

The Relationship between External Job Mobility
and Salary Attainment Across Career Stages

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Abstract

The current study examines the relationship between external job mobility and salary attainment for employees in different career stages. Based on career stage and career timeline theories, we predicted that external job mobility would generate the greatest salary benefits for early-career employees whereas external job mobility would generate fewer financial benefits for employees in mid- and late-career stages. Data collected from multiple industries in Hong Kong and the United States consistently show that, as expected, highly mobile early-career employees report significantly greater salaries than their less mobile peers do. Further, highly mobile mid-career individuals report significantly lower salaries than do their less mobile peers. Counter to predictions, for late-career employees the relationship between external job mobility and salary attainment was positive rather than negative. The article concludes with implications for future theory development and empirical research on job mobility.

Key words: Job mobility, salary, career stages

Job mobility refers to patterns of intra- and inter-organizational transitions over the course of a person's work life (Hall, 1996; Sullivan, 1999). As downsizing and restructuring have become more common (Littler, Wiesner, & Dunford, 2003), employees today realize that life-long job security within one organization may not be a realistic employment goal. The acceleration of globalization has created many new job opportunities for labor market participants that were not available decades ago but which may require external mobility to obtain (Arthur & Rousseau, 1996). Changing demographic patterns -- more two-career couples, higher divorce rates, and greater longevity -- have created even further impetus for greater external job mobility (Brousseau, Driver, Eneroth, & Larsson, 1996).

As job mobility has become a more salient feature of employees' career paths, the study of job mobility has become more central to researchers' understanding of how individuals' careers unfold (Ng, Sorensen, Eby, & Feldman, 2007). Understanding job mobility is important for organizations, too, since managing mobility into, through, and out of organizations is critical to effective human resource planning and employee skill development (Anderson, Milkovich, & Tsui, 1981; Greenhaus, Callanan, & Godshalk, 2000). Job mobility is also important at the societal level not only because it reallocates labor to areas of higher demand but also because it helps diffuse knowledge and innovation across firms and industries (Saxenian, 1996).

Researchers have become particularly interested in the role of *external job mobility* (changing organizations) in shaping people's careers. Specifically, previous research suggests that individuals who have greater external job mobility are more likely to earn higher salaries than those with less external job mobility (Brett & Stroh, 1997; Dreher & Cox, 2000; Lam & Dreher, 2004). However, while we have empirical evidence that job mobility is generally

associated with higher salary, we have much less evidence on whether that relationship is equally strong across the course of employees' careers.

Exploring the possibility that the economic returns of job mobility vary across career stages has both theoretical and practical importance. The average age of individuals in the workforce has continued to increase; according to International Labor Organization statistics, the largest segment of the working population in developed countries' today is ages 45-49. It becomes theoretically important and timely, then, for researchers to explore whether the conventional wisdom that external job mobility leads to higher salaries extends to the experiences of increasingly large numbers of mid- and late-career employees. Practically speaking, any differences in salaries which result from managers' false negative stereotypes of mid- and late-career employees undermine organizational effectiveness because financial rewards are not being allocated to the most productive workers (Ng & Feldman, 2007).

The purpose of the current study is to examine the sign and magnitude of the relationship between external job mobility and salary attainment across different career stages. Our core premise is that external job mobility will generate greater salary benefits for workers in the early career stage than for workers in mid- and late-career stages. We use career stage and career timeline theories (e.g., Lawrence, 1988; Super, 1980) as the theoretical framework for our study, and we collected multi-source data from diverse industries in both Hong Kong and the United States to test our hypotheses empirically.

Theoretical Background

Career Stages

In this article, we focus on the salary attainment of three groups of individuals: early-career, mid-career, and late-career workers (Levinson, Darrow, Klein, Levinson, & McKee, 1978;

Super, 1957). Super's (1957; 1980; 1990) life-span, life-space model suggests that individuals go through multiple stages of career development over the course of their lives: exploration and establishment (early career), maintenance (mid-career), and eventual disengagement (late career).

