Intro – Overview

In this here, today’s latest of posts – we examine what it means to be situated within a certain industry. What industries are hiring, and which ones are experiencing churn. As someone situated within a company proud of its I/O psychologists, particularly a batch of them hailing from the gmu department, I’ve had the chance to experience what it means to be part of an organization built by I/O psychologists.

Data sources, and final data used

As someone with an economics background, centered on the social sciences, I am inherently drawn to labor. So, today I decided to write a blog post on data built from the BLS’s database of surveys. The particular surveys in question include the JOLTS and the CES, both of them monthly. The JOLTS, or job openings and labor turnover survey, gives us measures for growth in industries – such as job openings, job hires, and turnover in those industries using job quits, job layoffs, and overall job total separations.

The CES or consumer expenditure survey gives us a more traditional measure of growth in an industry, namely earnings.

Methods

Using the above variables, we coded two categorical variables. Growth and turnover. The growth composite was comprised of earnings, job openings, and job hires.

The turnover composite was comprised of quits, layoffs, and total separation.

Doubtless there is some entanglement, or put technically, endogeneity, collinearity, or just correlation between these variables. However, packed into one variable we can assume they capture most of the variation within a certain category.

Results

What we find is far from surprising. It is that high growth industries often also experience high turnover. What is more surprising, however, is which of these 12-13 industries showed up as high growth-high-turnover industries.

On the upper end of the spectrum there was – a,b,c

At the lower end there was – d,e,f

This may be in part due to .. but it likely largely due to the fact that ..

Inferences – derived insights

I recently heard it said at a divisional meeting of the advanced analytics group, where I sit, that I/O psychologists strive to optimize between high ability and stability in their hires. This is one of the lenses through which they make their hiring decisions – others being fair hiring practices.

And so, by trading off high ability for stability, managers are better able to make decisions that will lead to better employee performance, and commitment – occasionally returning to those models to review their decision-making process, and update it as needed.

Conclusion- takeaway – goals, room for more research

Post-script: Models used, caveats