Job-to-job transitions: definition and applications

LFS Workshop on Methodology 2017 Copenhagen

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Outline

- *Definition of job-to-job transitions*

- *Interpretation of job-to-job transitions*

- *Estimated probabilities of job-to-job transitions by age*

- *Use of job-to-job transitions data in labour turnover estimates*
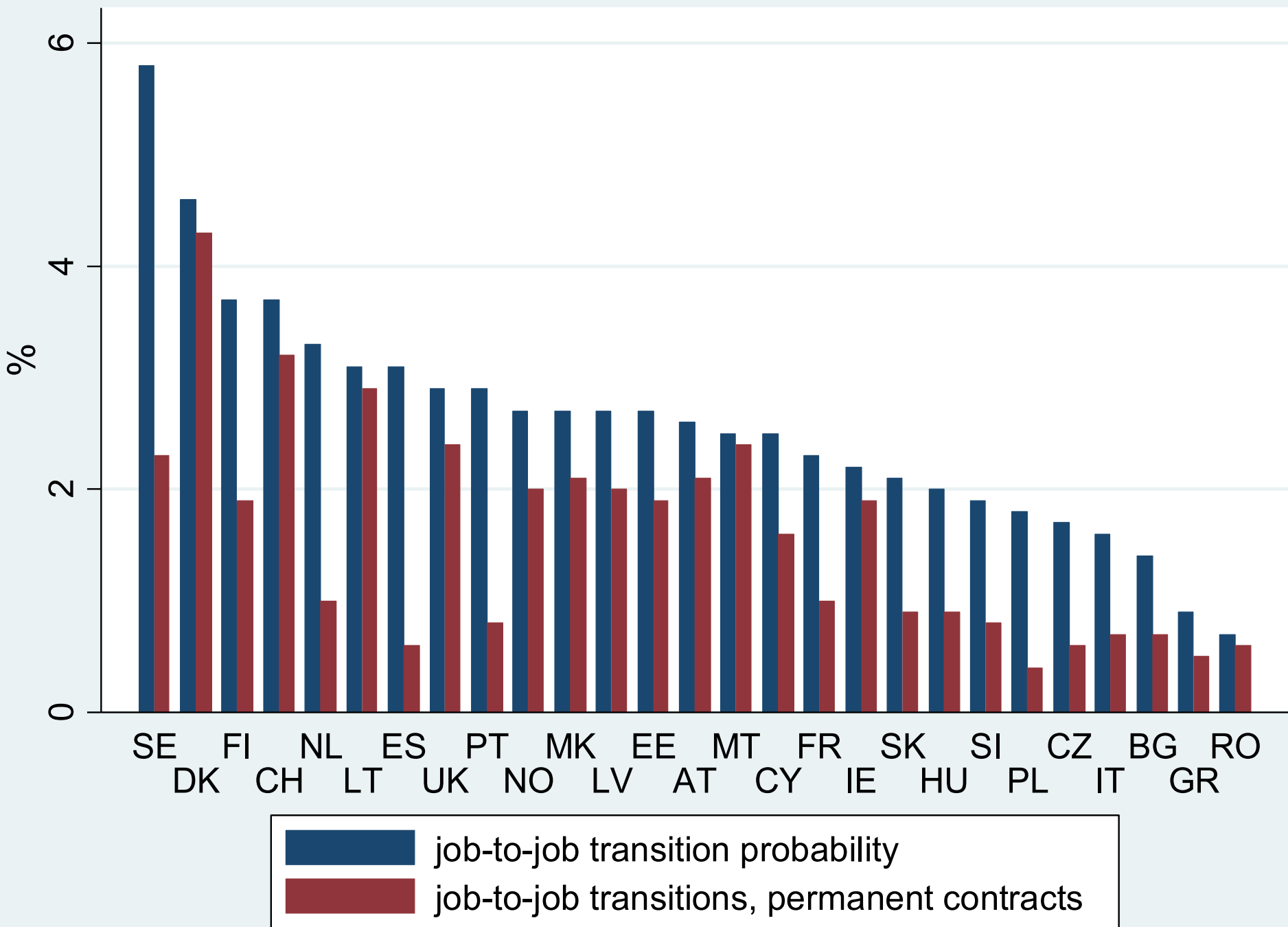
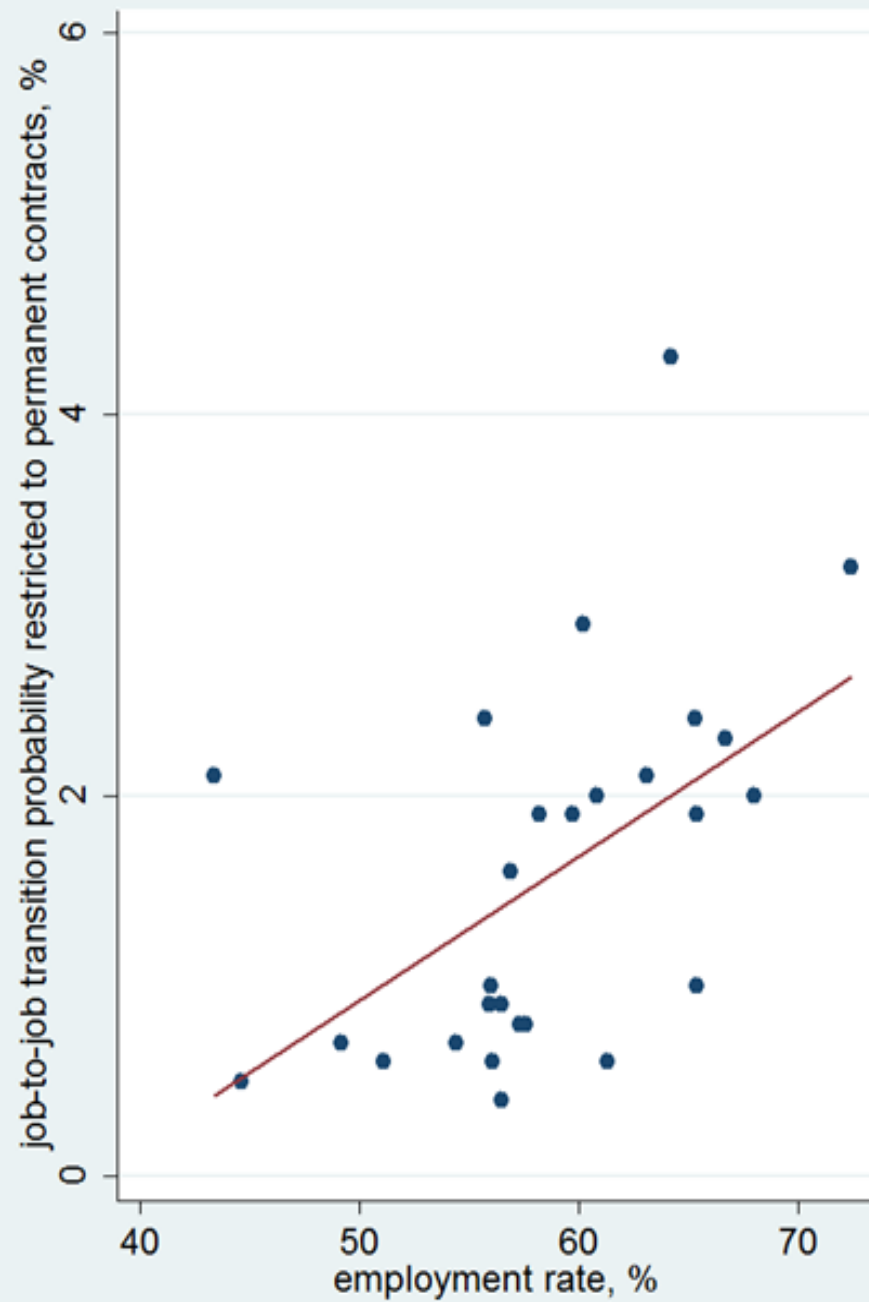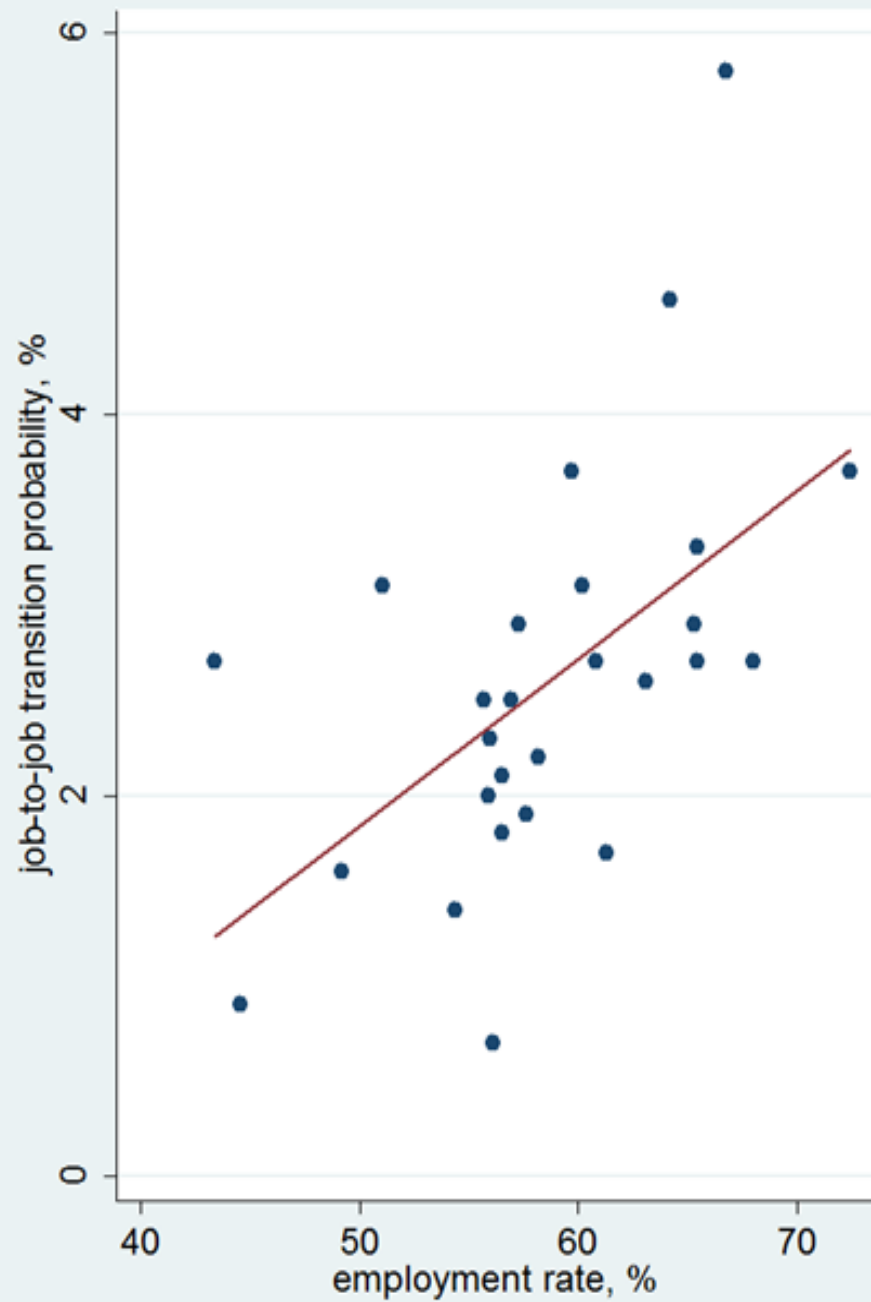# Definition of job-to-job transitions

