Employee Mobility and Organizational Outcomes: An Integrative Conceptual Framework and Research Agenda

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A large and growing literature spanning multiple fields has identified employee mobility as a critical influence on several important organizational outcomes. However, extant research on the topic is highly fragmented and lacks a unifying theoretical framework, impeding the development of a cumulative conceptually integrated body of research. We seek to remedy this situation by undertaking a review of research on employee mobility and its organizational impacts and casting it within a novel integrative conceptual framework. As a critical foundation for this framework, we highlight how the various organizational impacts of employee mobility are ultimately engendered by different dimensions of human and/or relational capital that are conveyed by mobile individuals. Building on this foundation, we describe how multilevel contextual factors—characterized as attributes of the employee, source and destination firms, and environmental conditions—may moderate the transfer and utilization of human and relational capital held by mobile individuals. Finally, we review how constraining factors, such as labor market imperfections on both demand and supply sides, can impede employee mobility and also how alternative competing channels—for example, alliances, networks and geographic spillovers, and acquisitions—may be used for effectuating the same organizational impacts as mobility events. These constraints and competing channels are important because they circumscribe the conditions under which employee mobility can be a critical influence on organizational outcomes. We seek to provide a rich integrative theoretical understanding of employee mobility and spur future research on important unanswered research questions.

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Introduction

Over the last two decades, a significant research literature has emerged about the interorganizational movement of personnel and its substantial individual-level, organizational, and societal impacts. Inquiry into this phenomenon has spanned diverse fields, including economics, human resource management (HRM), strategic management, and sociology. However, while each of these respective research streams has provided valuable insights into the antecedents and consequences of the interorganizational movements of talent, the result is a research literature on employee mobility that is highly fragmented and disorganized.

Despite its lack of coherence, literature on employee mobility is of particular interest to strategy and management scholars because the interorganizational movement of personnel affects important organizational outcomes, such as innovation (e.g., Rao & Drazin, 2002; Song, Almeida, & Wu, 2003), learning (e.g., Rosenkopf & Almeida, 2003; Singh & Agrawal, 2011), capability acquisition and divestiture (e.g., Agarwal, Echambadi, Franco, & Sarkar, 2004), market entry (Boeker, 1997), relationship management (e.g., Broschak, 2004; Carnahan & Somaya, 2013; Somaya, Williamson, & Lorinkova, 2008), and even firm failure (e.g., Phillips, 2002; Wezel, Cattani, & Pennings, 2006). Building on Arrow’s observation that the “mobility of personnel among firms provides a way of spreading information” (1962: 615), both scholars and industry practitioners alike have recognized that successfully navigating the market for human resources (HR) can be an important driver of firm competitive advantage (Barney, 1991; Cappelli, 2000; Gardner, 2002; Michaels, Handfield-Jones, & Axelrod, 2001).

Moreover, ongoing technological, societal, and economic changes are accelerating the tendency for employees to switch employers (Cappelli, 2000; Henderson & Bierman, 2009) and increasing the intensity with which firms compete over high caliber talent (Coff, 1997; Gardner, 2005). Additionally, employees have become increasingly strategic in managing their careers by building human capital and developing relationships (Arthur & Rousseau, 1996; Bidwell & Mollick, in press), which allows them to increase their interorganizational mobility and to capture a greater share of economic rents that they help to create.

Despite the importance and increasing salience of employee mobility for management theory and practice, the extant literature on the topic lacks a unifying conceptual structure. Research has typically adopted somewhat ad hoc theoretical lenses to study the organizational impacts of mobility, often reflecting the predilections of the researchers’ home fields, with the result that valuable opportunities to examine alternative or complementary perspectives may be missed. Thus, the lack of a shared understanding among researchers can become a significant handicap in developing a cumulative, conceptually integrated body of research that builds systematically on prior evidence and theory and exposes unanswered questions about employee mobility that require additional study. Our goal in the current review is to address this lacuna by aggregating and organizing the literature on the organizational impacts of employee mobility into a coherent conceptual framework. We expect this review to provide
management scholars with a comprehensive and theoretically informed view of this rapidly growing field of research, which we hope will also stimulate new and exciting avenues for future work.

**Conceptual Framework of Employee Mobility**

Conceptually, our review considers critical mechanisms and consequences of employee mobility within an integrative conceptual framework, which we present in Figure 1. We first focus on the “content” of what mobile employees convey or transfer when they move, which allows us, in turn, to understand how the movement of employees can have organization-level impacts. We propose, on the basis of the preponderance of extant research, that these knowledge and resource transfers can primarily (if not exclusively) be characterized as the human capital and relational (or social) capital residing in and transferred by mobile individuals, which are in turn the central mechanisms through which employee mobility affects organizational outcomes.

However, research shows that the human capital and relational capital conveyed by mobile employees affect firms in different ways. Indeed, the precise organizational impacts of mobile employees will depend largely on which types of human or relational capital are transferred and play significant roles when they move between firms. Therefore, and second,
we review research that investigates how the various organizational impacts of employee mobility are engendered by different dimensions of knowledge, skills, and experience (i.e., human capital) and/or relationships and networks (i.e., relational capital) that are attached to the individuals or groups of individuals who move. Inter alia, we identify three principal organizational impacts of employee mobility—individual and unit-level resources, technological knowledge spillovers, and relationship advantages and disadvantages—and identify the human and relational capital mechanisms that underlie them.

Building on this foundation, we extend our framework through two main sets of constructs (illustrated in the bottom and top panels of Figure 1, respectively) that influence the impacts of human and relational capital described above. First, we examine the importance of individual, firm-level, and environmental attributes in shaping how mobile individuals affect organizations. In other words, employee mobility does not occur in a vacuum, and the impacts of the human and relational capital transferred by any mobility event are conditioned by the specific multilevel context in which mobility occurs. Second, we examine factors that, respectively, constrain employee mobility and provide alternative “competing” channels by which firms may experience the same performance impacts that mobility may create. Thus, if mobility is significantly constrained by labor market frictions, or if other mechanisms, such as informal professional networks or regional knowledge spillovers, convey the same benefits as those transferred by mobile individuals, then employee mobility is less likely to, respectively, occur or have a significant impact on firm-level outcomes. It is important, therefore, to understand how these constraining and competing factors may impinge on employee mobility and/or organizational outcomes and integrate them into our overall framework.

In summary, our conceptual framework in Figure 1 provides an overall logic for when and why employee mobility may affect key organizational outcomes. First, in order for mobility to have organizational impacts, employees should have limited constraints on their mobility so that it is possible for a firm to attract one or more employees from other firms. Second, employees must bring with them the required human and/or relational capital required that enables firms to acquire the resources or capabilities that are likely to engender the desired organizational outcomes. Third, the context conditions must be right—that is, the firm must be able to attract the right type of individual under the right organizational and environmental conditions, which leads to the effective transfer of human and/or relational capital and enactment of the types of benefits sought. And last but not least, mobility is valuable only when it is able to transfer resources (net of costs) more effectively than other channels that the firm can access.

Before moving into the main body of this review, we should note that our orientation is more towards strategic management than other academic fields, which also reflects the development of the extant literature on employee mobility and its impacts on firm-level outcomes. While we acknowledge the large related literature in HRM on the drivers and consequences of turnover, this literature has been reviewed elsewhere (e.g., Griffeth, Hom, Gaertner, 2000; Hancock, Allen, Bosco, McDaniel, & Pierce, 2013; Huselid, 1995; Wright & Boswell, 2002) and has generally been concerned with the microlevel (typically psychological) motivations for turnover and the organizational impacts of turnover per se, rather than the movement of individuals from one firm to another. We draw from the HRM literature where relevant, but our goal is to help inform macrolevel strategic management scholarship on the drivers and impacts of employee mobility. We are also selective with the literature on
entrepreneurial “spin-outs”—in which new ventures are established by mobile employees—and incorporate only those studies which, after a careful review, have clear relevance to the employee mobility literature.

