



The study: "The Social Attachment to Place," by Michael S. Dahl, Aalborg University; and Olav Sorenson, Yale School of Management; published in the journal Social Forces.

The finding: Proximity to family and friends is a more important factor than wages when people consider a new job. Employers need to offer significant pay increases to persuade prospective hires to give up social attachments.

The methodology: The researchers analyzed employment trends in Denmark, because of the country's unusually rich database of labor statistics and its mobility patterns, which are similar to those in the U.S. They found that blue-collar workers who moved more than 40 miles from hometowns usually commanded substantial pay increases.

The takeaway: Entrepreneurs need to be mindful that location will bear on the talent and skills of hires. This is an especially important consideration as a company expands and requires workers with different types of expertise. Caveat: The data was collected prior to the recession, in a full-employment environment.

What's next: The authors' latest research shows that entrepreneurs who locate businesses where they have strong ties perform best, because they are able to tap their communities for employees and funding. —J.J.M.