Available information:

- ILOSTAT: labour market status, to define employment-to-employment flow

- STARTIME: time since last job started in month

- REM: reference month of interview

- additional information on job characteristics (NACE, ISCO, type of contract, working time)

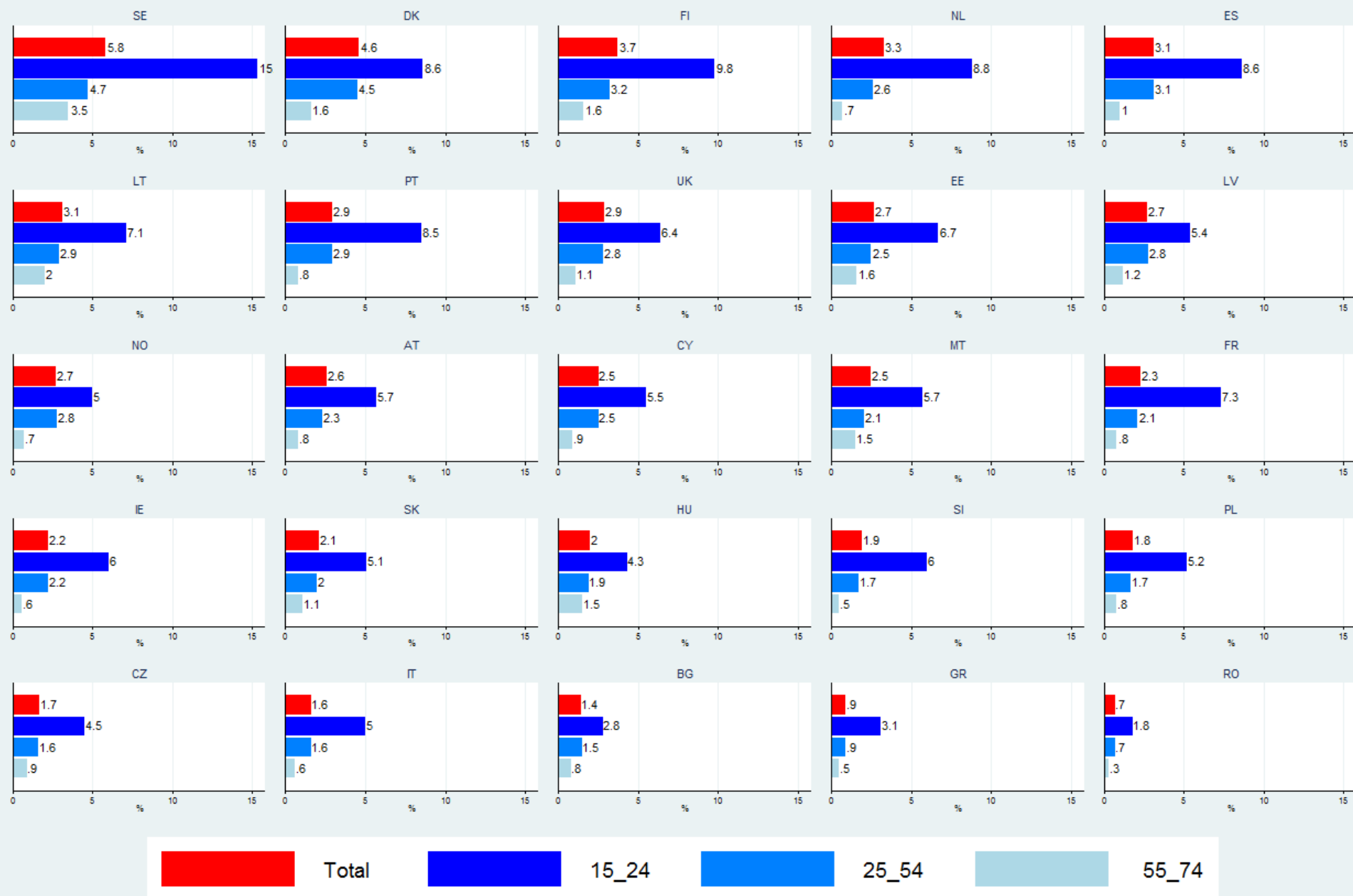**NOTE: graphs all refer to 2015, age group 15-74**

