TECHNICAL NOTE
LABOUR TURNOVER

WHAT IS LABOUR TURNOVER?

Labour turnover refers to the movement of persons into and out of employment. In Singapore, labour turnover is measured by:

(1) Average monthly recruitment rate during the quarter. This is defined as the average number of persons recruited in a month during the quarter, divided by the average number of employees in the establishment. The annual figures are simple averages of the quarterly figures.

(2) Average monthly resignation rate during a quarter. This is defined as the average number of persons who resigned in a month during the quarter, divided by the average number of employees in the establishment. The annual figures are simple averages of the quarterly figures.

Recruitment and resignation rates provide an indication of the state of labour market and economy. In times of economic growth when job openings are plentiful, recruitment and resignation rates tend to be high, reflecting movement of workers between jobs. In periods of economic downturn however, turnover is lower as both employers and employees become cautious in hiring and leaving.

Employers use resignation rates to gauge the level of stability of their organisation and the morale of their employees. A low resignation rate in a company relative to the industry average is usually considered to be an indicator of good labour-management relations. On the other hand, high resignation rates can signal low staff morale, and are costly to the firm because they need to devote time and resources to recruit and train new employees.

HOW ARE LABOUR TURNOVER STATISTICS COMPILED?

Average recruitment and resignation rates are compiled quarterly from a representative sample of private and public sector establishments.

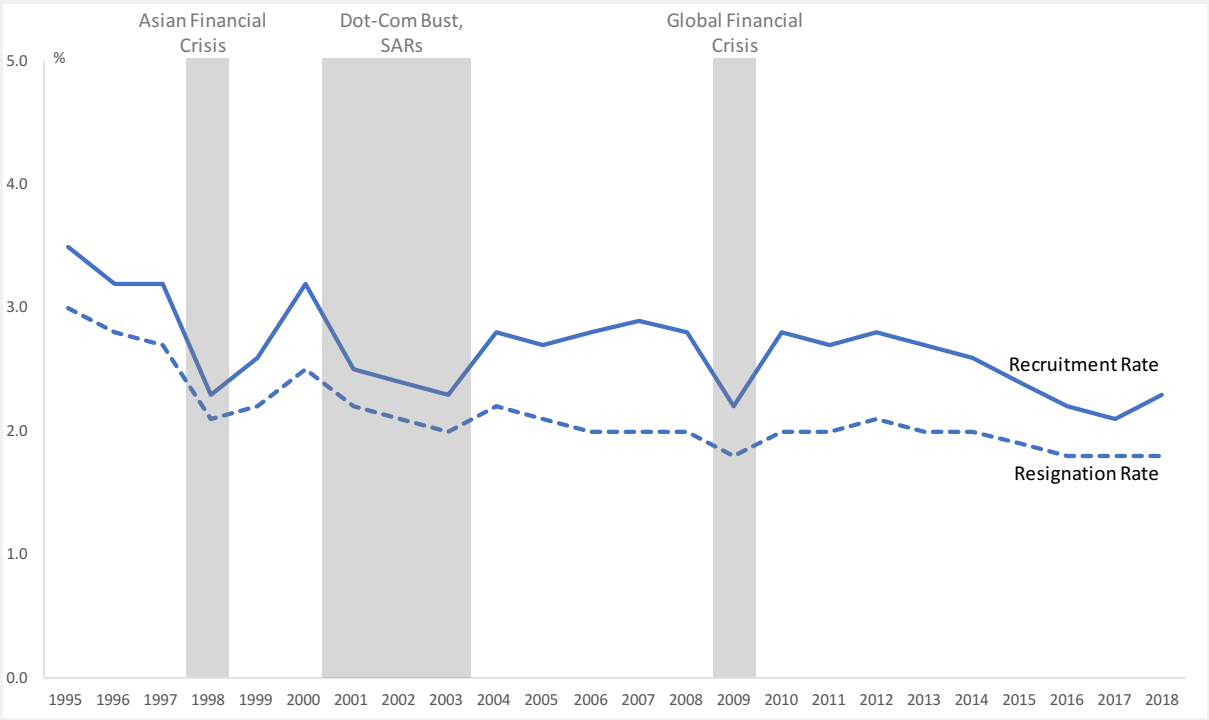
TRENDS IN LABOUR TURNOVER

Singapore's recruitment and resignation rates have declined slightly over time. The lower recruitment rate reflects the economy's transformation efforts to be more manpower lean, and the lower resignation rate reflects the shift towards PMET employment, whose turnover tended to be more stable.

However, short term fluctuations can happen in tandem with business cycles. During downturn periods in 1998, 2001 and 2009, both recruitment and resignation rates declined. Employers reduce hiring, and employees are less likely to leave their jobs, given fewer jobs opportunities in the market. The magnitude of decline in recruitment and resignation rates corresponds closely with the severity of the downturn.

