An Exploratory study on factors influencing customer decision making: a case of fuel retailing industry

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Present paper addresses the effect of the labor flow between companies on firm productivity. Several studies found knowledge spillovers between firms, which can be observed in firm performance (e.g. productivity). An obvious channel of knowledge transfer is labor mobility between companies, since moving employees bring their human capital to another firm, enhancing its productivity.
Our hypothesis is that the difference in productivity of the sending and receiving firms basically influences the effect of labor flows on the productivity of the receiving firm. We also assume that there is a difference between labor flows from related and non-related industries in terms of their effect on firm productivity, because the industry-specific skills of employee's matter in organizational learning. We additionally hypothesize that organizational culture also matters: the new employee can exert more positive effect in a firm with similar ownership or size, because of the familiarity with the new work environment.
We have access to an anonimized employer-employee linked panel database for years 2003-2011, which integrates data collected by the Hungarian health, pension, treasury, tax and education authorities. Relative productivity of the sending and receiving firm is standardized by the average productivity of the sending and receiving industries. To identify the similarities in skills needed in various industries, we construct the skill relatedness network of industries based on intercompany mobility of employees in the data. Related and non-related labor inflows are distinguished in order to measure their effects on firm performance. Beyond information from the firms' financial statements, further explanatory variables include relative productivity, company size, and ownership structure of the firm of origin.
First results suggest that mobility from more productive firms has a positive effect on firm productivity. Labor flows from skill-related industries, and particularly from the same industry outperform other labor flow categories in increasing firm productivity. These effects are magnified by the relative size of labor inflow. The effects of ownership structure and size of the sending firm are significant in the bivariate analysis, but in the multivariate models, these effects are mitigated by the relative productivity effect.

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