Definition of job-to-job transitions

DEFINITION	REFERENCE MONTH 1	REFERENCE MONTH 2	REFERENCE MONTH 3
Gomes (2012): initial and target quarter employed, started job at most two months ago	ILOSTAT Q(i)= 1 ILOSTAT Q(t)=1 STARTIME=0,1,2	ILOSTAT Q(i)= 1 ILOSTAT Q(t)=1 STARTIME=0,1,2	ILOSTAT Q(i)= 1 ILOSTAT Q(t)=1 STARTIME=0,1,2
Proposal Eurostat: initial and target quarter employed, started job between two measurements	ILOSTAT Q(i)= 1 ILOSTAT Q(t)=1 STARTIME=0,1,2,3 s.t. STARTIME<= REFM2-REFM1	ILOSTAT Q(i)= 1 ILOSTAT Q(t)=1 STARTIME=0,1,2,3,4 s.t. STARTIME<= REFM2-REFM1	ILOSTAT Q(i)= 1 ILOSTAT Q(t)=1 STARTIME=0,1,2,3,4 ,5 s.t. STARTIME<= REFM2-REFM1

job-to-job transition probability

job-to-job transitions, permanent contracts

Predicted probabilites of quarterly job-on-job change by age group, annual averages 2015

	Total	15_24	25_54	55_74
SE	5.8	15	4.7	3.5
DK	4.6	8.6	4.5	1.6
FI	3.7	9.8	3.2	1.6
NL	3.3	8.8	2.6	.7
ES	3.1	8.6	3.1	1
LT	3.1	7.1	2.9	2
PT	2.9	8.5	2.9	.8
UK	2.9	6.4	2.8	1.1
EE	2.7	6.7	2.5	1.6
LV	2.7	5.4	2.8	1.2
NO	2.7	5	2.8	.7
AT	2.6	5.7	2.3	.8
CY	2.5	5.5	2.5	.9
MT	2.5	5.7	2.1	1.5
FR	2.3	7.3	2.1	.8
IE	2.2	6	2.2	.6
SK	2.1	5.1	2	1.1
HU	2	4.3	1.9	1.5
SI	1.9	6	1.7	.5
PL	1.8	5.2	1.7	.8
CZ	1.7	4.5	1.6	.9
IT	1.6	5	1.6	.6
BG	1.4	2.8	1.5	.8
GR	.9	3.1	.9	.5
RO	.7	1.8	.7	.3

Countries are ordered by highest total probability

Use of job-to-job transitions data in labour turnover estimates

Labour turnover rate:

Sum of all separations and hirings in a given time period as % of average employment of that time period

*Data usually from business statistics; no harmonized source for the EU*

Labour turnover rate from the LFS: two options for the denominator

FLOWS: sum of all inflows into employment and all outflows from employment

- **Implies double count of job-to-job flows**

qLFS: sum of all employed who started their job 3 months or less ago and all unemployed or inactive who left their job 3 months or less ago