The Content of Employee Mobility: Human and Relational Capital

The ways in which employee mobility affects organizations derives ultimately from the human or relational capital that mobile individuals convey when they move. In extant mobility research, different aspects of human and relational capital are often selectively invoked to explain how mobility affects organizations; however, there has been little attempt to systematically compare and relate different dimensions of human and relational capital to their respective implications for employee mobility and its organizational impacts. Therefore, in this section, we catalog the different dimensions of human and relational capital that may transfer with mobile employees and then examine how important organization-level outcomes arise from the transfer of different aspects of human and relational capital through employee mobility.

Human Capital

Human capital comprises the various dimensions of knowledge, skills, and expertise held by individuals that are gained through education, training, and experiential learning (Becker, 1975; Coff, 2002; Hatch & Dyer, 2004). Systematic thinking about the different dimensions of human capital can be traced back to Becker’s (1964) pioneering economic analysis of the differences between general human capital and firm-specific human capital (FSC). General human capital, by definition, consists of knowledge and skills that are applicable to many firms, whereas FSC is applicable only to a particular firm (e.g., Malos & Campion, 2000). As a result of the limited general applicability of FSC, and the corresponding mobility barriers it creates, strategy scholars often consider FSC as a necessary condition for sustaining competitive advantages from HR (Barney, 1991).

Over the last couple of decades, scholars have expanded on this typology of human capital and, in particular, classified general human capital into subcategories, such as managerial (or executive) human capital, industry-specific human capital, partner-specific human capital, and occupational or profession-specific human capital. Managerial human capital is shaped by individuals’ education and career experience and allows those individuals to provide strategic direction, implement organization-wide routines and capabilities, and convey organizational values to, and motivation for, employees (Gioia & Thomas, 1996). Industry-specific human capital consists of an individual’s repertoire of skills that are primarily applicable to other firms in the same industry (Castanias & Helfat, 1991, 2001). Employees with prior experience working with specific external partners, such as clients, suppliers, or alliance partners, may also develop human capital that is partner specific (Dyer & Singh, 1998; Mayer, Somaya, & Williamson, 2012), which is linked to their relational capital (see below). Finally, individuals may be members of an occupation or profession, such as law or accounting, and hold specialized knowledge and skills relevant to that profession but applicable to many firms, which is referred to as professional or occupation-specific human capital (Mayer et al.).
Human capital may also be differentiated in terms of overall quality or ability. Employees who are disproportionately productive relative to average performers in their field and typically hold superior education, skills, and experience are often referred to as “stars,” who are in turn also often very mobile (Groysberg, Lee, & Nanda, 2008; Teece, 2003). Another important dimension of the content of human capital relates to mobile individuals’ knowledge about specialized routines and processes (Dokko, Wilk, & Rothbard, 2009; Wezel et al., 2006), which can be particularly valuable for interorganizational learning and capability development. Similarly, individuals may hold tacit knowledge about specific technologies or inventions that is often very valuable to other firms (Herstad, Sandven, & Ebersberger, 2015; Palomeras & Melero, 2010). Last but not least, organizational imprinting may lead mobile individuals to have different cognitive maps or logics about environmental realities, behavioral norms, goals, and strategic priorities that may influence the recipient firm (Beckman, 2006; Stinchcombe, 1965).

**Relational Capital**

Relational capital of employees can be defined as “a set of resources rooted in relationships” (Nahapiet & Ghoshal, 1998: 243) that can generate economic advantages for firms (Adler & Kwon, 2002). A key distinction between human and relational capital is that while human capital is essentially held and controlled by the individual, relational capital is shared between the individuals connected by the relationship(s). Consequently, while an individual’s human capital typically transfers with him or her to the destination firm (even if the destination firm is unable to access and create value from it), relational capital is not guaranteed to transfer with the individual and depends importantly on choices exercised by the alter with whom the relationship is shared (e.g., Rogan, 2014). Additionally, employee mobility can both disrupt (e.g., Broschak, 2004; Carnahan & Somaya, 2013) and help create (e.g., Somaya et al., 2008) relational capital because the displacement of the individual from one role and organization to another fundamentally changes the set of potential relationships that he or she can engage in.

As with human capital, there are several dimensions to the types of relational capital that are relevant to the organizational impacts of mobile employees. First, drawing on Nahapiet and Ghoshal (1998), relational capital may be categorized into three dimensions: *structural, relational* (or *normative*), and *cognitive*. Structural relational capital relates to the attributes of the network of connections that individuals have, such as type, hierarchy, and density of connections, and the position of that individual within that network. In turn, structural relational capital affects the amount and types of information that individuals receive, which can be important for uncovering and exploiting new opportunities (Burt, 1997; Rogan & Mors, 2014). The normative (relational) dimension of relational capital refers to reciprocity, obligations, and mutual trust that can both facilitate and safeguard interactions and transactions between individuals over time (Kale, Singh, & Perlmutter, 2000). Finally, relational capital may hold *cognitive* attributes in terms of shared representations, meanings, values, and language, which can be important for mutual understanding and coordination of work between individuals and organizations.

Another important distinction is that between internal and external relational capital (Adler & Kwon, 2002; Somaya et al., 2008). Internal relational capital relates to relationships and networks within an organization that often develop naturally through close
working relationships between employees and is typically important for the functioning and productivity of the organization (Dess & Shaw, 2001), as well as its long run competitive advantages (Nahapiet & Ghoshal, 1998). A special case of internal relational capital arises at the team level, which is developed through interdependence and socialization among team members and is often critical for the performance of the team and its members (Campbell, Saxton, & Banerjee, 2014; Groysberg et al., 2008; Huckman & Pisano, 2006). External relational capital, on the other hand, relates to relational assets shared between individuals and external constituents, such as clients, alliance partners, and professional networks. While internal relational capital is typically developed by every employee within an organization, external relational capital is more likely to be held by employees with external facing roles—so-called exchange managers—and affects firm outcomes by fostering finer-grained knowledge sharing, stimulating organizational learning, and strengthening interfirm relationships (Broschak, 2004; Dyer & Singh, 1998; Somaya, et al.).

While we have highlighted several dimensions of human and relational capital here, the list is not meant to be exhaustive. Instead, it is our goal to illustrate a general approach—with many specific examples—that is valuable for understanding the organizational impacts of employee mobility. Secondly, it is important to recognize that these attributes are not meant to occur in a mutually exclusive manner. For example, individuals who are considered stars are also often associated with high levels of general (typically occupational) human capital and with prominent positions in relational networks, all of which jointly enhances their mobility and value to recipient firms (Cappelli, 2000; Carnahan, Agarwal, & Campbell, 2012; Teece, 2003). Similarly, executives holding superior managerial human capital also typically hold deep levels of industry-specific expertise (Castanias & Helfat, 1991), which can limit the transferability of their skills. The joint occurrence of different types of human and relational capital in mobile employees creates significant challenges for distinguishing between alternative mechanisms by which mobility affects organizations, and many research opportunities remain in clarifying and understanding the interactions between these mechanisms. We summarize the key dimensions of human and relational capital that may be conveyed through employee mobility in Table 1.

