LABOR TURNOVER IN THE FIRM
AND IN THE MARKET

1. SOURCES AND DEFINITIONS


A useful summary of the various categories of labor turnover and the methods of measuring them. An appendix lists the sources of turnover statistics for ten countries as well as a short bibliography of methodological studies in this field.


This publication lists precise definitions, sampling methods, and data sources for the United States labor turnover statistics published by the Department of Labor.

In this review of the literature, it is convenient to distinguish two approaches to the study of labor turnover: first, there are the investigations undertaken by industrial sociologists and psychologists, personnel executives, and management consultants who focus attention on turnover within a particular establishment or firm; and, second, there is the work of economists who view turnover in the wider context of the operation of labor markets and who try to derive general principles of behavior.

2. TURNOVER WITHIN THE FIRM


The findings of eight major studies that employed the worker interview technique are presented, analyzed, and contrasted.

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** Items from this list should be ordered directly from the publisher. Addresses are given in connection with each reference.

Following chapters on the methods of measuring and of itemizing the costs of turnover, Gaudet examines the effects of such factors as company size and industrial accidents upon labor turnover. An appendix asks the question, "Does music lower turnover?"


In this study of turnover within a manufacturing establishment over time, a noticeable association was discovered between turnover rates and industrial relations activity. When labor-management relations were harmonious, turnover (and especially the category consisting of voluntary separations) was low, but as harmony was replaced by unrest, turnover rates rose.


A good example of the use of interviewing techniques in labor turnover studies. The author concludes that wage remuneration and job security are the prime reasons for voluntary terminations of employment.


Summarizes the main findings regarding the relationship between job stability and the personal characteristics of the employee.

3. Turnover and Labor Market Behavior


Provides a readable and concise review of the statistical approaches to describing the distribution of employment durations.


Myers' essay is a succinct statement of the general conclusions from empirical studies of labor turnover up until the mid-1950's.

Here presented are the findings of the major studies of labor mobility conducted by economists since the 1930's. The contrasting definitions and methods of these various investigations are subjected to the same critical treatment that is accorded to the conclusions. A weakness of the study is its neglect of labor demand as a determinant factor.


This collection of essays on the behavior of labor markets includes contributions by Charles A. Myers, Gladys Palmer, and Dale Yoder which are particularly valuable to the student of labor turnover.


The movement of labor is dealt with in a human capital framework; that is, it is an investment which incurs costs yet renders returns.

Journal of Human Resources (Journals Dept., University of Wisconsin Press, P.O. Box 1379, Madison, Wis. 53701), Fall, 1967. "The returns to geographic mobility: a symposium." pp. 427-537. $2.00.

Geographic mobility is treated as an investment activity in human capital. Following a theoretical exposition by Bodenhöfer, there are a number of essentially empirical contributions: Lansing and Morgan report on some aspects of their exhaustive studies at the University of Michigan; Lowell Gallaway and Jack Ladinsky investigate characteristics of mobility by industry and by occupation respectively; and, finally, Solomon Barkin and Martin Carnoy examine the international movement of labor.


This eloquent essay, written by one of the profession's most distinguished authorities, is a precursor of the "industrial feudalism" literature that is listed in the subsequent references. His weighed conclusion is that the effects of the social-security program upon labor mobility are probably minor, though the relief provisions are likely to promote mobility among those of low employability.

A time series analysis of the quit rate leads Ross to reject the hypothesis that "our labor force is being immobilized by the attractions of seniority and negotiated fringe benefits."


This is a reconsideration of the "industrial feudalism" hypothesis that was rejected by Ross in the preceding reference. Parker and Burton discover a significant decline in the quit rate over the last few decades, and they suggest that Ross's categorical conclusion needs reexamination.


This stimulating paper develops a model in which the duration of unemployment or job vacancy becomes a crucial determinant of labor market behavior. A formal treatment of labor turnover is offered along lines that emphasize the search process by which labor is hired and fired.


Employs standard econometric techniques to demonstrate the dependence of movements in money wages on labor turnover.


One methodological technique that has been used in the analysis of labor mobility is the application of Markov chain theory. Burford's study is a recent contribution in this field. Further, he offers a lucid introduction to the theory of Markov chains.