model (Table 1): controlling for the macro-economic context, the decline is estimated at approximately 0.08 percentage points per year and statistically highly significant.

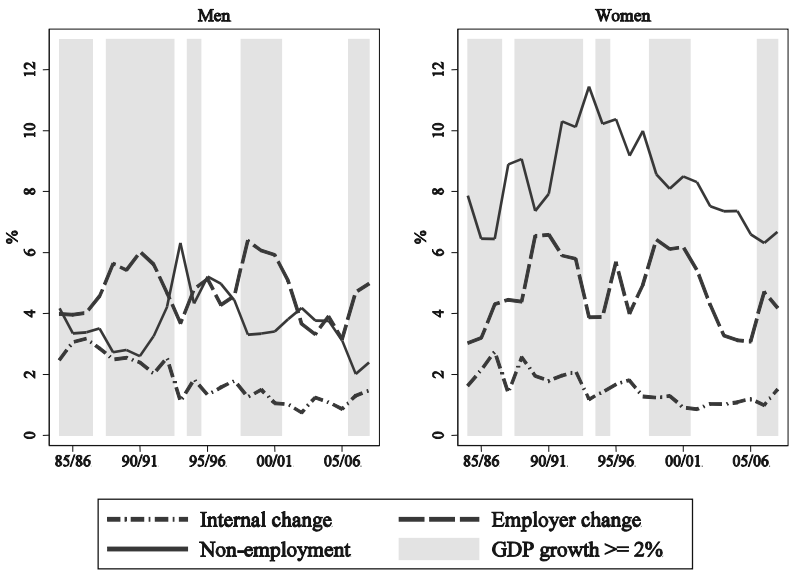

Figure 1: Job mobility by gender

Figure 1 also shows that the proportion of male employees who changed employer fluctuates between a good three and six and a half percent. It is higher during economic booms than in years characterized by sluggish growth or recession. At this level of aggregation, no clear time trend can be identified (see also Table 1). Employment exits follow an anti-cyclical pattern and, for male employees, are somewhat less common than employer changes. Although it is not possible to infer a clear temporal trend from Figure 1, there is, however, an (almost) significant decline in the exit rate when the macro-economic

situation – which was less favorable towards the end of the study period – is taken into account (see Table 1).[5]

Table 1

Group-specific Rates of Change – Linear Time Trend

	Men			Women		
	Internal change	Employer change	Non-employment	Internal change	Employer change	Non-employment
I. Actual rates of change						
Total	-0.08**	0.03	-0.05+	-0.04**	0.01	-0.09+
Education						
Below upper secondary level	-0.04**	0.13*	0.10	-0.04+	0.14**	0.12+
Vocational qualification	-0.10**	0.00	-0.03	-0.05**	-0.04	-0.10*
University degree	-0.12*	0.02	-0.01	-0.05	0.04	0.01
Labor market experience						
> 10 years	-0.06**	0.07**	-0.03	-0.03*	0.04+	-0.05
< = 10 years	-0.11**	0.02	-0.04	-0.05*	0.05	0.00
Firm size						
< 2,000 employees	-0.04+	-0.00	-0.08**	-0.04**	0.01	-0.10*
> = 2,000 employees	-0.15**	0.06**	-0.01	-0.01	0.02	-0.04
Sector						
Private industry	-0.06**	0.01	-0.05	-0.04*	0.02	-0.16*
Private services	-0.09*	-0.03	-0.08*	-0.03	-0.02	-0.11+
Public sector	-0.12**	0.03	-0.04	-0.05*	-0.00	-0.03
II. Counterfactual rates of change – models incorporating tenure						
Total	-0.11**	0.01	-0.03	-0.07**	0.02	-0.04
Education						
Below upper secondary level	-0.08**	0.02	0.03	-0.07*	0.07	0.01
Vocational qualification	-0.11**	0.00	-0.05+	-0.07**	-0.02	-0.09
University degree	-0.14*	0.04	-0.05	-0.09+	0.04	0.01
Labor market experience						
> 10 years	-0.09**	0.02	-0.02	-0.06*	0.02	-0.04
< = 10 years	-0.16**	-0.03	-0.04	-0.08**	0.02	-0.05
Firm size						
< 2,000 employees	-0.07**	-0.01	-0.05	-0.07*	0.02	-0.05
> = 2,000 employees	-0.18**	0.04	0.01	-0.06	0.03	-0.02
Sector						
Private industry	-0.10**	-0.00	-0.02	-0.09**	0.03	-0.09
Private services	-0.16*	0.02	-0.05	-0.06+	0.01	-0.07
Public sector	-0.11**	0.03	-0.04	-0.06+	0.02	0.05

[5] For this, as for all of the following analyses of exits into non-employment, we do not reach any qualitatively different conclusions if we alternatively consider transitions into unemployment.