Organizational Impacts of Employee Mobility

We now turn to examining how the content of employee mobility, as described above, affects different organization-level outcomes. Ultimately, each of these impacts can be conceptualized as changes in resources or capabilities of one form or another, and the sections that follow seek to delineate categories of these firm-level assets that have been investigated in different streams in the literature. Consistent with this research, our study largely focuses on how employee mobility affects recipient firms, but we also examine the impacts on losing firms in cases where the literature sheds light on them. Where absent, the implication from prior work typically is that the other (losing/gaining) firm will experience symmetric effects; thus, if one firm gains new skills, knowledge, or relationships, then the other will lose these assets (or at least their exclusive use), and if mobility results in the creation of new relational capital between the losing and recipient firm, then both firms will benefit. However, in many research contexts, the systematic investigation of these symmetric effects remains an under-explored opportunity.
Transfers of individual and unit-level resources. In some cases, the firm’s goal in hiring a mobile employee is to simply acquire the ability to deliver performance that is presumed to be held by the individual, such as by a senior executive or star employee. Thus, the expectation is that these individuals will bring significant general human capital—often conceptualized as managerial or occupational in nature—such that they can become valuable contributors to their new organization (Campbell, Coff, & Kryscynski, 2012; Groysberg et al., 2008; Teece 2003).

However, research findings generally cast doubt on the ability of organizations to fully reap the expected performance benefits from these types of hires. A principal challenge appears to be that even the general human capital of these individuals does not deliver performance in a vacuum and relies critically on other aspects of their human and relational capital that may not transfer when they move. For example, they may hold significant levels of industry-specific human capital or FSHC (Castanias & Helfat, 1991; Huckman & Pisano, 2006), their performance may be substantially embedded in internal team-level relational capital (Campbell et al., 2014; Groysberg & Lee, 2009), or their human capital may be complementary with resources and information that are accessed through internal and external relational capital that is disrupted (and not immediately replaced) when they move to a new organization (Groysberg et al.).

In other cases, by contrast, firms seek to use mobile employees to build and diffuse new organizational capabilities by transferring organizational routines and practices borrowed

<table>
<thead>
<tr>
<th>Key Dimensions</th>
<th>Content of What the Employee Transfers Between Firms</th>
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<tbody>
<tr>
<td>Human Capital</td>
<td>• Tacit knowledge of specialized routines, processes, and technologies (Dokko, Wilk, &amp; Rothbard, 2009; Herstad, Sandven, &amp; Ebersberger, 2015; Palomeras &amp; Melero, 2010; Song, Almeida, &amp; Wu, 2003; Wezel, Cattani, &amp; Pennings, 2006)</td>
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<td></td>
<td>• Managerial/strategic capabilities, superior occupational knowledge (Boeker, 1997; Kraatz &amp; Moore, 2002; Teece, 2003)</td>
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<tr>
<td></td>
<td>• Behavioral norms, codes, and values (Beckman, 2006; Gioia &amp; Thomas, 1996)</td>
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<tr>
<td>Relational Capital</td>
<td>• Resources accessed through network ties and information flow; reciprocity, obligations, and safeguards; shared representations, values, and language (Burt, 1997; Kale, Singh, &amp; Perlmutter, 2000; Rogan &amp; Mors, 2014)</td>
</tr>
<tr>
<td></td>
<td>• Maintaining existing internal relationships (e.g., teams; Campbell, Saxton, &amp; Banerjee, 2014; Dess &amp; Shaw, 2001; Groysberg et al., 2008; Huckman &amp; Pisano, 2006)</td>
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<tr>
<td></td>
<td>• Porting of external relationships (e.g., market ties; Broschak, 2004; Somaya, Williamson, &amp; Lorinkova, 2008)</td>
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</table>
from the employees’ previous organization. Tacit knowledge about such routines and a deep
cognitive understanding of the organizational logic within which they operate are critical
components of the mobile employees’ human capital that enable the transfers of these types
of organizational capabilities. Where successful, employee mobility can have a dramatic
effect in helping firms overcome resource constraints and capability deficits, as shown by
research in the U.S. mutual fund industry (Rao & Drazin, 2002). Similarly, the mobility of
executives has been associated with the establishment of new higher order routines and pro-
cesses (Kraatz & Moore, 2002), and in combination with their deep industry knowledge
(Castanias & Helfat, 1991), it is influential in their new firms’ strategic moves into new
product markets (Boeker, 1997). However, research has also shown that personnel inflows
from different sources may reinforce rather than change firms’ existing ways of organizing
(Madsen, Mosakowski, & Zaheer, 2003), suggesting the need for a more careful analysis of
the contingencies affecting these organizational impacts.

The transfers of routines and systems that underlie organizational capabilities have been
shown to have competitive implications for both destination and source firms. While the
destination firm learns new routines and develops capabilities through the mobile employee,
the source firm is then likely to face stronger and more direct market competition from its
rival. A study in the U.S. National Football League showed, for example, that by losing
employees that transferred key routines to another team, the focal organization became less
competitive against the acquiring one (Aime, Johnson, Ridge, & Hill, 2010). In several other
studies, spanning the U.S. legal services industry (Campbell, Ganco, Franco, & Agarwal,
2012; Phillips, 2002) and the Dutch auditing industry (Wezel et al., 2006), these competitive
effects were so strong as to increase the likelihood of dissolution of the source firm, and this
result was found to be especially so when employees move together, to a close rival, or to
found a new firm (which highlights the important contingent effects surrounding mobility
that we review below).

Allied to these impacts of employee mobility on individual and unit-level capabilities, we
outline two further special cases: the transfers of technological knowledge related to the
movement of scientific personnel and the relational advantages and disadvantages created by
employee mobility.

**Technological knowledge spillovers.** One of the most explored areas in employee mobil-
ity research relates to the spillover of technological knowledge and its impacts on firms’
innovation trajectories, which is often measured by using patent and patent citation data. This
type of knowledge spillover generally relates to the technical and scientific details of tech-
nologies invented in the source firm, and mobile employees may be particularly effective in
transmitting the tacit knowhow-related aspects of such knowledge (Almeida & Kogut, 1999;
Hoisl, 2007; Lacetera, Cockburn, & Henderson, 2004; Maliranta, Mohren, & Rouvinen,
2009; Møen, 2007; Tzabbar, Aharonson, & Amburgey, 2013). Additionally, mobile scientists
and engineers may carry with them key routines that can help recipient firms break from their
path dependent technology trajectories (Song et al., 2003; Tzabbar, 2009). Last but not least,
such employees may also bring with them their structural relational capital—comprising
external information networks within a technological field and ties to former colleagues at
their previous firm—which helps to enhance the absorptive capacity (Cohen & Levinthal,
1990) of the destination firm and creates ongoing channels for learning and knowledge
spillovers (Rosenkopf & Almeida, 2003; Rosenkopf & Nerkar, 2001; Singh, 2005). Drawing on these mechanisms, research in international business has shown that personnel flows from multinationals to domestic firms are associated with increased productivity (Balsvik, 2011; Görg & Strobl, 2005), and that knowledge flows (as measured by patent citation patterns) follow employee mobility between multinationals and domestic firms in both directions (Singh, 2007).

The upshot of this technology stream in mobility research is that mobile scientists and engineers help destination firms learn from source firms in various ways, which have been captured by patterns of patent citations (Rosenkopf & Almeida, 2003; Song et al., 2003). However, the extent to which firms truly learn through employee mobility is yet to be fully resolved in the literature. For example, Singh and Agrawal (2011) examine the pattern of patent citations to a newly hired inventor’s prior inventions and find that while firms more than double their ex post citations to these inventions, the vast majority of additional citations were actually self-citations by the inventor or citations by the inventor’s immediate collaborators. Other research highlights the highly contingent nature of knowledge spillovers, which depends on complementarities and similarities with knowledge in the receiving unit (Herstad et al., 2015; Maliranta et al., 2009) and the ability to form collaborations with new colleagues (Tzabbar, Silverman, & Aharonson, 2014), which we review further in the next section on “contextual factors.” Last but not least, although much of the literature emphasizes knowledge spillovers that flow in the same direction as the mobile employee, recent research has begun to investigate the reverse knowledge flows back to the source firm as well (Corredoira & Rosenkopf, 2010; Godart, Shipilov, & Claes, 2014). Because these types of reverse flows emerge from the relational information channels created between source and destination firms as a result of mobility, we review them in the following section on relational advantages.

