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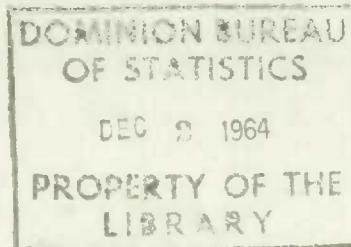
SEMI-ANNUAL



## HIRING AND SEPARATION RATES IN CERTAIN INDUSTRIES

PERIOD ENDING AUGUST, 1963

(Compiled from material supplied by the Unemployment Insurance Commission)



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The Minister of Trade and Commerce

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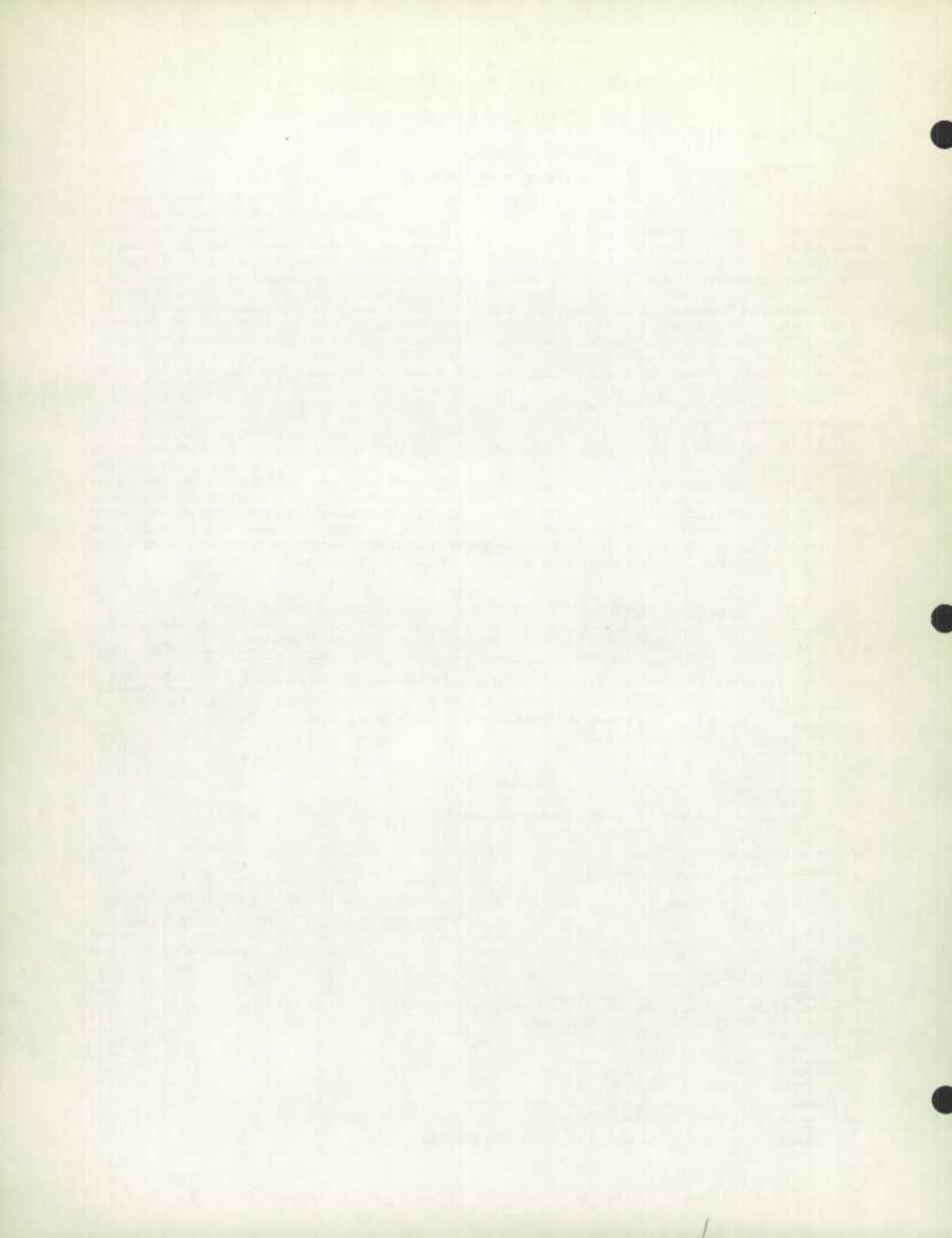
(separate figures of earnings and hours for men and women and for salaried employees and wage-earners in one week in autumn from 1946 with industrial and area detail; charts and explanatory material. Special data are obtained on a rotational basis in successive years:

