Labor dynamism hits new highs in Spain

Labor dynamism in Spain reached historic highs in the first quarter of 2016, according to Meta4 IDL, an index tracking job movements in the country.

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Spain's labor market has never been more dynamic. At least not in the time tracked by the Meta4 index of labor dynamism (IDL), an index launched in 2014 measuring job movements since 2010.

Now in its 4th edition, the IDL indicates that 18%, or about 1 in every 6 Spanish workers, moved from one job to another in the first quarter of 2016.

Prepared by professor Marta Elvira and Stefano Visintin, in collaboration with IESE's **International Research Center on Organizations** and the human capital management company Meta4, this 2016 report finds high and increasing dynamism in the hiring practices of the companies studied. Staffing flexibility seems to be an increasing need and reality in Spain as companies grow and when they downsize.

In 2015, accommodating growth was the order of the day. Specifically, at the end of 2015, job movements due to corporate expansions accounted for 77% of the dynamism recorded by the index. The movements from companies shedding staff accounted for 23% of the total.

But the tide may be turning in 2016. For the first quarter of the year, more jobs were destroyed than created. In terms of net jobs, for every 100 positions, six were destroyed, while just over 4.7 were created.

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A tool to take the pulse of labor dynamism

The Meta4 IDL analyzes labor mobility as workers retire, step down or are dismissed from their positions. It also measures changes in employment contracts (from fixed-term to permanent, full-time to part-time, from one function or department to another, etc.). Importantly, it picks up on job movements that do not directly depend upon the economy, i.e., outright job creation or elimination.

For the 4th edition of the index, data is gathered from 70,000 employees at companies operating in Spain.

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