Relational advantages (and disadvantages). Mobile employees are often important agents in altering the external interorganizational relationships of both source and destination organizations. The backdrop for this research is provided by a number of studies on client-supplier relationships in the advertising and auditing industries, which have found that the dissolution of these market ties are increased by the departure (or even reassignment to other roles) of key exchange managers in supplier firms (Baker, Faulkner, & Fisher, 1998; Biong & Ulvnes, 2011; Broschak, 2004; Broschak & Block, 2014; Seabright, Levinthal, & Fichman, 1992). The underlying mechanism is intuitive; because the interorganizational relationships are mediated by the external relational capital shared between counterparts at the client firm and the supplier’s exchange managers, their departure leads to a disruption of this relationship. This intuition is taken a step further by Somaya et al. (2008), who show that mobile individuals may actually “port” such client relationships to competing firms, in effect taking their external relational capital with them. Although all dimensions of relational capital may play a role in such transfers of client relationships (Somaya et al.), recent research suggests that the trust and reciprocity built into the normative dimension may be most salient (Carnahan & Somaya, 2013). Other contexts in which such porting of relational capital is possible include relationships within technological communities (Dokko & Rosenkopf, 2010), as well as with alliance partners, government officials, and other external stakeholders, which are currently unexplored research opportunities.
Despite the intuitive appeal of individuals porting relational capital (in a manner akin to their human capital), one must remember that these relationships are shared with others (such as clients) and that the source organization may also compete with the individual to retain these relationships. Rogan and colleagues have shed light on this important tension and found that firms are less susceptible to client loss if they build multiplex ties with clients through several individuals (Rogan, 2014) and that they are more likely to lose a client if they lose individuals who were central to coordinating knowledge within the firm—thus holding valuable internal social capital—to serve that client (Briscoe & Rogan, in press).

A second important relational impact of employee mobility arises from translating the employee’s prior internal ties within the source firm into external relational capital between source and destination firms. Unlike the porting of external relationships, the creation of relational capital in this way can benefit both firms and is therefore more likely to occur in cooperative as opposed to competitive contexts (Somaya et al., 2008). Prior research has shown that this mechanism can foster outsourcing relationships when suppliers both lose and gain employees from clients (Somaya et al.) and create channels for reverse knowledge spillovers to technology firms through employees that leave to join other firms (Corredoira & Rosenkopf, 2010; Godart et al., 2014). Carnahan and Somaya (2013) extend this logic to argue that such relational advantages built through former employees (or alumni) can have competitive implications, whereby a firm’s client relationships can be harmed when clients hire from its competitors and are safeguarded by its own alumni working for the client. Godart et al. provide further richness to our understanding of reverse knowledge flows by adopting a network perspective consisting of the focal firm, origin firms of incoming employees, and destination firms of outgoing employees. In the fashion industry, they find not only that outward mobility of fashion designers improves the creative performance of the focal fashion house through reverse knowledge spillovers but also that this positive effect is stronger when inward mobility is also higher. In general, a network perspective may offer promising avenues to extend the implications of employee mobility for organizational outcomes that are mediated by employees’ relational capital (e.g., Briscoe & Rogan, in press; Godart et al.; Rogan, 2014). Table 2 summarizes the discussion above on organizational impacts, and the corresponding human and relational capital content that creates these impacts.

The “Context” of Employee Mobility: Multilevel Moderators

While various types of human and relational capital transfers through mobile employees provide a foundation for our review framework, it is clear that several contextual factors also play an important role in determining the impacts of employee mobility. Below, we outline three contextual levels at which these contingencies can be examined, which respectively focus on attributes of the individual, the source and destination organizations, and the broader environment in which mobility occurs. Our review of the specific contextual attributes that may affect the organizational impacts of mobility is not meant to be exhaustive but seeks instead to illustrate that viewing these attributes through the theoretical lens of the specific type of human and relational capital that is being transferred (or created) is a valuable enterprise for mobility research. Put differently, the examination of such contextual attributes can help researchers gain a more precise understanding of the specific human and relational capital mechanisms that drive the organizational impacts of mobility. Significant research
### Table 2
Organizational Impacts of Employee Mobility, Constraining Factors, and Competing Channels

<table>
<thead>
<tr>
<th>Organizational Impacts</th>
<th>Illustrative Papers</th>
<th>Critical Content Transfers</th>
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<tbody>
<tr>
<td></td>
<td>Boeker (1997)</td>
<td>• Influx of transferable general human capital</td>
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<tr>
<td></td>
<td>Campbell, Coff, &amp; Kryscynski (2012)</td>
<td>• Managerial expertise (e.g., new higher order routines)</td>
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<tr>
<td></td>
<td>Campbell, Saxton, &amp; Banerjee (2014)</td>
<td>• Tacit knowledge of the science and technologies of the source firm</td>
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<td></td>
<td>Groysberg &amp; Lee (2009)</td>
<td>• Replication of source firm routines (path breaking change)</td>
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<td></td>
<td>Herstad, Sandven, &amp; Ebersberger (2015)</td>
<td>• Brokering between networks to access new resources</td>
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<td></td>
<td>Huckman &amp; Pisano (2006)</td>
<td>• Collective transfer that maintains internal (team) relationships</td>
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<td>Kraatz &amp; Moore (2002)</td>
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<td>Phillips (2002)</td>
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<td>Teece (2003)</td>
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<td>Wezel, Cattani, &amp; Pennings (2006)</td>
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<tr>
<td>Technological Knowledge Transfers</td>
<td>Almeida &amp; Kogut (1999)</td>
<td>Human Capital</td>
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<tr>
<td></td>
<td>Corredoira &amp; Rosenkopf (2010)</td>
<td>• Tacit knowledge of the science and technologies of the source firm</td>
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<td></td>
<td>Hoisl (2007)</td>
<td>• Replication of source firm routines (path breaking change)</td>
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<tr>
<td></td>
<td>Maliranta, Mohnen, &amp; Rouvinen (2009)</td>
<td>• Network connections into technological communities</td>
</tr>
<tr>
<td></td>
<td>Moen (2007)</td>
<td>• Create channels for learning and knowledge spillovers</td>
</tr>
<tr>
<td></td>
<td>Rosenkopf &amp; Almeida (2003)</td>
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opportunities remain for further unpacking the contingent effects of mobility under different contextual conditions.

*Who Moves? Attributes and Strategies of Individuals*

When hiring mobile individuals, destination firms are ultimately interested in specific attributes of the potential employee’s human and relational capital that they anticipate will provide value; thus, the impacts of mobility on organizational outcomes are likely to vary on the basis of these attributes. Consider how a mobile scientist may influence the technological knowledge gained by his or her hiring firm. Prior research has noted that the impacts of such mobility are strongly influenced by who the scientist is—for example, star scientists and scientists who play bridging roles may have more substantial impacts for firm performance than other individuals (e.g., Zucker, Darby, & Armstrong, 2002). Similarly, the loss of stars or “high performers” may be more damaging to source firms as a result of these individuals having not only superior human capital but also a greater role in building and maintaining internal and external ties (Burt, 1997; Kwon & Rupp, 2013) and the ability to port valuable complementary assets with them (Campbell, Ganco, et al., 2012). In an interesting twist, Tzabbar and Kehoe (2014) find that the disruption to a firm’s innovation routines from losing a star scientist can trigger greater exploratory search, which is stronger when the star was more collaborative (i.e., shared greater internal relational capital) with other firm employees.