- (1) a segregation of office and clerical workers from the salaried group
- (2) a distribution of wage-earners and salaried employees in a given range of weekly earnings and
- (3) a distribution of wage-earners in a given range of hours worked in the survey week)

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# HIRING AND SEPARATION RATES IN CERTAIN INDUSTRIES

PERIOD ENDING AUGUST, 1963

This report deals with measures of the gross movement of workers into and out of employment with employers of Canadian establishments required to make returns in the semi-annual survey of hirings and separations conducted by the Unemployment Insurance Commission. While the survey makes available statistics on hiring and separation rates, it has been designed mainly for the operational use of the National Employment Service in measuring manpower requirements, in planning and evaluating job placement programs, and calculating the extent of use of their facilities by employers (for the country).

## Size and Coverage of Survey

Employers required to make reports are those operating single establishments and employing 10 or more employees in total, and employers operating more than one establishment regardless of the number of employees, excluding in both cases establishments with no insurable employees. Industrially, then, the coverage of the survey is virtually coincident with the coverage of the Unemployment Insur-

ance Act. However, the Hiring and Separation survey is more comprehensive in that hiring and separation rates are based on total employment, insured and non-insured, in establishments where any employees are covered by unemployment insurance. Exceptions are crews of vessels engaged in water transportation and longshoremen and stevedores. This is because the hiring practices of these industries are such that data comparable with those secured from other industries can not be obtained. Government service, except Crown Companies and certain special boards and agencies such as liquor commissions and hydro electric commissions, is not yet included.

The number of reports received for the last semi-annual survey covering the period from March 1963 through August 1963 was some 69,900 and the number of employees reported was 3,508,600. The number of employees was about 64 per cent of the average number of paid workers with jobs reported in the Canadian labour force survey for the 3rd quarter of 1963. For industries other than agriculture and service, the coverage is quite high even though small firms are not required to report.

**TABLE A. Coverage of U.I.C. Labour Turnover Survey, August 1963**

Industry group	Number of establishments or branches in survey	Employed paid workers			Per cent of labour force survey estimates
		Total reported	Per cent female		
Agriculture .....	271	6,172	19.7		4.1
Forestry, fishing, trapping .....	952	63,592	1.7		74.4
Mining, quarrying, oil wells .....	910	116,036	3.9		163.4
Manufacturing .....	15,533	1,335,328	23.6		84.2
Construction .....	6,631	249,034	2.8		56.5
Transportation, storage, communication .....	3,281	355,599	16.0		81.7
Public utility operation .....	617	63,249	12.6		71.6
Trade .....	21,577	591,767	34.6		70.1
Finance, insurance, real estate .....	9,167	179,655	53.4		75.3
Service (all industries) .....	10,945	548,159	40.9		35.7
Service (except government) .....	9,824	415,444	49.9		36.8
<b>Totals .....</b>	<b>69,884</b>	<b>3,508,591</b>	<b>26.2</b>		<b>64.1</b>
Per cent distribution of total reported employed paid workers <sup>1</sup>					
	Canada	Atlantic	Quebec	Ontario	Prairie
Agriculture .....	100.0	3.4	31.1	46.7	9.6
Forestry, fishing, trapping .....	100.0	14.8	41.8	12.2	10.2
Mining, quarrying, oil wells .....	100.0	13.0	22.8	30.9	26.4
Manufacturing .....	100.0	5.0	32.9	47.2	7.3
Construction .....	100.0	9.9	31.4	33.8	18.0
Transportation, storage, communication .....	100.0	7.2	28.3	30.7	23.7
Public utility operation .....	100.0	10.1	23.0	43.9	16.6
Trade .....	100.0	8.4	23.4	39.3	18.5
Finance, insurance, real estate .....	100.0	5.1	28.8	43.5	14.2
Service (all industries) .....	100.0	6.4	21.8	38.4	21.7
Service (except government) .....	100.0	6.0	22.7	37.9	21.5
<b>Totals .....</b>	<b>100.0</b>	<b>6.9</b>	<b>28.4</b>	<b>40.5</b>	<b>9.1</b>

<sup>1</sup> Excludes some consolidated reports, not allocated to a region.

### Collection Procedure

Information is collected semi-annually on U.I.C. Form 847. Reporting periods cover March to August and September to February. On the top of the form, space is provided for firm name, address, nature of business, name of owner, if different, and address of the office completing the report. In the body of the form, employment is reported at the beginning and end of the six-month period, together with hirings and separations during each month, and the number employed at the end of each intervening month—male and female separately. Instructions and definitions are printed on the reverse side of the form.