Early career is the time period during which individuals enter the labor market and initially explore different career opportunities and work activities (Cohen, 1991; Super, 1957).

Middle career refers to the time period during which individuals achieve some level of stability in their personal lives and some measure of achievement in their careers (Super, 1957; William & Fox, 1995). *Late career* is the time period during which individuals have passed the peak of their career achievements and are preparing for lower work involvement or the transition to retirement (Greller & Simpson, 1999; Super, 1957).

Consistent with much of the previous research in this area (Jones, Chonko, Rangarajan, & Roberts, 2007; Kim & McLean, 2008; Kumar & Giri, 2009), we define early career as having work experience of 10 years or less, mid career as having 10 to 20 years of work experience, and late career as having more than 20 years of work experience. There is no clear consensus among researchers as to how career stages should be defined or operationalized (Cohen, 1991; Morrow & McElroy, 1987). Certainly, some individuals might still see themselves as being in early career despite having accumulated numerous years of total work experience. Nonetheless, in general, the number of years of work experience has been viewed as a reasonable and objective indicator of career stage for most employees (Kumar & Giri, 2009; Tesluk & Jacobs, 1998).

External Job Mobility and Salary Attainment

External job mobility represents a career strategy that is has often been found to increase salary (Murrell, Frieze, & Olson, 1996). Human capital theory (Becker, 1964) clearly supports this prediction. Specifically, it suggests that greater work experience is generally rewarded more

highly in the labor market. By working in a variety of organizations, individuals gain a wider range of job-related skills and knowledge which prove valuable to a potential employer.

Researchers usually differentiate between two forms of knowledge, namely, declarative and procedural knowledge (Campbell, 1990). *Declarative knowledge* refers to expertise regarding facts, rules, and principles, whereas *procedural knowledge* refers to the application of declarative knowledge in practice. Both forms of knowledge are important for effective job performance; employees need to know both *what* to do and *how* to do in order to excel at their jobs. External job mobility is useful in building both kinds of human capital. For instance, diverse perspectives gained from working in different organizations help mobile workers generate and diffuse innovation. Also, by working at various jobs in different organizations, employees gain additional knowledge about how to handle clients with distinctive backgrounds and deal with colleagues from different functional areas. These enhancements in knowledge, skill, and ability help mobile workers bid up their wages higher in the labor market.

Social capital theory (Burt, 1992; Granovetter, 1973) also predicts that external job mobility leads to greater salary attainment. Social capital is the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships developed by an individual (Nahapiet & Ghoshal, 1998). Individuals who have worked in multiple organizations are more likely to have established greater numbers of social links with others in their industry and occupation. This heightened visibility in the labor market, in turn, helps highly-networked employees find out about potential job opportunities before they are formally advertised (Seibert, Kraimer, & Liden, 2001). Moreover, Lai, Lin, and Leung (1998) found that people with greater social capital had greater contact with higher-status people and that these contacts eventually resulted in high social capital individuals obtaining higher-status

jobs. Thus, social capital theory, too, suggests a positive relationship between external job mobility and salary attainment.

A positive relationship between external job mobility and salary has received general support in previous empirical research (e.g., Amuedo-Dorantes & Serrano-Padial, 2007; Sturman, Walsh, & Cheramie, 2008; Topel & Ward, 1992). At the same time, though, several studies have provided only mixed support for such a positive relationship (e.g., Fuller, 2008; Grand & Tahlin, 2002; Murrell et al., 1996). That is, while greater human capital and social capital certainly contribute to higher salaries, there are other factors which affect salary attainment as well.

The most frequently investigated of these other factors is an employee's demographic profile. For instance, Brett and Stroh (1997) and Dreher and Cox (2000) both found that the gains from engaging in external job mobility were reaped by men, but not by women. Further, Dreher and Cox (2000) found that the relationship between external mobility and salary attainment was also moderated by race; compared to other combinations of gender and race, white males were the most likely to gain salary increases by engaging in external job mobility. The theoretical rationale underlying these studies has been that gender and race are observable "surface-level" characteristics (Harrison, Price, Gavin, & Florey, 1998) which may evoke negative stereotypes and lead to pay discrimination. Consistent with this line of reasoning, we argue here that career stage is also likely to affect the strength of the relationship between external job mobility and salary attainment.