Another significant focus of the prior literature concerns the impacts of executive mobility and the different attributes of these executives. Similar to high performers, incoming executives have the potential to affect the resource development and strategy of destination firms (Boeker, 1997; Kraatz & Moore, 2002), while the loss of executive talent can have severe negative effects on source firms. For example, in knowledge-intensive industries where executives are often responsible for creating and maintaining market ties, the loss of executives is more likely to result in the dissolution of market ties than the loss of lower-level managers (Broschak & Block, 2014; Seabright et al., 1992). However, when the departing individual was part of a more cohesive internal organizational network that indicates higher internal relational capital, then the negative effect of senior manager exit is attenuated (Briscoe & Rogan, in press). Interestingly, Bermoss and Murmann (in press) find that the risk of firm failure in New York City advertising firms was higher when executives held functional roles that focused internally than if they had functional roles of managing external market ties, indicating that different individual attributes might matter for different organizational outcomes, such as maintaining client relationships and survival.

Finally, another important distinction is between individual moves and mobility that involves multiple individuals, who might often move as a fully functioning team or “lift-out” (Groysberg & Abrahams, 2006; Munyon, Summers, & Ferris, 2011) or from a cascade of moves resulting from the turnover of subordinates, managers, and colleagues of a departing employee (Shapiro, Hom, Shen, & Agarwal, in press). Because such lift-outs are more likely to preserve the team’s relational capital and facilitate the replication of routines in the new organization, they are especially effective in transferring individual and unit-level resources (Groysberg et al., 2008; Groysberg & Lee, 2009). Not surprisingly, the effects of such collective mobility can be particularly damaging to source firms, who can experience a significant
increase in their risk of failure as a result of such employee losses (Bermis & Murmann, in press; Campbell, Ganco, et al., 2012; Wezel et al., 2006), and an advantage to destination firms, such as spin-outs that experience higher survival rates when their founding teams are larger (Agarwal, Campbell, Franco, & Ganco, in press; see also Hausknecht & Trevor, 2011, for a review of the impacts of collective employee turnover from the HR literature).

From Where and Where to? Attributes and Strategies of Source and Destination Firms

The attributes and particular strategies of both the source and the destination firm are potentially important moderators of the organizational impacts of employee mobility because they are critical for translating the mobile individual’s human and relational capital into broader organizational assets. Interestingly, different theoretical lenses often lead to different research predictions about the organizational attributes that matter. For example, one important distinction drawn by prior research is the type of firm that individuals move from and to. When relational capital is the critical mechanism, it is valuable to distinguish between moves that occur between competing firms, who are likely to experience transfers (or porting) of external relationships from one firm to another, and (potentially) cooperating moves that are more likely to create or strengthen relationships between the firms (Somaya et al., 2008).

Another type of destination firm that has been extensively studied in the literature is the start-up, which is often founded as a spin-out by employees wishing to exploit knowledge derived from an established firm (Agarwal et al., 2004; Gambardella, Ganco, & Honoré, 2015). Thus, there might be systematic differences in the impacts on the source (and destination) firm when exiting employees found a new venture, as opposed to joining an established competitor. Research has shown that individuals with better stocks of human capital (Burton, Sørenson, & Beckman, 2002; Carnahan et al., 2012; Franco & Filson, 2006) are more likely to found new ventures than join another firm. Furthermore, because forming new ventures typically bypasses issues related to embedding new routines into an existing firm and building new internal relational capital within a preexisting organizational network, there are likely to be fewer barriers to the replication of parent firm resources and capabilities. Therefore, studies have found that when senior managers (as holders of critical human and relational capital) found new ventures as opposed to joining an existing firm, the risk of source (i.e., parent) firm failure is enhanced (Campbell, Ganco, et al., 2012; Phillips, 2002). Building on a similar logic, research has also found that employee mobility is less effective at transferring knowledge to larger start-ups as opposed to smaller ones (Almeida, Dokko, & Rosenkopf, 2003).

In addition to the types of firms involved in employee mobility, research has been interested in the complementarity and similarity between the human and relational capital of the mobile employee and the knowledge and resources available at the firm. In general, the resulting trade-offs revolve around the ease of integration and learning from the mobile employee versus the extent of redundant or complementary value brought in by the employee. For example, the knowledge spillover literature suggests that when source and destination firms have high knowledge overlap, the impacts from inbound human capital are diminished as a result of a redundancy of knowledge (Maliranta et al., 2009). Similarly, research shows that dissimilar technological knowledge of the mobile employee is more likely to lead firms
to draw on distant knowledge and innovate in new fields (Rosenkopf & Almeida, 2003; Song et al., 2003). However, from a resource-based perspective, hiring from a similar firm leads to the strengthening and embedding of existing competencies, routines, and cognitive framings (Madsen et al., 2003).

The contrasting effects of similarity and complementarity are apparent in the effects of the composition of new venture founding teams. Research shows that start-ups founded by employees from the same company have shared knowledge and routines that enable them to exploit opportunities quickly (Beckman, 2006), but founders from diverse company backgrounds lead to more exploration (Beckman) and a higher likelihood of raising venture capital and making an initial public offering (Beckman, Burton, & O’Reilly, 2007). Studying technology transfer in a sample of innovative Norwegian firms, Herstad et al. (2015) find similar contrasting effects on the development of technological expertise versus success in commercialization. Scientists hired from research institutions help firms to gain deeper specialization in scientific domains; however, commercialization of developed technology is enhanced only by hiring from firms in the same or similar industries (as opposed to research institutions; Herstad et al.).

Last but not least, we consider the specific strategies that may be pursued by source and destination firms that can enhance or impede the organizational impacts of mobile employees. One line of inquiry has focused on the use of intellectual property strategies to increase barriers to knowledge spillovers when employees move (Agarwal, Ganco, & Ziedonis, 2009; Marx, 2011). Similarly, because the ability to transfer knowledge and routines from incumbent firms is an important driver of entrepreneurial spin-outs (see Agarwal & Shah, 2014, for a review), strategies to limit the appropriation of such knowledge by spin-outs may help established firms retain competitive advantages. Firms may also seek to impede the porting of external relationships by embedding these relationships in multiplex ties (Briscoe & Rogan, in press; Rogan, 2014) and by using their own alumni to cement partner relationships (Carnahan & Somaya, 2013). Additionally, to the extent that former employees can—as alumni—confer advantages to the source firm, retaining positive relationships with these individuals during separation and beyond can be advantageous (Raghuram, Gajendran, Liu, & Somaya, in press; Shipp, Furst-Holloway, Harris, & Rosen, 2014). However, when employees move between competing firms, an inherent tension arises between their relational ties with current and former organizations, which they might resolve by behaving less competitively with former colleagues but more competitively with their former organizations (Grohsjean, Koer, & Zucchinni, in press).