III. Counterfactual rates of change – models excluding tenure

Total	-0.11**	0.02	-0.02	-0.07**	0.03	-0.03
Education						
Below upper secondary level	-0.08**	0.07	0.08	-0.07*	0.10*	0.03
Vocational qualification	-0.11**	0.00	-0.05	-0.07**	-0.01	-0.08
University degree	-0.14*	0.03	-0.05	-0.09+	0.04	0.00
Labor market experience						
> 10 years	-0.09**	0.04	-0.01	-0.07*	0.03	-0.03
< = 10 years	-0.15**	-0.02	-0.04	-0.08**	0.03	-0.03
Firm size						
< 2,000 employees	-0.07**	0.01	-0.03	-0.08**	0.03	-0.04
> = 2,000 employees	-0.18**	0.05	0.02	-0.06	0.04	-0.00
Sector						
Private industry	-0.09**	0.01	-0.00	-0.09**	0.05	-0.08
Private services	0.16*	0.02	-0.05	-0.06*	0.03	-0.05
Public sector	-0.11**	0.04	-0.03	-0.06*	0.01	0.04

Notes: Models control for economic growth and gender-specific non-employment rate in the base year. FGLS estimation with robust standard errors (HC3). + $p < 0.1$; * $p < 0.05$; ** $p < 0.01$.

We turn to the results for women, which are depicted in the right-hand graph in Figure 1. Female employees, too, have become less likely to change jobs within one and the same firm, but in absolute terms the rate of decline was only about half as high as for men (-0.04 as opposed to -0.08 percentage points per year; see Table 1). Since the rate of internal changes for women was lower at the beginning of the observation period, this can be summarized as a trend towards convergence on a lower level. With respect to between-firm mobility, the trends for female employees are quite similar to those for men, but clear gender differences emerge for employment exits. Exits are far more common among women as they also include career interruptions for family reasons. Over time, the exit rate for women follows an inverted U-shape, with the regression analysis indicating a relatively strong decline of 0.09 percentage points per year, net of economic growth and the unemployment rate.[6]

The key findings from the group-specific analyses are displayed in Table 1 and can be summarized as follows. We find, first, a more or less pervasive decline in the probability of within-firm changes, which is stronger for men and particularly pronounced for male employees in large firms. Men in large firms also show an increased propensity to change their employer and – in contrast to many other groups – no noteworthy decline in the cyclically adjusted non-employment risk. Taken together, these findings imply that the employment-stabilizing effects of working in a large firm have declined – which is consistent with the thesis that internal labor markets have been dismantled.

[6] In this particular case, the linear specification of the temporal trend is clearly problematic. We nonetheless chose to maintain it in the interest of a simple and compact presentation.

Second, we also observe a strong decline of within-firm changes for (male) workers with limited labor force experience, which may indicate that labor market entrants find it increasingly difficult to obtain secure "insider" positions.[7] Third, we find evidence for growing educational inequalities in between-firm mobility and the risk of non-employment. Among both men and women, low-qualified employees have become much more likely to change employers or leave employment, while both forms of external mobility have risen more slowly (and statistically insignificantly) – or even fallen – for the other educational groups. Finally, the most conspicuous result relating to sector-specific developments is that women working in the private sector have caught up with their counterparts in public service.

To examine whether and to what extent these developments reflect changes in employee composition, we now consider trend estimates for counterfactual rates of change (Parts II and III of Table 1). As noted above, we obtain these counterfactual rates by applying the coefficient estimates from year-specific mobility models to the 1984/85 sample and then averaging predicted transition probabilities for the appropriate group. We are thus able to keep the composition of employees "constant", while allowing the effects of education, labor market experience, firm size, and sector – and in the analyses summarized in Part II also employer tenure – to vary in accordance with the actual developments.

