

Spain's labor market grows more dynamic

Nearly one in five workers in Spain changed jobs during the second half of 2014, according to the latest labor dynamism index, a project of Meta4 and IESE.

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Labor mobility maintained its upward march to reach 18.8 percent in the second half of 2014 -- 1 percentage point above the 17.8 percent observed in the first half of the year. This means that nearly one in five workers changed jobs during the period.

This increase in labor dynamism, a trend now evident since 2013, is measured by the [labor dynamism index](#) (IDL, for its acronym in Spanish), a tool developed by IESE's International Research Center on Organizations and Meta4. The indicator measures the movement of workers between already existing jobs -- excluding the movement to and from newly created or destroyed posts.

On the one hand, increased labor mobility may point to efficiency gains and greater possibilities for those who may have been previously excluded from any employment. On the other hand, increased labor mobility could also point to higher job insecurity or staff turnover linked to lower retention rates and less training for short-term hires.

The indicator's components (labor flows and workflows) also show that 26 percent of the jobs in Spain posted some change (with employees coming or going, mainly). At the same time, job creation remains tenuous: in the analysis, there were an average of 4 new positions created and 2.5 positions destroyed for every 100 jobs in the second half of 2014.

Women: More likely to change jobs

Along with new data for the second half of 2014, the latest edition of the labor dynamism

index introduces two new demographic variables: the gender and age of workforce members.

With this new data, the index reveals that women have slightly higher turnover rates than men in the Spanish labor market. Although women represent only 40 percent of the workforce analyzed, their contribution to job turnover is higher, at 53 percent since 2013.

The report notes that women's turnover rates can be attributed to their higher rate of short-term contracts (spanning 30 days or less). On average, 3.3 percent of working women have short-term contracts, compared to 2.5 percent of men.

Younger employees: Leading labor dynamism

The analysis of the IDL by age group reveals a gap between younger employees and those with more work experience, with younger employees changing jobs much more often.

Dividing workers into three groups by age -- under 35, from 35 to 45, and over 45 -- the increase in labor dynamism is clearly best explained by the under 35 age group.

While each age group represents approximately one third of the workforce analyzed, the dynamism of the under 35 group accounted for 45 percent of index mobility in 2010 and it climbed to 58 percent in 2014.

This phenomenon stems from younger workers' higher propensity to alternate between employment and unemployment (or vice versa), and to jump between different jobs.

A tool to take the pulse of labor dynamics

By measuring the movement of workers within existing jobs, this index homes in on labor mobility caused by retirement, resignations (voluntary or prompted by the employer) and contract changes (moving from short- or fixed-term work to full employment, moving functions or departments, etc.).

The index is based on data from 150,000 employees in 800 companies operating in Spain, covering 21 different sectors.

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