Moderating Effects of Career Stage

Career timetable theory, proposed by Lawrence (1988), suggests that there are social norms regarding where an individual should be in his/her career path at any given time. In other words, we hold general expectations about the level of career achievement which is appropriate

for individuals to have attained at different points in their lives. These generalized expectations, in turn, gradually develop into norms about whether individuals are to be considered “on track” in their careers (Shore, Cleveland, & Goldberg, 2003). Workers whose career progress is lower than the norm for their peer group often fare worse in terms of obtaining greater organizational rewards. In short, while “fast trackers” are likely to be viewed more favorably by organizations, those who have fallen behind the typical career timetable often receive lower levels of support from their managers (Shore et al., 2003).

Consistent with career timetable theory, we propose that there are social norms regarding how much mobility is considered appropriate for individuals in different career stages (Gibson, 2003; Miao, Lund, & Evans, 2009). Specifically, early-career workers are expected to have more job changes than mid- and late-career workers. The main reason why the norms about the appropriate amount of mobility differ across career stages is that employees at different career stages have distinctive sets of career goals (Gibson, 2003; Miao, Lund, & Evans, 2009).

In the early-career stage, the main tasks of individuals are learning a wide assortment of skills, establishing relationships with others at work and in the industry, and advancing to new levels of responsibilities (Super, Savickas, & Super, 1996). Through this learning process, early-career individuals are able to start defining their professional self-concepts more fully (Cron & Slocum, 1986). Because early-career individuals are still experimenting with different “futures” and trying to find the right fit for themselves (Super et al., 1996), greater job mobility is more attractive for them. We generally expect early-career individuals are more likely to explore different job options and try out different work environments (Ng & Feldman, 2007). Moreover, to the extent that early career employees have fewer children or elderly parents, external mobility is also a more feasible career strategy for them.

By the end of the establishment years, though, individuals have often achieved some level of career achievement and have secured jobs (and/or entered occupations) in which they have some competence and with which they can identify (Super, 1980). Further, as individuals enter their mid- and late-career stages, their major concerns shift to holding on to the career gains they have already achieved (Gibson, 2003). Mid-career employees have often developed at least moderate levels of identification with their companies and occupations (Slocum & Cron, 1985) and this, too, makes changing employers or career paths more difficult and undesirable. Supporting this contention, previous research suggests that job attitudes are typically higher among employees with greater work experience for three reasons: (1) they have finally found jobs for which they are a good fit; (2) they receive higher financial rewards due to greater seniority and/or job performance; and (3) expectations about work become more realistic over time (Barrick & Zimmerman, 2009; Eichar, Brady, & Fortinsky, 1991; Quarstein, McAfee, & Glassman, 1992).

Another reason why the amount of job mobility might decline over time is the establishment of “career anchors” (Schein, 1990). As individuals gain more work experience in their fields, they become clearer in their own minds about the tradeoffs they are willing to make in managing their careers. Over time, these “career anchors” give experienced workers more stability in their career paths, guide them toward jobs that are more likely to be fulfilling, and steer them away from job situations which are likely to be poor fits (Feldman & Bolino, 1997; Schein, 1990). As such, these career anchors may predispose mid- and late-career workers away from job searching or from seeking out disconfirming information about their present employment prospects (Feldman et al., 1997).

In sum, for the reasons discussed, there appear to be differences in social norms regarding external mobility across career stages. Namely, mid- and late-career workers are expected to have significantly less external job mobility than early-career workers. Consistent with career timetable theory (Lawrence, 1988), then, managers might have less favorable evaluations of, and offer less attractive salaries to, those mid- and late-career workers who change jobs frequently. While positive attributions (like “finding themselves” or ambition) are more likely to be attached to mobile early-career employees, negative attributions (like “can’t hold a job” or “has trouble fitting in”) are more likely to be drawn about highly mobile mid- and late-career employees. Thus, while high external job mobility may benefit early-career workers by building more human and social capital, it may not necessarily benefit mid- and late-career workers as much.

