

Spain's labor market is increasingly dynamic, but now fewer voluntarily resign

In Spain, labor market "dynamism" reached a new high of 23.5 percent in the first quarter of 2018. With signs that the region's economic recovery may be slowing, companies seem to be doubling down on internal flexibility measures.

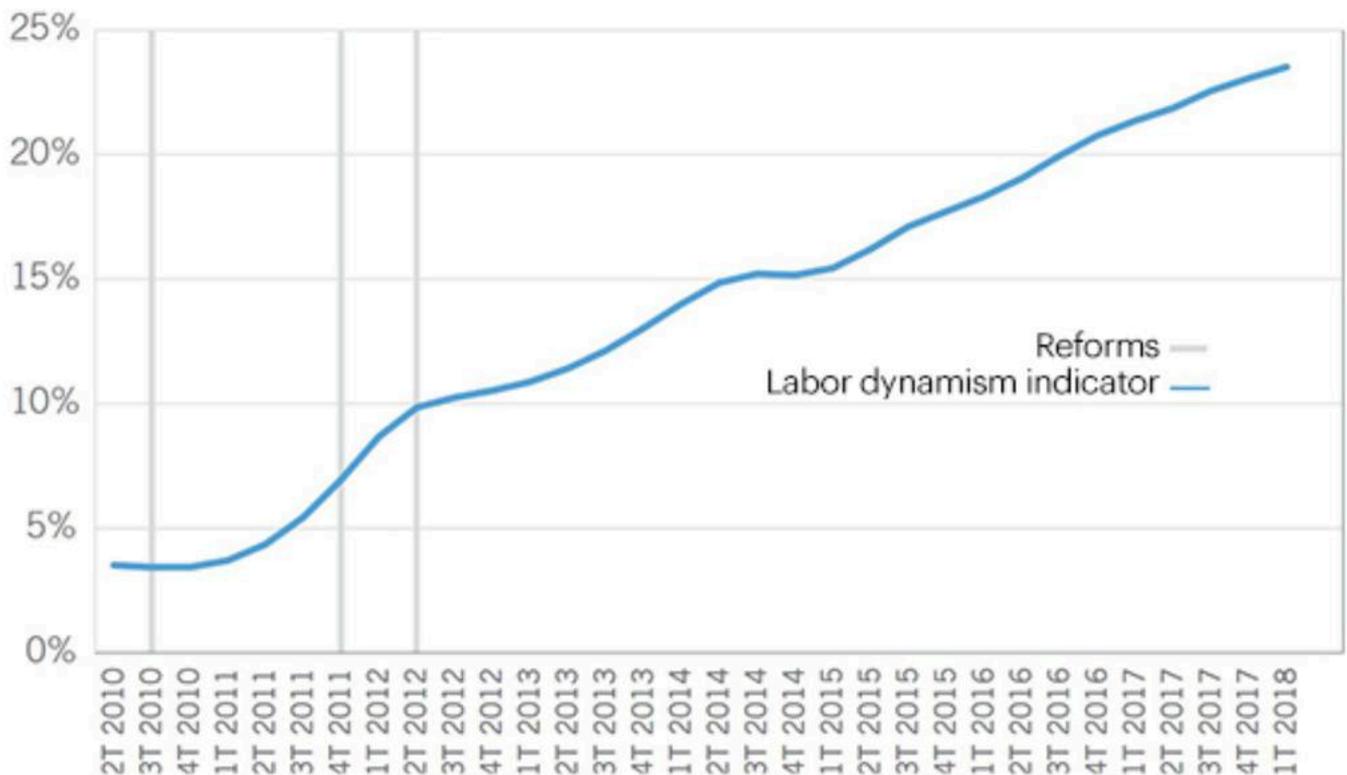


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The Meta4 IDL labor dynamism indicator for Spain reached 23.5 percent in the first quarter of

2018 — hitting a new record high and maintaining the upward momentum that began in the beginning of 2011. This means that between January and March of 2018 nearly one in four workers experienced a change in their work status that was unrelated to the creation or elimination of jobs.

The IDL indicator — measured by the human capital management company Meta4 and analyzed by IESE — once again reflects the pronounced and increasing dynamism in Spain's labor market; it has risen by 19 percentage points since early 2011.



Increasing levels of staff changes within companies reveals that, as Spain's economic recovery shows signs of losing steam, companies are betting on various flexibility measures for staffing.

According to the first-quarter 2018 report, the number of new hires and dismissals remains stable, accounting for about 30 percent of job posts. Of those job changes, nearly one in four (23.5 percent) are a consequence of labor dynamism — that is, they are not linked to the outright creation or destruction of positions.

The data show that companies continue to hire and let go of workers beyond their expansion or reduction needs. Reasons include renewing or change their workforce, often with offers of

short-term contracts. What's more, data on the contracts suggest that today's temporary workers are in less stable positions than they were before.

Voluntary Departures Decline

The Meta4 IDL indicates that voluntary resignations, whose percentage had been gradually increasing between 2010 and 2017, decreased slightly over the past six months, without signs of recovering.

This slight setback, which occurred not only in companies that had adopted internal flexibility measures but also in businesses with a small number of temporary contracts, could indicate a cooling of the labor market, with fewer opportunities for workers to change jobs.

According to IESE professor [Marta Elvira](#), director of the research, "global figures can be interpreted as a reduction in outside mobility opportunities for professionals, who, nevertheless, find new jobs within their companies." She adds that "we could be seeing the beginning of the much-anticipated structural change in occupations," with the disappearance of certain jobs that give way to tasks that are better suited to future economic needs.

Methodology, Very Briefly

The Meta4 IDL analyzes labor mobility as workers retire, resign voluntarily 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 are not outright job creation or elimination.

For the eighth edition of the indicator, data was gathered from 59,000 employees at 335 companies operating in Spain.

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