A clear picture emerges from comparing actual and counterfactual trends for men's within-firm mobility. For all groups except public employees, counterfactual rates decline more strongly than observed rates. Therefore, compositional changes cannot account for the observed decline in internal mobility; if anything, they have somewhat slowed it down. Conversely, for men's rates of between-firm mobility and exits into non-employment, compositional changes often account for a significant proportion of the observed developments. All of the statistically significant trends are attenuated when we hold employee composition constant, and attenuation tends to be greater when we control for employer tenure. This pattern is particularly noteworthy in the case of low-qualified men: when tenure is included in the transition models, the positive trends for employer changes and employment exits become very weak in the counter-

[7] An alternative and seemingly less pessimistic interpretation of this finding would be that younger cohorts have a stronger preference for (external) job mobility. Mayer et al. (2010) show that, when asked about their career goals at labor market entry, younger cohorts are less likely to report an initial desire for stability in terms of employers, occupations, and with respect to interruptions of employment. Without entering the discussion at length, we would like to point out that this result is not unambiguous in that a growing desire for mobility might reflect a lower quality of entry-level jobs – rather than independent ("lifestyle") changes in mobility preferences. In this scenario, growing preferences for mobility could at least partly be a consequence of growing difficulties at labor market entry. Clearly, further research is needed to settle this issue.

factual scenario, falling, respectively, from 0.13 to 0.02 and from 0.10 to 0.03 percentage points per year (Table 1, Parts I & II). This attenuation is much weaker, however, when tenure is not included (Part III), which implies that a substantial proportion of the increase in external mobility among low-qualified men is explained by changes in that variable. In this context, it is also worth noting that the contribution of employer tenure to rising external mobility seems to be due to a growing dispersion, rather than a general decline, of tenure levels among low-qualified men (analyses not shown).[8] In addition to growing differences *between* educational groups, we thus find evidence of an increasing polarization *within* the group of low-qualified men.

Overall, the results for female employees are very similar. Here too, compositional changes seem to have counteracted rather than reinforced the decline in within-firm changes, while having contributed to the developments for between-firm mobility and particularly to the decline in employment exits. Compositional changes also seem to play an important role in accounting for increased external mobility among low-qualified women. Unlike with men, however, the contribution of tenure is not very important here.[9]

In a final step, we examine the extent to which the trends in mobility patterns persist when – in contrast to the previous analysis – not only the changing effects of our focal characteristics, but also the changing composition of the labor force is taken into account. To this end, we regress the coefficient estimates from the year-specific mobility models on a linear time trend and our macro-economic controls.[10] Estimated time trends from these models are presented in Table 2. Again looking at men first, it turns out that the stronger declines in internal changes for medium and highly qualified employees are largely due to the association of education with the other covariates, i.e., labor force experience, firm size, and sector: once these characteristics are controlled, we no longer see a noticeable trend in the educational differentials. In relation to exits into non-employment, by contrast, the results confirm our conclusion that educational inequalities have risen – particularly when tenure is not controlled (Part II of Table 2). Finally, findings on the effects of the sector and firm size, which we here model as combined effects (interaction effects), are remarkable. These confirm, first, that the advantages of employment in large firms are diminishing. Regardless of economic sector, men working in large firms have become less likely to experience internal and more likely to experience external mobility, relative to the reference category (small firms in manufacturing), but clearly also relative to small firms in the other sectors. Strikingly, this general pattern is particularly pronounced for employees in large companies in the pri-

8 Recall that we specify a non-linear effect of tenure (see note 4).

9 The growing dispersion of tenure found for male employees is also largely absent for low-qualified women.

10 Again, we calculated one version with and one without employer tenure.

vate service sector. Again, it should be stressed here that these shifts in mobility patterns arose independently of changes in the employees' level of education and experience.

Table 2

Time Trend of the Effects from the Linear Probability Models

	Men			Women		
	Internal change	Employer change	Non-employ-ment	Internal change	Employer change	Non-employ-ment
I. Models incorporating tenure						
Education (ref. below upper secondary level)						
Vocational qualification	-0.00	-0.02	-0.07	0.00	-0.09*	-0.10*
University degree	-0.01	0.03	-0.08	0.00	-0.00	-0.07
Labor market experience (ref. 10 years)						
< = 10 years	-0.05+	-0.10	-0.02	-0.02	-0.02	-0.03
Firm size and sector (ref. industry < 2,000 employees)						
Industry. > = 2,000 employees	-0.09*	0.07	0.06	0.05	0.09	0.06
Services < 2,000 employees	-0.00	0.03	0.00	0.05**	-0.01	0.06
Services > = 2,000 employees	-0.23+	0.14	0.12*	0.03	0.05	0.05
Public sec. < 2,000 employees	-0.01	0.06	0.01	0.01	0.04	0.16*
Public sec. > 2,000 employees	-0.09+	0.07	0.04	0.10**	-0.00	0.23**
II. Models excluding tenure						
Education (ref. below upper secondary level)						
Vocational qualification	0.00	-0.06	-0.11	0.00	-0.10*	-0.13*
University degree	0.00	-0.03	-0.12*	0.01	-0.03	-0.08
Labor market experience (ref. > 10 years)						
< = 10 years	-0.05+	-0.05	-0.01	-0.01	0.03	0.03
Firm size and sector (ref. Industry < 2,000 employees)						
Industry > = 2,000 employees	-0.09*	0.04	0.06	0.04	0.09	0.05
Services < 2,000 employees	0.00	0.03	-0.00	0.05**	0.01	0.09+
Services > = 2,000 employees	-0.23+	0.13	0.10	0.02	0.08	0.05
Public sec. < 2,000 employees	-0.01	0.05	0.01	0.01	0.02	0.14+
Public sec. > 2,000 employees	-0.09*	0.05	0.05+	0.10**	-0.02	0.22*