Hypotheses

Based on the above discussion, we make two predictions. First, consistent with the human capital theory (Becker, 1964) and social capital theory (Granovetter, 1973), we predict a positive relationship between external job mobility and salary attainment (Amuedo-Dorantes & Serrano-Padial, 2007; Sturman et al., 2008; Topel & Ward, 1992). Second, based on career timetable theory (Lawrence, 1988; Shore et al., 2003), we predict that the positive relationship between external job mobility and salary attainment will be stronger for early-career workers than for mid- and late-career workers.

While we are primarily interested in salary, we also include a second dependent variable here, namely, pay satisfaction. There has been a growing call for increased attention to workers’ subjective career success as well as to their objective career success (Ng et al., 2005), and pay satisfaction is the natural subjective analog to objective measures of salary.

Last here, as in previous empirical studies in this research area, we have included several control variables in order to rule out the possibility that differences in salary observed are a function of other factors besides job mobility. Because differences in employees' socio-demographic backgrounds can also result in salary differences (e.g., Amuedo-Dorantes & Serrano-Padial, 2007; Fuller, 2008; Grand & Tahlin, 2002; Murrell et al., 1996; Sturman et al., 2008; Topel & Ward, 1992), we included gender and education level as controls. Another possibility is that differences in salary observed could be due to differences in starting salaries, type of job (line/staff), industry, and/or performance ratings. For these reasons, four additional variables were included as control variables here as well.

Hypothesis 1: After controlling for gender, education level, job type, starting salary, industry, and supervisor-rated job performance, external job mobility will be positively related to salary (H1a) and pay satisfaction (H1b).

Hypothesis 2: After controlling for gender, education level, job type, starting salary, industry, and supervisor-rated job performance, the positive relationship of external job mobility with salary (H2a) and pay satisfaction (H2b) will be moderated by career stage. The relationships will be stronger for early-career workers than for mid- and late-career workers.

Method

Sample and Procedures

Data were collected from 2,145 respondents from 40 Fortune 500 corporations in the United States and from 2,044 respondents from 60 large publicly traded companies in Hong Kong. The data were collected under the auspices of a multi-corporation consortium whose purpose is to provide comparative HR data (e.g., turnover and compensation rates) to its

members. The participating companies were from four industries: financial services, communications, hospitality, and retailing. We sampled respondents from multiple industries and multiple nations in order to enhance the external generalizability of our findings, since previous research has identified both significant cross-national and cross-industry differences in the relationship between job mobility and wage growth (e.g., Dustmann & Pereira, 2008).

Questionnaires were sent to potential participants through their companies' mail systems. Each participant received an introductory letter from the researchers and an endorsement from the senior management of that particular company. One week after the packets were distributed, a reminder letter was sent to all participants.

Respondents were guaranteed anonymity and were provided with stamped, pre-addressed return envelopes. Participants were provided with an identification number in order to allow for matching with their performance ratings. All research subjects were assured that these identifying numbers would be used strictly for research purposes and that no specific identifying information would be shared with participating companies. The response rate to the survey was 68% for the U.S. sample and 64% for the Hong Kong sample. After removing respondents due to missing data and employees who were only working on a part-time basis, the final research sample included 1,378 U.S. and 1,202 Hong Kong employees.

Measures

The Chinese-language version of the questionnaire was used with the Hong Kong sample and the English-language version was used with the U.S. sample. These language-specific questionnaires were written and tested using standard translation and re-translation techniques (Brislin, 1980).

External job mobility. External job mobility was operationalized as the number of companies an individual had worked for over the past five years. We used a self-reported measure here because archival measures of historical job changes are seldom available from organizations (Brett & Stroh, 1997). Moreover, while current employers have accurate data on the start dates of their workers, employees themselves should have more reliable data on the frequency of their job changes before joining their current employers.

