

## Why are Scottish employees more attached to their jobs than their English counterparts ?

In a report published today by the Scottish Economic Policy Network (scotecon), differences in job mobility patterns of Scottish and English employees are examined. The study, written by Axel Heitmueller<sup>1</sup>, examines both differences in characteristics of those who change jobs and differences in the number of job changes in the two countries. Employing data from the new Scottish extension sample of the British Household Panel Survey (BHPS) the author finds that aggregate job mobility figures are an insufficient measure and that there are significant differences in mobility patterns north of the Border.

### *Key findings*

- Job mobility within the period 1999 to 2000 was relatively high. On average, 28 per cent of English and 26 per cent of Scottish men changed jobs during this period. The vast majority of these changes occurred within the same industry and occupation.
- The driving factors behind these mobility patterns are the time spent in a particular job, age, job satisfaction and firm size. Surprisingly, there seems to be no significant relationship between industry, occupation and the level of education that impacts on the likelihood of job changes.
- Most importantly, however, employees' characteristics in Scotland such as age, job tenure and family background affect job mobility differently in Scotland as compared to England.
- Further decomposition shows that English employees, given personal characteristics, are not only more mobile but would even be more mobile were they to be employed north of the border. In contrast, Scottish employees would exhibit a lower mobility rate were they to be employed in the English labour market.
- As a consequence, while the structure of the Scottish labour market increases mobility for both Scottish and English employees, differences in personal characteristics of the former makes Scots less mobile on aggregate.
- Yet, these differences are confined to men and the study suggests gender differences are to be found within rather than between countries.

Secondly, differences in the number of job changes over the same period are followed up.

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- English employees change jobs more frequently than their Scottish counterparts.
- The key forces determining the number of changes are very similar to the ones determining whether a change occurs at all. Given the relatively short time horizon of 12 months, this is not very surprising.

## *Policy Implications*

Several policy implications arise from the study.

- It has been argued that the devolution process rests its existence - among other things - on the need to address economic problems on a regional, rather than national level. Results in this paper suggest that there are indeed differences at the outset of devolution both in terms of structure and characteristics.
- While the Scottish labour market structure fosters mobility, Scottish characteristics hamper it. Therefore, restricting the analysis solely on the overall mobility rate is misleading.
- Yet, deriving an argument in favour of an independent labour market policy in Scotland based on the differences identified above seems hasty. Instead, the question should be to ask what is the appropriate rate of job mobility in Scotland and secondly, whether the relatively lower rate north of the Borders affects economic performance.
- Furthermore, some determinants of job mobility will lie within the scope of political decision-makers such as the sectoral composition or the level of skills and can be adjusted according to specific needs, but most of them do not or only do so indirectly such as age structure and family composition.

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### **Notes for editors:**

Scotecon is a network of economists based in Scotland's universities, which aims to stimulate research on the Scottish economy, particularly in those areas of interest and concern to the Scottish Parliament. Scotecon is funded by a Research Development Grant from the Scottish Higher Education Funding Council.

Copies of this report entitled 'Job Mobility in Britain: Are the Scots Different?' are available to the press from **Scotecon**, University of Stirling, FK9 4LA (e-mail: wilma.ellis@scotecon.net). A full version of the report will be available in PDF format on our website ([www.scotecon.net](http://www.scotecon.net)) from Tuesday May 20th.