Looked at from the perspective of destination firms, the roles that mobile individuals are assigned and the organizational context in which they are placed—in essence, the firm’s “integration strategies”—are likely to significantly influence their impacts. While research in this area is quite limited, and presents a significant future opportunity, the findings reported in prior work are suggestive. For example, Singh and Agrawal (2011) find that the knowledge of mobile employees appears to diffuse only to their immediate collaborators, which suggests opportunities for organizational interventions to distribute such knowledge more widely (e.g., by fostering diverse collaborations). Carnahan and Somaya (2013) find that former employees of a focal supplier’s competitors that are hired by a client pose a greater threat to the focal firm when turnover at the client firm is high, indicating a greater ability for the mobile employee to establish internal relational capital and influence outsourcing decisions.
Under What Conditions? Environmental and Institutional Factors

The third contextual factor we consider as moderating the firm-level impacts from employee mobility involves the institutional or environmental factors in which mobility occurs. First, we consider the legal and normative institutional constraints on the ability of employees to transmit knowledge and other resources to destination firms. For example, trade secrecy laws may limit the ability of firms to imitate technologies and build on other knowledge carried by mobile employees (Godfrey, 2004; Liebeskind, 1996). Similarly, employment contracts may include covenants not to compete (CNCs) that can prevent employees from joining a direct competitor (Marx, Strumsky, & Fleming, 2009), as well as nonsolicitation clauses (NSCs) that can prohibit former employees from approaching their erstwhile colleagues and clients and, thus, prevent them from attracting valuable complementary resources and relationships (Campbell, Ganco, et al., 2012; Groysberg et al., 2008) to the destination firm. However, the enforcement of these legal constraints vary dramatically across geographies; for example, trade secrecy provisions are hard to enforce outside a small set of common law countries (Friedman, Landes, & Posner, 1991), and CNCs and NSCs are unenforceable in some states, such as in California (Samila & Sorenson, 2011). Moreover, research suggests that the use of such clauses may diminish the ability of firms to attract good talent in the first place (Marx, Singh, & Fleming, 2015).

In addition to legal institutions, normative pressures may affect the behaviors of individuals and firms and influence the transfers of knowledge and other assets through employee mobility. For example, in environments where individuals and firms are embedded within industry (or other) networks (Uzzi, 1997), they may face sanctions or impacts on their reputations for failing to follow norms regarding the protection of critical knowledge and relationships. On the other hand, some institutional norms may specifically protect the ability of individuals to transfer these valuable assets between firms. For example, the legal profession has long held that clients should be free to choose their attorneys and, therefore, adheres to norms that do not allow the use of restrictive covenants such as CNCs and NSCs (Campbell, Ganco, et al., 2012).

A second set of environmental conditions may help to facilitate the transfer and absorption of knowledge and other assets, allowing destination firms to immediately benefit from the repertoire of skills and relationships of new employees. For example, in professionalized industries and well-developed scientific fields, there are often a common language and sets of work practices that are shared by members of that profession, often underpinned by standards established by professional and scientific bodies. Thus, when joining a new firm, individuals may find it easier to integrate, which enables them to be immediately productive and for the firm to access those individuals’ human and relational capital. Another similar facilitating factor may be geography. For example, mobility within a geographically proximate region may enable employees to more easily transfer important relational assets, such as ties to former colleagues and clients (Carnahan & Somaya, 2013; but see our discussion below regarding the value of mobility across geographies when alternate channels for the transfers of organizational resources, such as knowledge, are considered).

Constraining Factors and Competing Channels

While employees are in principle free to quit their employer at will (Coff, 1997), they may nonetheless be constrained both in their ability to exit the firm and the potential
employers they can move to. Constraining factors are understood in the extant literature as the outcome of labor market imperfections, or frictions (e.g., Chadwick, in press), that inhibit employee mobility and, thus, preempt the potential transfers of resources enabled by mobility. In addition to constraining factors, a different kind of limiting factor relates to the relative advantages provided by mobile employees to firms when other avenues for transmitting similar knowledge and resources between firms are considered. These other competing channels may offer firms with alternative routes—such as network and geographic knowledge spillovers, acquisitions, and alliances—through which they can gain similar benefits without having to hire new talent. We review next the key constraining factors and competing channels that, respectively, create barriers to employee mobility and limit the value of mobile employees for engendering particular organizational impacts.

Constraints

Employees typically build skills, acquire knowledge, and develop relational capital when working for a firm, and it is often these potentially portable assets that encourage other organizations to hire them (Rosenkopf & Almeida, 2003; Somaya et al., 2008) or enable them to successfully found new spin-out ventures (Burton et al., 2002; Franco & Filson, 2006; Phillips, 2002). However, such mobility might be constrained by labor market frictions or imperfections that impede the migration of employees between organizations (Chadwick, in press). These imperfections may be usefully categorized into demand-side and supply-side issues (Campbell, Coff, & Kryscynski, 2012). Demand-side imperfections are factors that hinder a hiring firm from identifying the right employees, valuing their human (and relational) capital, and convincing them to switch jobs. Supply-side imperfections, on the other hand, are factors that either dissuade individuals from entering the labor market or affect the direction of their mobility (Campbell, Coff, & Kryscynski). Because the potential barriers to employee mobility are numerous and the literature on them is vast (including a substantial HR literature on turnover), our goal is to explain this literature in broad brushstrokes by employing the demand-side and supply-side perspectives.

Early scholars of human capital (e.g., Becker, 1964) theorized that the firm specificity of human capital may be a critical limiting factor in the demand for mobile employees, as this form of knowledge is by definition not useful to other firms. More recent work has cast demand-side constraints within a broader framework that moves away from firm specificity per se and more towards labor market frictions. For example, labor markets generally suffer from some level of information asymmetry (Chadwick & Dabu, 2009; Coff, 1999), whereby hiring firms are unable to identify potentially mobile employees and accurately assess, ex ante, the true quality of their human or relational capital. Moreover, hiring firms may face an adverse selection problem (Akerlof, 1970) in that individuals who are actively seeking employment may, on average, be of poorer quality and are therefore no longer desired at the current firm. Another friction concerns barriers to the assessment of individuals who are deeply embedded within team or organizational structures and whose performance depends on these complementary assets; thus, firms may face substantial uncertainties as to whether these individuals will bring any value to the firm and whether they will be productive in their new team or organization (e.g., Groysberg et al., 2008).
From the supply side, employees may also be affected by various information asymmetries in seeking employment opportunities, such as a lack of awareness about potential employers and difficulties in assessing job conditions and benefits. In addition, the costs of severing ties with their current employer may be high, for example, as a result of contractual penalties, potential loss of seniority and learning opportunities, loss of colleagues, or geographic preferences (Chadwick, in press; Chadwick & Dabu, 2009). The literature on person-organization fit also suggests that employees may experience psychological costs when leaving firms within which they perceive themselves as having a good fit (Kristof, 1996; Kristof-Brown, Zimmerman, & Johnson, 2005). Much of the insight into supply-side factors has been provided by the HR literature, which focuses significant attention on the affective and cognitive factors that predict employee turnover. A meta-analysis by Griffeth and colleagues (2000) summarizes this literature and concludes that perceived job satisfaction and commitment to an employer are important predictors that employees are less likely to quit and enter the labor market. Furthermore, studies in the fields of HR and organizational behavior place significant emphasis on the process through which individuals seek alternative employment. Specifically, the “unfolding model” of turnover places significant emphasis on shocks experienced by individuals, which prompts them to actively search and gather information about alternative employment opportunities and significantly affects the likelihood of mobility (Blau, 1993; Hom & Griffeth, 1991).

Finally, it is important to recognize that firms can engage in strategic actions specifically designed to limit the mobility of their employees. These potential actions include job design and organizational practices that limit the external visibility and marketability of their employees, as well as a plethora of HR practices intended to enhance employee satisfaction and increase retention (Griffeth et al., 2000). Similarly, recognizing that employees often found entrepreneurial spin-outs as a result of disagreements or frictions about the commercialization of their innovative ideas (e.g., Anton & Yao, 1995; Gompers, Lerner, & Scharfstein, 2005; Klepper & Thompson, 2010), large firms may seek to limit spin-out formation by providing alternative approaches for employees to develop their inventions and commercialize them. Finally, firms may also use legal and retaliatory strategies to limit mobility, such as developing tough reputations for intellectual property enforcement (Agarwal et al., 2009; Ganco, Ziedonis, & Agarwal, 2015), the use and enforcement of CNCs and NSCs (Marx, 2011; Marx et al., 2009; Samila & Sorenson, 2011), as well as retaliation for talent poaching by other firms (Gardner, 2005). These types of actions not only limit the demand for a firm’s employees in the labor market but also reduce the willingness on the supply side of employees considering moves to the firm’s competitors.