The median number of companies respondents had worked for over the past five years was 2 (both in the Hong Kong and U.S. samples). Respondents at or above the median were coded (1) as the high mobility group; respondents below the median were coded as the low mobility group (0). We used this dichotomous variable in our data analyses because the frequency distribution for this variable was skewed. The reason we did not simply classify respondents who had made no company changes as “stayers” (and all others as “leavers”) was due to range restriction on the external job mobility variable, since only 14.5% of the Hong Kong respondents and only 24 % of the U.S. respondents had made no company changes over the past five years.

Career stage. The moderator variable is career stage. Previous research has typically used ten-year periods of work experience to group employees by career stage (Jones et al., 2007; Kim & McLean, 2008; Kumar & Giri, 2009). To divide our respondents into three groups of roughly equal size, then, we classified those with fewer than 10 years of work experience as early career (N = 384 HK, N=475 US), those with 10 -20 years of work experience as mid career (N = 417 HK, N=462 US), and those with more than 20 years of work experience as late career (N = 401 HK, N = 441 US).

Annual salary. The primary dependent variable in this study was total annual salary. Along with base salary, other forms of taxable income (e.g., commissions and bonuses), excluding fringe benefits (e.g., life insurance and pension), were summed for each individual and rounded to the nearest thousand. We performed a log transformation on this variable and used the log form when examining the statistical significance of the results. This is a common transformation with compensation data because the associated frequency distributions are often positively skewed (Dunlap, Chen & Greer, 1994). Cash compensation was measured in U.S. dollars for the U.S. sample and in Hong Kong dollars for the Hong Kong sample.

Pay satisfaction. The second dependent variable we measured was pay satisfaction. Here we operationalized the construct with the Heneman and Schwab's (1985) Pay Satisfaction Questionnaire. The alpha was .93 in the U. S. and .91 in Hong Kong.

Control variables. As noted earlier, we used six control variables. *Gender* was self-reported and coded as 0 = male, 1 = female. *Education level* was coded in terms of postgraduate degree attainment (0 = no, 1 = yes). *Job type* was coded as staff (coded 0) or line (coded 1). *Industry* was coded 1 for financial services and 2 for all others. *Starting annual salary* was measured as the annual salary of the first career. We predicted that starting salary would be positively correlated with subsequent pay levels.

To help sort out the effects of career stage on salary from those associated with merit, we also controlled for *job performance* in the present study. Respondents were asked to give a copy of a performance evaluation form to their immediate supervisors. The supervisors then provided data on the job performance of their subordinates and returned these performance ratings directly to the researchers in pre-addressed return envelopes. All supervisors were guaranteed anonymity

and ensured that the performance data being collected were for the sole purpose of this research project. The alpha was .92 in the U.S. and .91 in Hong Kong.

Results

Table 1 shows the means, standard deviations, and correlations among the variables for the U.S. and Hong Kong samples. Before formally testing our hypotheses, we used confirmatory factor analysis to examine the factor structure of the job performance and pay satisfaction measures in the both the Hong Kong and U.S. samples. A test of a two-factor model (job performance and pay satisfaction) across both groups yielded a comparative fit index (CFI) of .97 and an incremental fit index (IFI) of .97. These results indicate that the factor structure, specifying the unidimensionality of all the measures, was consistent across both data sets.

Multivariate analysis of covariance (MANCOVA) was used to conduct an omnibus test examining the dependent variables (total salary and pay satisfaction) simultaneously. For the U.S. sample, the MANCOVA results showed significant main effects for external job mobility (Wilks' lambda = .90, $F = 10.06$, $p < .001$) and career stage (Wilks' lambda = .94, $F = 6.82$, $p < .001$). There was also a significant two-way interaction effect (mobility x career stage; Wilks' lambda = .92, $F = 2.82$, $p < .001$). Similar results were observed for the Hong Kong sample; the MANCOVA results showed significant main effects for external job mobility (Wilks' lambda = .91, $F = 10.01$, $p < .001$) and career stage (Wilks' lambda = .92, $F = 8.36$, $p < .001$), and a significant two-way interaction effect (mobility x career stage; Wilks' lambda = .96, $F = 2.68$, $p < .001$). As shown in Table 2, each dependent variable was also analyzed separately using ANCOVA.

