

Applied Economics &gt;

Volume 44, 2012 - Issue 25

1,033 34

Views CrossRef citations to date Altmetric

21

Original Articles

# Does skill obsolescence increase the risk of employment loss?

Jim Allen &amp; Andries de Grip ✉

Pages 3237-3245 | Published online: 13 Jun 2011

Cite this article <https://doi.org/10.1080/00036846.2011.570727>

Sample our  
Economics, Finance,  
Business & Industry Journals  
>> [Sign in here](#) to start your access  
to the latest two volumes for 14 days

Full Article

Figures &amp; data

References

Citations

Metrics

Reprints &amp; Permissions

Read this article

## Abstract

In this article, we analyse whether technological change induces skill obsolescence and early labour market exit, and to what extent training participation and on the job learning reduce these risks. Using panel data on older workers, we find that workers report skill obsolescence more often when learning is a structural characteristic of the job. This perceived skill obsolescence is not related to a higher probability of losing employment. Instead, workers who experience skill obsolescence appear to learn more on the job. This finding suggests that skill obsolescence is not a good indicator of employment loss risk. Instead, it may be a good indicator of the need for training and learning. This finding has important implications for policy makers and employers. It suggests that training and learning should be encouraged for older workers to reduce the risk of losing employment. The findings also suggest that skill obsolescence should not be used as a proxy for employment loss risk in research and policy.

### About Cookies On This Site

We and our partners use cookies to enhance your website experience, learn how our site is used, offer personalised features, measure the effectiveness of our services, and tailor content and ads to your interests while you navigate on the web or interact with us across devices. You can choose to accept all of these cookies or only essential cookies. To learn more or manage your preferences, click "Settings". For further information about the data we collect from you, please see our [Privacy Policy](#).

Accept All

Essential Only

Settings

Keywords

labour market

JEL Classification: J24 J26

## Notes

<sup>1</sup> As more recent waves of the OSA panel lack data on variables needed in our analysis, we have to restrict the analyses to the period 1992 to 2000.

<sup>2</sup> Because we pool data from different years, some respondents are represented more than once in the data. The data contain a total of 2594 individual respondents, of which 1211 appear in only one of related survey years (e.g. 1992, 1994 and 1996), 677 appear twice and 706 in all 3 years.

<sup>3</sup> On average between 25% and 30% of respondents who participated in a given wave do not participate in the subsequent wave. Panel attrition shows little or no relation to key variables like skill obsolescence and on-the-job training. However, those who participated in training in a given period are somewhat less likely to drop out in the following wave. There is, however, no reason to expect that our results are affected by panel attrition, since this would require that both the dependent variables and at least some of the independent variables are related to the chance of participating in the following wave.

<sup>4</sup> For more information on the OSA Panel, see <http://www.tilburguniversity.nl/osa/datasets>.

<sup>5</sup> We use two different indicators of training, which play two different roles in our analyses. Training in the previous period is used as a predictor of current skill obsolescence and the chance of losing one's work. Training in the current period is used as a dependent variable, with among other things, the percentage of computer use, the

initial tra  
fact that

About Cookies On This Site

We and our partners use cookies to enhance your website

Accept All

redictors. The  
cause they

## About Cookies On This Site

We and our partners use cookies to enhance your website experience, learn how our site is used, offer personalised features, measure the effectiveness of our services, and tailor content and ads to your interests while you navigate on the web or interact with us across devices. You can choose to accept all of these cookies or only essential cookies. To learn more or manage your preferences, click “Settings”. For further information about the data we collect from you, please see our [Privacy Policy](#).

Accept All

## Essential Only

## Settings



## Information for

Authors

R&D professionals

Editors

Librarians

Societies

## Opportunities

Reprints and e-prints

Advertising solutions

Accelerated publication

Corporate access solutions

## Open access

Overview

Open journals

Open Select

Dove Medical Press

F1000Research

## Help and information

Help and contact

Newsroom

All journals

Books

## Keep up to date

Register to receive personalised research and resources by email



Sign me up



Copyright © 2024 Informa UK Limited [Privacy policy](#) [Cookies](#) [Terms & conditions](#)

[Accessibility](#)



Taylor & Francis Group  
an informa business

Registered in England & Wales No. 3099067  
5 Howick Place | London | SW1P 1WG

### About Cookies On This Site

We and our partners use cookies to enhance your website experience, learn how our site is used, offer personalised features, measure the effectiveness of our services, and tailor content and ads to your interests while you navigate on the web or interact with us across devices. You can choose to accept all of these cookies or only essential cookies. To learn more or manage your preferences, click "Settings". For further information about the data we collect from you, please see our [Privacy Policy](#).

Accept All

Essential Only

Settings