

**Abstract for 31st Annual Conference of the IWPLMS in Valencia**

**Title: Sustainability on internal labour markets - Displacement of skilled workers in times of mass higher education?**

The structure of skills and systems of education and training differ a lot across countries (Bosch/Charest 2010; Marsden 1999). One of the outcome of these differences are different forms of employment systems within companies. A distinction can be made between occupational labour markets (OLM) and internal labour markets (ILM). For Germany a hybrid model can be identified since it “combines strong OLM type principles with strong ILM principles of job ladders and in-firm mobility for skilled workers” (Rubery/Grimshaw 2003: 111). In the paper the question will be stressed whether this pattern will change with the trend towards “mass higher education” in Germany: Although enrolment rate in tertiary education is relatively low in Germany compared to other OECD countries (OECD 2009) the number of graduates from tertiary education entering the labour market increases steadily. This may have an impact on internal labour markets in service sectors like banking or retailing. It would be possible that new “ports of entry” for graduates from university downgrade opportunities for in-firm mobility of skilled workers. As a result cooperation can worsen because of new fields of competition between workers with different educational background. In addition this competition may affect the pay structure of companies. The paper addresses both the dynamics in the skill structure and observed changes on internal labour markets in companies in the banking and retail sector.