Hypothesis 1 predicted that, after controlling for potentially confounding factors identified earlier, external job mobility is positively related to salary attained (H1a) and pay

satisfaction (H1b). Supporting H1a, we found that the “high mobility” group received higher salaries than the “low mobility” group in both Hong Kong ($F = 9.44, p < .001$) and the U.S. ($F = 8.75, p < .001$). However, we found that the high mobility and low mobility groups did not have significantly different levels of pay satisfaction. Thus, H1b was not supported.

Hypothesis 2 predicted that, after controlling for potentially confounding factors identified above, the positive relationships of external job mobility with salary (H2a) and pay satisfaction (H2b) would be stronger for early-career workers than for mid- and late-career workers. The results provide partial support for H2a.

Consistent with our hypothesis, early-careers individuals who were more mobile, both in the US and Hong Kong, received significantly higher salary than did their less mobile counterparts (Scheffe, $p < .05$). Also consistent with our hypothesis, mid-career individuals who were highly mobile, both in the US and Hong Kong, attained significantly lower salary levels than less mobile peers (Scheffe, $p < .05$). In addition, we found that there were significant two-way interaction effects (career stage x mobility) on salary attainment for both the Hong Kong ($F = 14.84, p < .001$) and U.S. ($F = 11.64, p < .001$) samples. Figures 1 and 2 present the covariate-adjusted interaction effects in graphical form for each sample.

However, while we found general support for our prediction that career stage moderated the relationship between external job mobility and salary, we did find one unexpected result here. Contrary to our prediction, though, highly mobile late-career employees (both in the US and Hong Kong) received significantly higher salaries than did their less mobile counterparts (Scheffe, $p < .05$).

Hypothesis 2b was not supported. In the two-way interaction analyses (ANCOVA), career stage and external job mobility had no significant interaction effects on pay satisfaction in

either the U.S. ($F = 1.11$, n.s.) or Hong Kong samples ($F = 1.86$, n.s.) Thus, to the extent that career stage plays a moderating role in the relationships between external job mobility and career outcomes, the effect is more evident on salary than on pay satisfaction.

Discussion

The purpose of the current study was to examine the moderating effects of career stage on the relationships between external job mobility and career outcomes. Several conclusions can be drawn from our study. First, consistent with previous research (e.g., Amuedo-Dorantes & Serrano-Padial, 2007; Sturman et al., 2008; Topel & Ward, 1992), external job mobility was found to be significantly and positively related to salary attainment. Second, career stage is a significant moderator in the mobility – salary relationship. Third, the nature and strength of the relationship depends on whether workers are in early-, mid-, or late-career stage. While highly mobile early-career individuals reported higher salaries than their less mobile peers, highly mobile mid-career individuals actually reported lower salaries than did their less mobile counterparts.

Surprisingly, we also found a positive relationship between external job mobility and salary for late-career workers. That is, individuals who were in the late-career stage appeared to *benefit* from an external job mobility strategy; late-career movers who were more mobile attained higher salaries than their less mobile peers. This finding was unexpected, given that previous research suggests that late-career employees are often viewed as a group with declining commitment to the workforce (Super et al., 1996) and are penalized accordingly (Fuller, 2008). There are at least two explanations for this finding. First, as individuals see the end of their careers in sight, job stability becomes a higher priority (Gibson, 2003). Consequently, there may be a shortage of highly-experienced workers in an industry who are excited about re-entering the

external labor market. In order to attract these experienced workers, organizations might be forced to pay higher salaries to recruit them away from their current employers. Second, late-career employees may only be willing to switch employers if the salaries offered by other employers are substantially higher than what they currently make. As a result, the marginal gains which late-career employees can derive from external mobility might be much greater than the marginal gains which mid-career employees can derive.

