

## Voluntary job turnover surges in Spain

**Jobs in Spain are changing hands at a multiyear high, with more than one in five positions affected. And resignations are up fivefold since 2010.**



April 1, 2017

Just over one in five jobs in Spain changed hands during the first three months of 2017, according to a study by IESE and the human capital management company Meta4. The study tracks an indicator of labor-market movement called the IDL (for indicator of labor dynamism

in Spanish), which reached 21.4 percent in the first quarter of the year.

Launched in 2014 and tracking data back to 2010, the IDL points to an increasingly dynamic labor market in Spain — a trend that started back in early 2011.

## **Voluntary turnover: a sign of health**

New in this sixth edition is a separate analysis of voluntary turnover, considered one of the motors behind the IDL's upward surge and a healthy sign for Spain's labor market. Higher rates of voluntary resignations suggest workers are increasingly comfortable quitting a job to seek new professional challenges.

The [report](#), prepared by IESE's [Marta Elvira](#) and Stefano Visintin in collaboration with Meta4, shows that the average number of employees who voluntarily quit went from just 1 out of 600 (in 2010) to 1 out of 120 (in 2016).

If labor market health were gauged by the total voluntary turnover rates (blue line), an improvement, albeit tentative, can be seen starting in 2010.

Note that turnover rates are considerably higher in companies that rely on temporary contracts (orange line) than in those that do not (gray line). With temporary contracts comes job risk, so employees tend to be more active job seekers. In an economic recovery, these insecure workers may be first to resign voluntarily. That said, an increase in turnover can also be seen in companies with fewer temporary contracts, starting around 2012.

## **An increasingly dynamic job market**

Overall, higher IDL rates may indicate increased efficiency for companies as well as opportunities for temporary employees. However, high IDL numbers also mean more job instability and staff turnover, which can have negative implications for employees and employers alike.

For human resources management in this climate, the authors suggest looking to new ways to retain talent, since the most competent workers may be the first to get offered new opportunities. For companies looking to grow strategically after emerging from the crisis, it is not a good time to lose key players.

Meanwhile, the authors also note stability in job creation rates and lower job destruction rates from October 2016 to March 2017. Specifically, in the first quarter of 2017, for every

100 jobs, 3.6 disappeared and 5.7 were created. As such, both processes — job creation and destruction — affected less than 10 percent of the labor force. More positions opened up due to job turnover.

## **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 sixth edition of the indicator, data was gathered from 51,000 employees at 295 companies operating in Spain.

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