**Competing Channels**

A number of the presumed impacts of employee mobility on firms may also occur through other channels and actions, which must be considered in assessing the salience of employee mobility in a given context. We identify and review three key competing channels to employee mobility—namely, networks and geographic spillovers, acquisitions, and alliances. The list is not exhaustive but meant to illustrate the general idea that organizations can often access external knowledge and resources through other channels that are viable alternatives to mobility (e.g., Rosenkopf & Almeida, 2003). Given the availability of these competing channels, researchers need to ask when and why organizations would rely on mobile employees—in particular—for gaining specific organizational benefits.
Networks and geographic spillovers. Interorganizational networks and the geographic clustering of industries (i.e., knowledge clusters or regional networks; Almeida & Kogut, 1999; Audretsch & Feldman, 1996) often provide an effective channel for knowledge spillovers into firms that can occur without a mobility event (Ahuja, 2000; Jaffe, Trajtenberg, & Henderson, 1993; Whittington, Owen-Smith, & Powell, 2009). Regional networks increase firm connectivity and promote visibility, making it easier to form research collaborations (Fleming & Marx, 2006). Therefore, because knowledge and resources often flow within such a network, firms may not need to access mobile individuals in order to access these benefits. Furthermore, as a result of higher levels of formal and informal collaboration amongst peer individuals and firms, relational advantages can be achieved in networks without the brokering enabled by the movement of talent (Owen-Smith & Powell, 2004; Powell, Koput, & Smith-Doerr, 1996). However, to generate sustained competitive advantages, a firm’s critical assets (or knowledge combinations) need to be scarce and not available to all firms (Barney, 1991; Chadwick, in press), which is arguably not the case within dense networks. Thus, employee mobility can have advantages in transmitting novel and more distinct knowledge, particularly when the moves are nonlocal and, thus, create connections with knowledge that resides outside the immediate network (Corredoira & Rosenkopf, 2010; Rosenkopf & Almeida, 2003; Song et al., 2003).

Acquisitions. Prior research has already highlighted that acquisitions of firms are viable mechanisms of interfirm learning and capability acquisition (Ahuja & Katila, 2001; Song et al., 2003; Younge, Tong, & Fleming, 2015) and are thus alternatives to employee mobility for the transfers of similar resources. Indeed, the idea that acquisitions can be used to augment and reconfigure firm capabilities in various ways has a long pedigree in the acquisitions literature (e.g., Karim & Mitchell, 2000). Recent research has also begun to investigate the phenomenon of “acq-hires,” which are acquisitions used by successful technology companies (e.g., Google) to obtain high caliber talent from small start-ups in the presence of significant labor market frictions (Coyle & Polsky, 2013). Specifically, even prominent technology firms may not be able to hire away founders or key employees from some new ventures, which they circumvent by acquiring the entire start-up and then redeploying the talent to work on new projects. As an alternative channel to employee mobility, acquisitions carry obvious benefits in that the target firm’s assets and capabilities are legally acquired in their entirety, including the rights to the target’s knowledge, routines, systems, and clients. However, acquisitions are also costly, time consuming, disruptive, and potentially wasteful if they come with additional assets or liabilities that the firm simply does not need. Moreover, if the target firm’s employees leave after the acquisition or simply fail to embed in their new organization because of operational and cultural incompatibilities, it can compromise the retention and absorption of the expected new capabilities (Briscoe & Tsai, 2011; Larsson & Finkelstein, 1999; Pablo, 1994). Thus, while acquisitions may have similar organizational impacts as employee mobility, there are distinct conditions under which they are a superior channel for accessing these impacts.

Strategic alliances. Strategic alliances are another alternative arrangement that allows firms to capture similar impacts as those from employee mobility. Alliances can range from
a simple partnership to exchange knowledge and resources, which represent a more arms-length transactional arrangement, such as technology licensing, to alliances in which partners share complementary resources and have learning-orientated goals, to equity joint ventures where partner firms launch a new venture together (Doz, 1996; Hamel, 1991; Kale & Singh, 2009; Mowery, Oxley, & Silverman, 1996; Sampson, 2007). A common thread in all types of alliances is access to the knowledge and resources of partner firms and an enabling context in which firms can learn from their partners. Alliances therefore represent an important competing channel to employee mobility. For example, technology licensing can substitute for the hiring of inventors in order to gain access to and learn another firm’s technology. Learning alliances are an alternative to developing resources and capabilities by bringing in new employees (Hamel; Inkpen, 1998; Kale & Singh, 2007). Furthermore, alliances may bring additional benefits that employee mobility is less suited for, such as access to resources beyond a focal employee or team, the interfirm pooling of financial resources, increases in market competitiveness (for one or both firms), and even the potential for one partner to acquire the other. Thus, alliances are a viable and often used alternative strategy for learning, resource acquisition, and market entry.

In sum, it is important for researchers to be aware of these alternative channels for the development of organizational resources from external sources, which can also be complementary to employee mobility. However, research exploring the implications of these alternative (and potentially complementary) channels is quite limited and presents a significant opportunity for future scholarship.

Future Research and Conclusions

Our review of the literature on employee mobility has revealed a number of research gaps, which present valuable opportunities for future research. First, we believe there is a need for more research that integrates and clearly distinguishes between the human and relational capital effects of mobility. While these constructs are often codetermined in practice and can develop simultaneously over an individual’s career, our review of the literature shows that they have different organizational impacts and, indeed, are accumulated through different mechanisms. In this regard, one potential avenue for future inquiry concerns gaining a deeper understanding of the conditions under which human capital is perhaps more valuable than relational capital for organizational outcomes and vice versa. Indeed, is it true that higher levels of both human capital and relational capital are optimum for firms because both are presumed to have a positive impact on firm performance? Employees with high levels of human capital may also exercise constraints on the organization through their internal social capital, which might, for example, lead to less exploratory search (Tzabbar & Kehoe, 2014). We also observe that star and expert talent do not always perform at the same high level at a new employer as they did at their previous employer (e.g., Groysberg et al., 2008). Therefore, what are the organizational trade-offs of hiring talent with moderate levels of human and relational capital as opposed to having, say, a superior level of human capital and a lower level of relational capital? Are firms still able to achieve human capital–based competitive advantages if they are not able to capture network value through relational capital? An important related opportunity for future empirical research—which we alluded to in our earlier discussion—is the careful identification and delineation of the impacts of different categories of human and relational capital on organizational outcomes.
Another area for future research is untangling the so-called learning-by-hiring effects of employee mobility. Scholars have often used the firm’s patent citations as proxies for knowledge diffusion to identify learning effects ex post, after mobility (e.g., Corredoira & Rosenkopf, 2010; Rosenkopf & Almeida, 2003; Singh & Agrawal, 2011; Song et al., 2003). However, the extent to which learning at the firm level takes place is debatable. Logically, firm-level learning, or firm-level knowledge more broadly, should be robust to employee exit. However, prior studies have largely failed to address the difference between learning-by-hiring in the sense of a new hire’s knowledge becoming embedded in the firm’s routines and knowledge stock versus the straightforward accessing and application of a new recruit’s knowledge, which continues to reside with the employee. One notable study identified in this review and that addresses this issue is Singh and Agrawal’s empirical examination of citation patterns to patents of mobile inventors. Interestingly, they find that knowledge does not necessarily diffuse from an individual to the firm following mobility; instead, it is retained by the individual and his or her small group of immediate collaborators. Therefore, there is a need for a clearer understanding of what is meant by learning-by-hiring and how employee mobility affects learning by firms.