Differences in returns from external mobility for late-career workers and mid-career workers may also be due to organizational estimates of how long these newly-acquired employees are likely to remain. In the case of mid-career employees who have already been highly mobile, organizations may be reluctant to pay top dollar because these employees still have many years ahead of them in their careers and are likely to move once again (Barrick & Zimmerman, 2009). On the other hand, organizations typically assume late-career employees are less likely to move in the future and that the new positions being offered are likely to be their last positions.

The results here suggest that external job mobility was not related to employees' pay satisfaction and that career stage did not moderate that relationship. On one hand, these findings are consistent with previous research which suggests that objective and subjective measures of career success have very different correlates (Ng et al., 2005). On the other hand, the null results here may indicate that workers' satisfaction with pay depends more heavily on other factors, such as expectations about pay raises, social comparisons, perceptions of justice, and the attractiveness of other non-monetary incentives received (Heneman et al., 1985). For example, in Table 2, the results suggest that the control variables we used in this study – gender, staff/line, education, industry, and performance ratings – were all more significantly related to pay

satisfaction than career stage and external job mobility were. Further research is needed, then, to examine why employees are motivated to change jobs if external job mobility does not necessarily enhance their satisfaction with pay.

Finally, it is important to point out that the interpretations of the findings reported in this study have to be tempered by some limitations of the present study. First, while we categorize workers into early-, mid-, and late-career workers based on their amount of work experience, it is possible that other operationalizations of career stage (e.g., job tenure, employees' subjective perceptions of their career stage) might have yielded somewhat different results (Cohen, 1991; Morrow & McElroy, 1987). Second, like other researchers (Brett & Stroh, 1997; Murrell et al., 1996), we used several self-reported measures and some common method bias might be present. However, because several of our variables were not entirely attitudinal or perceptual in nature, the effects of common method bias might be less here. Last, we did not have direct measures of the reasons employees make job changes or how they went about looking for external job opportunities (Delfgaauw, 2007). Future research should measure these implicit explanatory variables more explicitly.

Conclusion

This study highlights the importance of examining moderators in the relationship between external job mobility and salary attainment. In the current career landscape, developing a stronger understanding of the circumstances under which job changes benefit or hinder employees' compensation is critical. We hope that the current study provides a useful foundation for future research on the differential effects of job mobility on salary across career stages and further consideration of other potential individual- and situational-level moderators.

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Table 1. Means, Standard Deviations, and Correlations among Study Variables.

Variables	U.S.	U.S.	H.K.	H.K.	1	2	3	4	5	6	7	8	9
	Mean	s.d.	Mean	s.d.									
1. Staff/line ^a	.43	.49	.42	.49	–	-.26**	.04	.03	.08	-.06	.01	-.27**	-.10
2. Gender ^b	.52	.49	.54	.50	-.30**	–	.04	-.06	-.24**	-.04	-.27**	-.06	-.01
3. Education ^c	.21	.43	.23	.44	.08	.03	–	.04	.06	.06	.22**	.05	-.01
4. Industry ^d	1.66	.48	1.64	.47	.03	-.05	.03	–	.06	-.02	-.26**	-.05	.03
5. Career stages ^e	2.09	.86	2.11	.88	.05	-.23**	.05	.04	–	.04	.56**	.38**	-.22**
6. Starting salary ^f	3.39	.05	4.24	.04	-.04	-.05	.06	-.04	.05	–	.40**	.03	.02
7. Current salary ^f	3.83	.06	5.70	.11	.06	-.26**	.20**	-.22**	.52**	.38**	–	-.01	.01
8. Job performance	3.28	.84	3.31	.88	-.25**	-.06	.05	-.05	.23**	-.03	-.07	(.90)	-.21**
9. Pay satisfaction	3.76	.84	3.62	.90	-.17**	-.06	-.04	.02	-.18**	.08	-.06	-.16**	(.90)

N=1,378 (U.S.), N=1,202 (H.K.)