Notes: Models control for economic growth and gender-specific non-employment rate in the base year. FGLS estimatation with robust standard errors (HC3). + p < 0.1; * p >< 0.05; ** p < 0.01.

Turning to the results for women, we again find no evidence of growing educational inequalities in relation to internal changes. For external mobility, by contrast, the impression of widening educational differentials is again confirmed, particularly with respect to the difference between women with and without vocational training. Finally, with respect to the effects of sector and firm size, the picture is quite different from that for men: there is no indication of an overproportional decline in internal mobility in large firms, including those in the service sector, where we found quite dramatic changes for men. As for the probability of employer changes, there is some indication that the stabi-

lizing effect of large employers has declined, but the trend estimates do not reach conventional significance levels. Finally, the results for employment exits confirm the earlier finding that the exit rate has declined more strongly in the private sector. It is important to note that the positive sign of the time trends for women in the public sector reflects the choice of the reference group: Time trends for observed rates (Table 1) showed a slight decline even for women in the public sector. In other words, the trends here reflect that women in the private sector have been catching up – and not that women in the public sector have been losing ground.

4. Discussion

We have studied how job-shift patterns of West-German workers have changed over the last two and a half decades. Our findings indicate that there have been clear changes in within-firm mobility. For men, and especially for those working in large firms, we document a substantial decline in within-firm job changes. These findings square well with other studies which suggest that large companies have played an important role in the expansion of subcontracting and temporary work, partly to shelter their core workforces from the consequences of increasing market volatility (e.g., Hohendanner / Bellmann, 2006). Young employees with limited labor market experience are overproportionally represented in this peripheral workforce of subcontractors and temporary workers and we have also demonstrated an above-average decline in within-firm mobility for this group. Although the decline in within-firm mobility should not be equated with a complete disappearance of internal labor markets, it does suggest that there has been some destandardization of within-firm career paths. When pondering the exact implications of the decline in within-firm mobility, it is important to note that our main findings continue to hold when we focus only on the changes that are associated with real earnings gains of over 10 percent (results not shown).[11]

A second important result of our study is that there are no comprehensive destabilization tendencies: at the aggregate level, and net of variation in macroeconomic conditions, between-firm mobility has increased slightly at most, while exits into non-employment have in fact showed some decline, particularly for female employees. Against this background, the view that globalization, sectoral change, technological progress, and other developments have prompted a comprehensive decline in employment stability is not very plausible. There is, however, at least one group of employees for whom we find clear

[11] This of course leaves the possibility that the correlation between earnings gains and job changes has weakened over time. The empirical evidence on promotions, i.e., considerable earnings gains, which do not involve job changes is inconclusive so far (Diewald / Sill, 2005) and further research is needed.

evidence of destabilization: Low-qualified employees have become considerably more likely to change employer or to leave employment. In this respect, another noteworthy finding is that, among men, the risk of unstable employment is not only increasingly unequally distributed across educational groups, but also *within* the group of low-qualified workers (Erlinghagen, 2006a).

A final insight from our analysis is that men's and women's employment trajectories have converged somewhat – which implies that gender-specific *trends* have varied in strength and sometimes even in direction – but nonetheless continue to be quite distinct. Gender differences predominate, although we do observe some general trends, in particular the destabilization among the low-educated. This was particularly evident for the development of within-firm careers, where the decline in internal job changes was more pronounced, and more clearly structured, for men. In our view, these findings demonstrate that empirical studies on employment and job mobility must take gender-specific mobility patterns into account, since opposing mobility trends may otherwise remain concealed.

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