Report forms are prepared in triplicate. The respondent retains one copy, another is kept in the Local Employment Office of the Commission, and the other is sent to the Bureau of Statistics for compilation.

### Industrial Classification

The Standard Industrial Classification of 1948 is used in the industry tables.

### Definitions

The rate of labour turnover is defined as being equal to either the hiring or separation rate whichever is lower. During expansions of employment the hiring rate exceeds the separation rate, hence turnover is equated with the separation rate. The excess hirings constitute a growth of employment characteristic of economic expansion. During contractions of employment the separation rate exceeds the hiring rate, hence turnover is equated with the hiring rate. The excess separations constitute a decline of employment characteristic of economic contractions.

An establishment should be distinguished from a firm or department. A firm may own or operate several establishments, each of which may produce a product quite different from the others. The establishment, in turn, may be composed of departments carrying on dissimilar activities. An establishment may be considered for the survey as an office, plant, factory, works, premises or place, where one or more employees are covered by unemployment insurance.

Casual employees are those workers engaged for a particular job or jobs of a casual nature for periods of six working days or less. They are excluded from the U.I.C. survey. However, employees engaged for continuous periods of seven or more working days, even if the work is of a casual nature, are not considered casuals for the purposes of the survey.

Part-time employees engaged to work only part of the normal working day or week and short-time employees, those who because of industrial conditions have been placed on a work schedule less than the normal day or week, are included in the survey.

But if part-time employees are considered to fall within the class of casuals they are excluded from the survey.

Employees on strike or locked out are considered as still employed except where replaced by other workers. Employees temporarily laid off with definite instructions to return to work within 30 days are considered still on the payroll. If the employee quits or is dismissed within this period, however, a separation is recorded.

Employees absent from work because of sickness or accident or other justifiable reasons with intent of reinstatement are considered still on the payroll until such time as they may quit or be dismissed. Employees on paid or unpaid vacation are considered on the payroll.

Employees on transfer from one area to another are considered separations at the point from which transferred and hirings at the point to which they are transferred. However, reports from more than one establishment may be consolidated by a firm where these establishments are located within the same city or town and operating in the same line of business. Thus, a firm operating several chain stores in a city may submit one report covering these stores. Many firms whose payroll records are kept on an area basis report in this manner.

Hirings for the survey consist of additions to the work force during a period (excluding casuals) whether of new or rehired employees. Separations or terminations of employment consist of persons (excluding casuals) whose employment has ended with an establishment and whose names have been removed from the payroll. Separations are not distinguished by type, such as quits or voluntary separations, discharges, indefinite layoffs and other miscellaneous involuntary separations.

Regions have the following geographical breakdown: Atlantic—Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Magdalen Islands; Quebec—province excluding Magdalen Islands; Ontario—that part of province east of a north and south line drawn about 250 miles east of Port Arthur; Prairies—the balance of the province of Ontario, Manitoba, Saskatchewan, Alberta and the Northwest Territories; Pacific—province of British Columbia including the Peace River Block and the Yukon Territory.

### Notes on Current Statistics

Monthly averages of hiring, separation and labour turnover rates are given below for the years 1948 to 1962 and the first 8 months of 1963. The rate of labour turnover is defined as being equal to either the hiring or separation rate whichever is lower.

The hiring rate exceeds the separation rate during economic upturns; during downturns the reverse is true. This is to be expected since an in-

crease in employment, which accompanies economic expansions, can only be brought about by an excess of the hiring rate over the separation rate.

Year	Average monthly		
	Hiring rate <sup>1</sup>	Separation rate <sup>1</sup>	Turnover
1948 .....	7.8	7.7	7.7
1949 .....	6.8	6.9	6.8
1950 .....	7.4	6.9	6.9
1951 .....	7.9	7.6	7.6
1952 .....	7.5	7.2	7.2
1953 .....	6.9	6.9	6.9
1954 .....	6.5	6.6	6.5
1955 .....	6.8	6.4	6.4
1956 .....	7.4	6.9	6.9
1957 .....	6.7	6.9	6.7
1958 .....	6.0	6.1	6.0
1959 .....	6.3	6.2	6.2
1960 .....	6.0	6.2	6.0
1961 .....	6.0	5.9	5.9
1962 .....	6.2	6.0	6.0
1963 (eight months)	6.4	5.4	5.4

<sup>1</sup> Per 100 persons on the payroll.

A trend towards a considerable decline in the labour turnover rate between 1948 and 1963 is evident. The average monthly rate has dropped from 7.7 in 1948 to 5.4 in 1963. A number of factors have contributed to this.

