

Industry Dynamics and Relatedness of Knowledge

Knowledge Transfer through Labor Mobility
and Entrepreneurship in the West Swedish
Textile Industry

Snöfrid Börjesson Herou

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ABSTRACT

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This PhD thesis investigates how industry dynamics are influenced by knowledge transferred through labor mobility and entrepreneurship by focusing on the role of relatedness of the knowledge. The empirical setting is the textile industry in the West Swedish region Västra Götaland, which encompasses the sub-industries Manufacturing of textiles and Wholesale and retail trade of textiles. For the purpose of the thesis, quantitative methods are applied, where linked employee–employer data in Sweden are used for the period 1990–2014.

The thesis finds that co-location alone does not explain the patterns of knowledge transfer through labor mobility in the textile industry—instead, the relatedness of knowledge (reflecting cognitive proximity) is also influential. The influence of relatedness of knowledge is also shown for the productivity of the knowledge that is sourced as well as for entrepreneurial performance. To study productive knowledge sourcing, the influence of the workers' industry experience is investigated, whereas to study entrepreneurial performance, the way the entrepreneur's industry experience influences the survival chances of the venture is investigated. Both studies find that the role of relatedness of the knowledge, as indicated by individuals' industry experience, differs between Manufacturing of textiles and Wholesale and retail trade of textiles. Knowledge from related industries is comparatively more important in the former than in the latter, whereas knowledge that originates from the same sub-industry is especially beneficial in the latter. An important additional aspect is that the relative usefulness of knowledge from related industries differs somewhat between the studies.

The analysis discusses these observed differences between Manufacturing of textiles and Wholesale and retail trade of textiles by relating them to different knowledge requirements that are likely to be prevalent in the different industry life-cycle phases the two sub-industries of the textile industry were subject to. The thesis proposes that future research should take industry life-cycle phases into account as well as distinguish between different sources of knowledge, firms, and outcomes when investigating the role of relatedness of knowledge for development of firms, industries, and the economy at large.

Keywords: Relatedness, knowledge transfer, industry dynamics, labor mobility, entrepreneurship, cognitive proximity, industry life-cycle phases

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University of Gothenburg
Department of Economy and Society
P.O. Box 625
SE 405 30 Gothenburg