On the whole, movements in recruitment rate are greater compared to resignation rate, suggesting that employers are able to respond more quickly to changes in economic and business conditions. On the other hand, resignation rates tend to be more stable.

Annual Average Recruitment and Resignation Rates



Source: Labour Market Survey, Manpower Research & Statistics Department, MOM

Notes:

(1) Data pertain to private sector establishments (each with at least 25 employees) and the public sector.

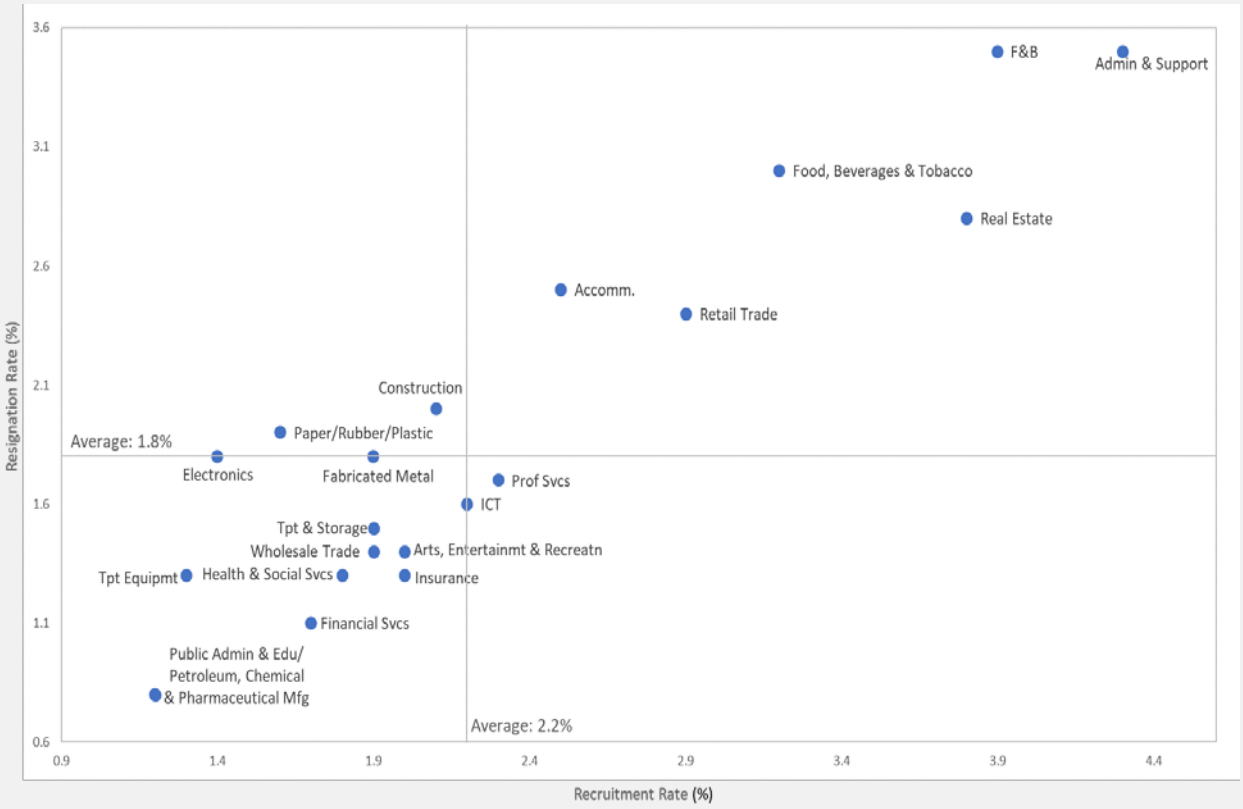
(2) The average monthly resignation/recruitment rate is defined as the average number of person who resigned / who were recruited in a month divided by the average number of employees in the establishment.

(3) Annual figures are computed based on the simple averages of the four non-seasonally adjusted quarterly figures in the year.

LABOUR TURNOVER BY INDUSTRY

Labour turnover also reflects the unique labour market dynamics of various industries. For example, accommodation, food services and retail trade typically have higher turnover rates because of their heavy reliance on temporary and part-time workers to cope with seasonal fluctuations in demand.

Recruitment and Resignation Rates By Industry, First Quarter 2019



Source: Labour Market Survey, Manpower Research & Statistics Department, MOM

Notes:

(1) Data pertain to private sector establishments (each with at least 25 employees) and the public sector.

(2) The average monthly resignation/recruitment rate is defined as the average number of person who resigned / who were recruited in a month divided by the average number of employees in the establishment.

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