	turnover rate,% derived from FLOWS
	turnover rate,% derived directly from the LFS
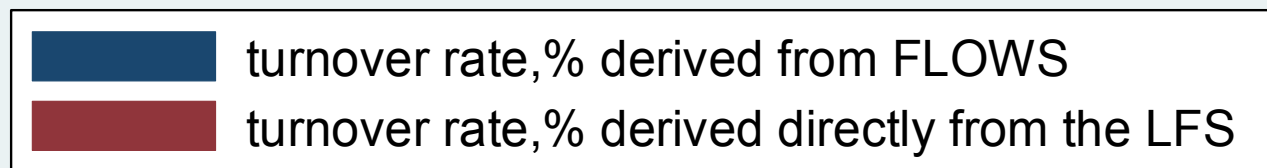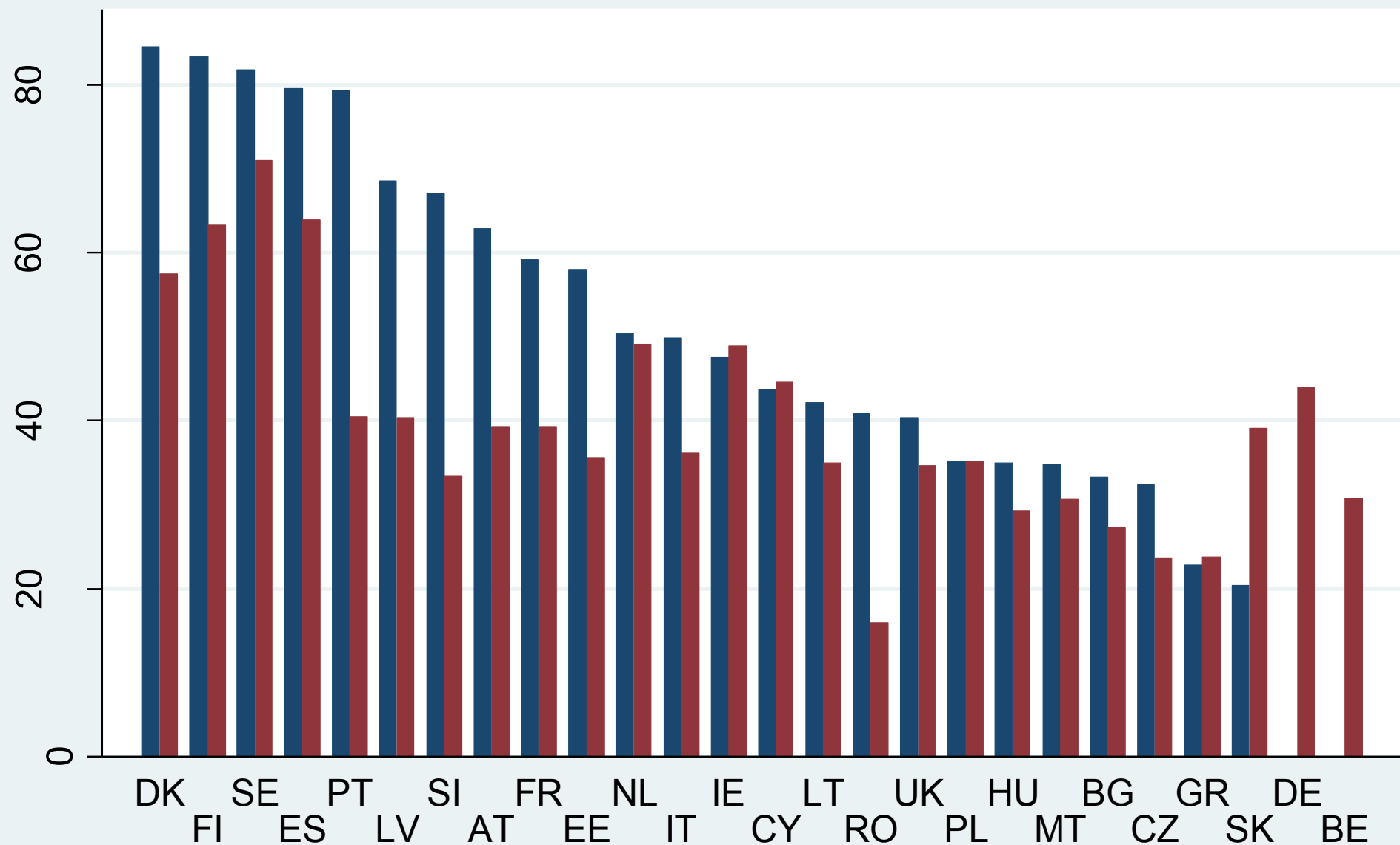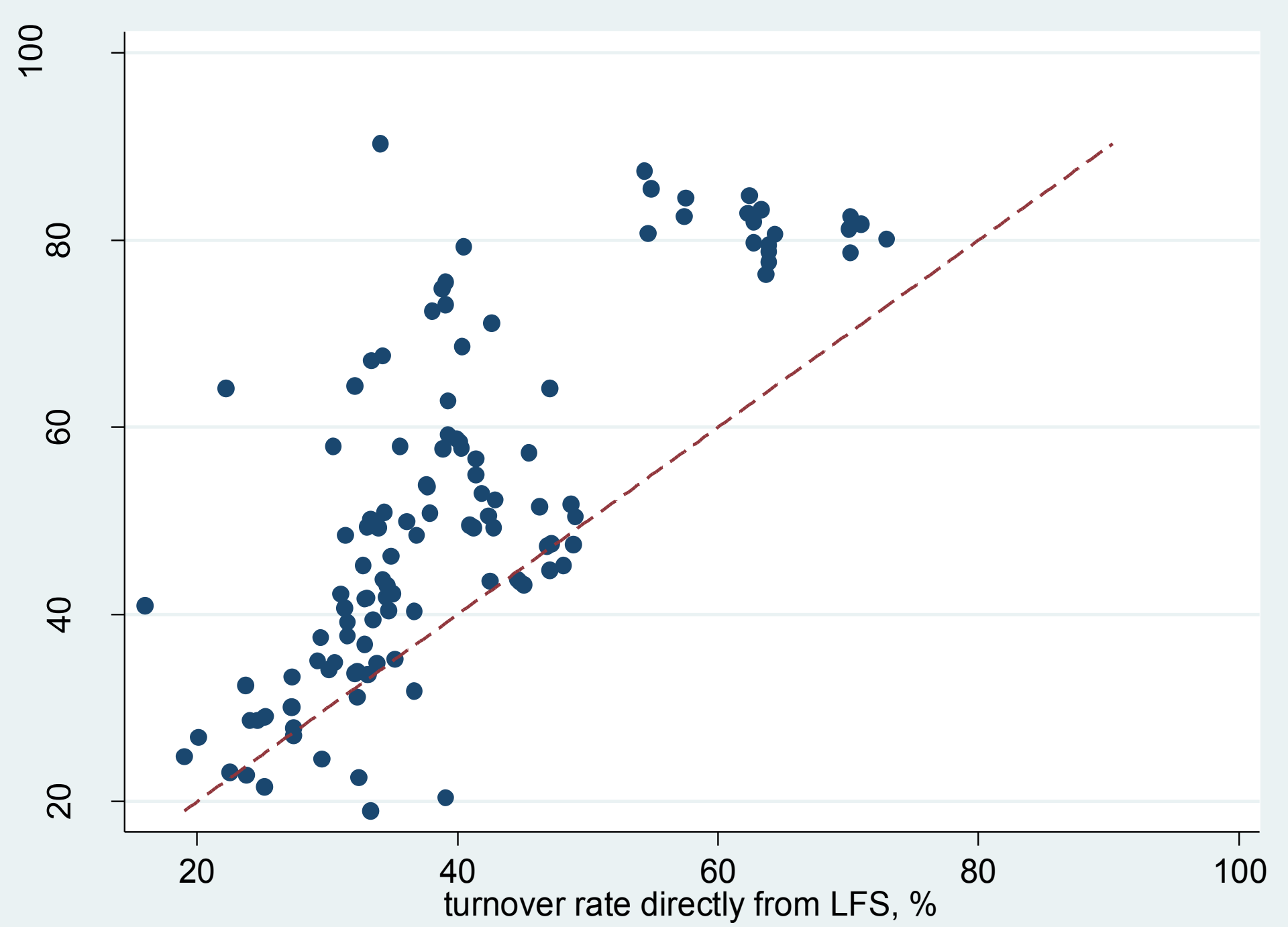
Summary and recommendations

- Important phenomenon in terms of size

- Important missing piece of information for calculation of job turnover rate

- Longitudinal data checks necessary

- Analyse quality of LEAVTIME and STARTIME

- Additional breakdowns should be explored