While our review examined several contextual factors that influence the organizational impacts of employee mobility, many more research opportunities remain in the areas of organization-level and (especially) environmental context conditions. For instance, the majority of studies are conducted within a single industry context, but the antecedents and consequences of employee mobility are likely to vary across industries; for example, some labor markets are more liquid than others, and industries often differ in the legal and normative institutions that impede the transmission of human and relational capital through mobility. Therefore, the field could benefit from comparative industry studies and research in new environmental contexts (such as emerging markets). Additionally, significant opportunities remain for studying the impacts of firm strategies and integration processes on outcomes at both source and destination firms in the context of mobility. A particularly interesting set of questions relates to the impacts of strategies adopted to manage employee mobility on the firm’s ability to strategically manage its human capital more broadly; for example, how does aggressive use of CNCs and intellectual property enforcement affect the firm’s ability to attract and retain talented employees? Another important related set of unexplored issues pertains to the impacts of the “new employment relationship,” whereby employees increasingly feel less loyalty towards firms and are motivated to manage their own careers (e.g., Arthur & Rousseau, 1996; Roehling, Cavanaugh, Moynihan, & Boswell, 2000), and of new modes of employment, such as contract or temporary work (e.g., Lepak & Snell, 1999), on the incidence and organizational impacts of employee mobility.

Studies of employee mobility typically examine the antecedents and consequences of a single mobility event, whether by an individual or teams of individuals. In reality, however, instances of employee mobility may be part of a wider system of mobility events that occur over time and that can be understood only when viewing the entire system. For example, Chauradia (2014) shows in a study of U.S. legal services that the hiring of senior talent often leads to the subsequent hiring of greater numbers of novice talent, which can have a positive impact on firm financial performance. Similarly, measuring the impacts of a single instance of employee exit may not reveal the true effect on source firms. However, if one, or a few, prominent employees exit over a short period of time, then this could lead to an exodus of talent and severely affect the firm, potentially resulting in firm failure (Rider & Negro, 2015).
Research has also explored only limitedly the systemic industry-wide implications for competitive dynamics when talent is poached from one firm to another, which might lead both source and recipient firms to undertake new competitive actions (Gardner, 2005).

As discussed in this review, there are many drivers of employee mobility that have been examined in the literature, but virtually no studies have examined employee mobility as an involuntary event. Put differently, employee mobility has been treated as an action that the employee selects into. However, mobility can be, and indeed often is, an involuntary event, and this can have important implications for both the attributes and the consequences of such mobility. Research in labor economics suggests that displaced workers suffer wage losses, but not as a result of their investments in FSHC (Jacobson, LaLonde, & Sullivan, 1993; Neal, 1995). However, the implications of such mobility for the organizations involved are largely unexplored and represent an important opportunity for future research. For example, one implication might be that such employees are more likely to share “negative” relational capital with their former employers and are therefore more motivated to transfer resources and less motivated as alumni to help their former firm build relational advantages (Labianca & Brass, 2006; Raghuram et al., in press). At the same time, employees who involuntarily exit may be more likely to join different types of firms, such as a relational partner (e.g., a client), or found new ventures, which might again have different implications for the organizations involved. Another underexplored area of employee mobility research also relates to the motivation of employees to compete against former employers. For example, extant research has, by and large, assumed that mobile employees are willing to perform to the best of their capabilities at their new firm and that any unexpected over- or underperformance is due to factors linked to complementary firm resources or relational capital that may or may not have transferred (e.g., Campbell, Ganco, et al., 2012; Groysberg et al., 2008). However, Grohsjean et al. (in press) find that when source and destination firms are in direct competition, focal employees are motivated to compete harder for their new employer “against” their former employer. That is, relational capital between employee and source firm does not transfer; furthermore, the expected benefits for the destination firm from the employee’s human capital are greater.

Although we characterize them as alternative strategies, the hiring of specific, targeted talent may be a precursor for a future strategic alliance or acquisition where the new hire (e.g., an executive or industry specialist) can establish the foundations for an alliance or acquisition and be the driving force behind the search and negotiations. Therefore, there are rich opportunities for examining how employee mobility can connect literature streams in hiring/strategic human capital with corporate strategy. Possible research questions include the following: Are mergers and acquisitions more or less likely to succeed through this multistep process of hiring key personnel first? Is there a better chance of acquirers being able to retain key talent in the target firm ex post of acquisition? How does employee mobility between potential alliance partners (and competitors) affect the creation and dissolution of interfirm alliances? What would be the role of relational capital—would it convey valuable information about the target/partner or would important issues be more likely to be overlooked in the ex ante due diligence phase, leading to a less successful acquisition? Thus, significant opportunities remain to be explored in this nascent area of research.
examine both competition and complementarities between employee mobility and alternative channels that can produce similar organizational outcomes for firms.

More research is also required on how employee mobility, and human and relational capital more generally, affects organizations with different mechanisms of governance or institutional requirements. For example, public facing organizations, such as schools/colleges, hospitals, and charities, arguably face more rigorous public scrutiny than, say, a high-technology firm. There is a paucity of employee mobility research in these contexts (perhaps through lack of easily obtainable data), and yet such organizations form an integral part of society. Additionally, in many cases, for-profit firms share important interfaces and common (or antagonistic) interests with these organizations. What are the human and relational capital attributes that are influential for employee mobility in these cases? What types of context conditions are critical for the impacts of mobility, and what organizational outcomes are most important to focus on? These questions begin to develop our understanding of the drivers and impacts of employee mobility in these organizational fields and also to assess the generalizability of prior findings from currently highly studied contexts (e.g., high-technology or professional service industries).

Finally, the employee mobility literature is dominated by deductive, quantitative studies, with inferences about knowledge spillovers, learning, and resource acquisition based on statistical analyses, sample size, data availability, and chosen econometric techniques. However, human and relational capital is largely tacit, and the organizational impacts described in this review are likely underpinned by the search, selection, and integration of new talent. The employee mobility literature would, therefore, benefit from research using qualitative approaches, such as in-depth interviews with firm stakeholders involved in mobility events, and inductive techniques, such as ethnographic research and case studies that would help identify and tease out important microlevel mechanisms that are not observable in large-scale quantitative studies. In summary, while extant research on employee mobility has provided substantial insight into the drivers and impacts of the movement of talent, the field is still relatively young, and there remain many research questions that are yet to be answered.

Notes

1. We note that any factor that reduces the positive organizational outcomes from employee mobility—such as poor context conditions or the presence of competing channels—is likely to indirectly reduce mobility. However, our focus here is on other constraints or frictions in the labor market that do not arise from the level of organizational benefits that the mobile employee provides.

2. Our discussion of relational capital aligns quite closely with the management literature on social capital; however, we prefer the term relational capital for two reasons. First, it explicitly captures the value of relationships shared by an individual or organization as opposed to a generalized resource shared within a social group (which is one use of the term social capital that can lead to confusion). Second, relational capital is a more familiar and well-understood idea within the strategic management literature, which is our primary audience.

3. Consistent with the literature is our assumption that source firms do not lose access to the knowledge when an employee moves out and carries it to another firm (arguably a proposition that remains to be tested). Therefore, we employ the term knowledge spillover to indicate that it is an externality. Such knowledge spillovers help destination firms build their knowledge stocks but affect source firms primarily through increased market competition from firms that hired their employees and built on their knowledge.

4. California case law in this area has been evolving since the California Supreme Court decision in Edwards v. Arthur Anderson (2008), which ruled against customer NSCs and cast doubt on (but did not affirmatively rule against) employee NSCs.
References


Mawdsley, Somaya / Employee Mobility and Organizational Outcomes