U.S. sample correlations are on the upper diagonal and H.K. sample correlations were on the lower diagonal.

^a 0=staff, 1=line

^b 0=male, 1=female

^c 0=no postgraduate degree 1=with postgraduate degree.

^d 1=financial services, 2=communications, hospitality, and retailing.

^e 1=early stage, 2=mid stage, 3=late stage.

^f log transformation on starting and current salary

Cronbach's alphas appear on the diagonal for multiple-item measures of the combined U.S. and H.K. samples.

* $p < .05$., ** $p < .01$

Table 2. F-statistics of ANCOVA for Mobility and Career Stage

	Current Salary		Pay Satisfaction	
	<u>U.S.</u>	<u>H.K.</u>	<u>U.S.</u>	<u>H.K.</u>
<i>Covariates</i>	8.24**	9.37**	5.26**	5.06**
Gender	10.61**	11.48**	8.42**	7.77**
Staff/line	4.11*	4.31*	4.02*	2.02
Education	8.08**	9.11**	4.12*	5.72*
Industry	7.44**	10.28**	8.48**	9.11**
Performance	10.02**	11.78**	8.21**	7.44**
Starting annual salary	13.41**	11.76**		
Current annual salary			9.76**	8.72**
<i>Main effects</i>				
Career stage	19.22**	20.32**	1.21	0.72
External job mobility	8.74**	9.41**	1.23	1.21
<i>Interactive effects</i>				
Career stage X mobility	11.62**	14.81**	1.09	1.83

* p<0.05.

** p<0.01.

FIGURE 1

**Current Salary (Log) Predicted by
Career Stage and Mobility (U.S. Sample)**

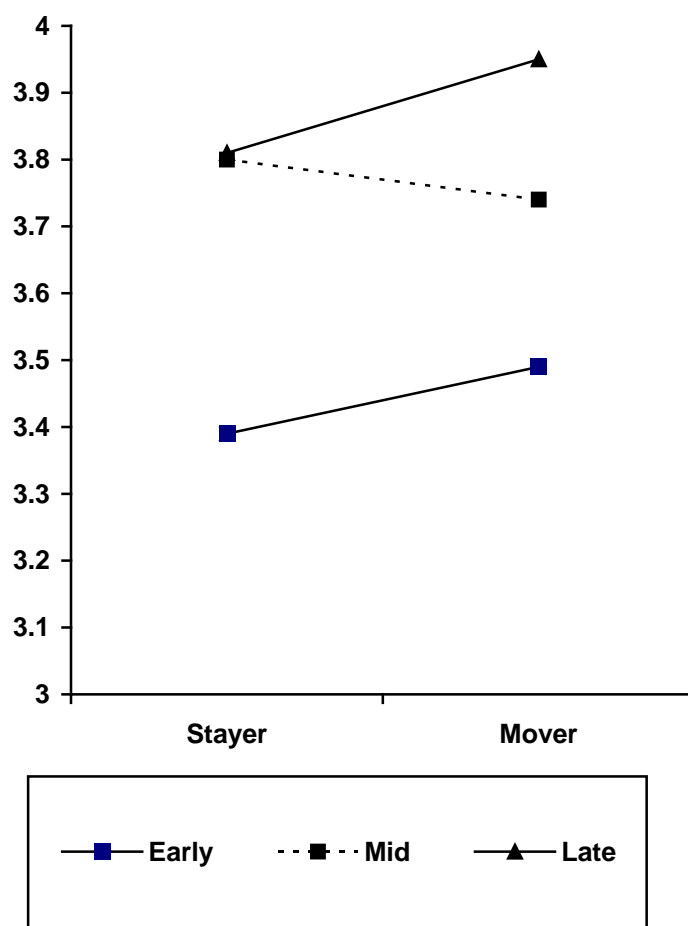


FIGURE 2

**Current Salary (Log) Predicted by
Career Stage and Mobility (Hong Kong Sample)**