The spread of job security provisions in contracts limiting the employer's right of arbitrary discharge is one factor. Fringe benefits depending on years of service, e.g., pensions, is another. Moreover, the industries which experienced the highest rates of growth of employment in recent years, such as trade, public utilities, finance, insurance and

real estate and some sectors of service, are the industries which have a relatively low rate of turnover.

The monthly pattern in hiring and separation rates during the 12 months ending in August 1963, conforms to the experience in the last decade. Thus, hiring rates increased in January, in the three months March to May and in September.

The increased hiring rate in January is due to the seasonal expansion in employment following the slow down towards the end of the year. From March to May, the spring expansion of general economic activity accounts for the rise in the hiring rate. Higher employment in forestry, in car manufacturing due to the model change and in retail trade at the end of the vacation period results in an increased hiring rate in September.

The separation rates increase in March, from May to September and in November and December. In March, the separation rate is high among forestry workers, particularly in Eastern Canada. From May to September, increases in the separation rate take place in trade and service and in some manufacturing industries, especially among women. This conforms to known trends, i.e., married women tend to withdraw from the labour force during the school vacation period. The general decline in economic activity towards the end of the year results in rises in the separation rate in November and December.

Employment increased during the 12 months for men and women, for each region and for each major industry group except forestry, mining and transportation. In comparison with the preceding 12 months labour turnover increased most among women. It is reasonable to assume that the higher participation rate which is characteristic of economic expansions accounts in part for this higher turnover rate among women because it brings persons into the labour market whose job attachment is rather tenuous. Of the provinces, Ontario and Quebec experienced the sharpest rise in labour turnover.

TABLE B. Comparison of Normal and Actual Month-to-Month Changes in Labour Turnover

Month	Hirings			Separations		
	Rate	Per cent change from previous month		Rate	Per cent change from previous month	
		Actual	Usual <sup>1</sup>		Actual	Usual <sup>1</sup>
1962—September .....	6.9	3.0	6.2	7.4	7.2	9.9
October .....	5.8	- 15.9	- 15.3	6.4	- 13.5	- 10.8
November .....	5.4	- 6.9	- 9.5	6.6	3.1	2.5
December .....	4.1	- 24.1	- 21.8	7.8	18.2	19.2
1963—January .....	5.2	26.8	23.8	5.9	- 24.4	- 25.5
February .....	4.2	- 19.2	- 19.1	4.7	- 20.3	- 14.2
March .....	5.0	19.0	16.2	4.8	2.1	0.4
April .....	6.4	28.0	33.5	4.8	-	- 2.8
May .....	8.8	37.5	31.7	5.3	10.4	4.6
June .....	8.0	- 9.1	- 8.5	5.5	3.8	7.1
July .....	6.8	- 15.0	- 13.8	5.5	-	5.1
August .....	6.6	- 2.9	- 4.3	6.9	25.5	12.7

<sup>1</sup> Based on experience for 10 years 1953-62.

**TABLE C. Percentage Changes in Labour Turnover Rates<sup>1</sup> by Specified Characteristics of Workers**

Characteristic	Hirings			Separations		
	Average monthly rate		Per cent change	Average monthly rate		Per cent change
	Sept. 61 to Aug. 62	Sept. 62 to Aug. 63		Sept. 61 to Aug. 62	Sept. 62 to Aug. 63	
<b>Totals</b>	<b>6.2<sup>2</sup></b>	<b>6.1<sup>2</sup></b>	<b>- 1.6</b>	<b>6.0</b>	<b>6.0</b>	<b>-</b>
Sex:						
Male	6.2 <sup>2</sup>	6.1 <sup>2</sup>	- 1.6	6.0	6.0	-
Female	6.1 <sup>2</sup>	6.0 <sup>2</sup>	- 1.6	5.8	5.8	-
Region:						
Atlantic	7.8	6.8	- 12.8	7.8	7.9	1.3
Quebec	6.9 <sup>2</sup>	6.8 <sup>2</sup>	- 1.5	6.6	6.6	-
Ontario	5.3 <sup>2</sup>	5.3 <sup>2</sup>	-	5.0	5.1	2.0
Prairie	6.3 <sup>2</sup>	6.1	- 3.2	6.2	6.1	- 1.6
Pacific	6.7 <sup>2</sup>	6.5 <sup>2</sup>	- 3.0	6.5	6.3	- 3.1
Industry:						
Forestry	31.2 <sup>2</sup>	29.7 <sup>2</sup>	- 4.8	30.9	29.5	- 4.5
Mining	4.4	4.6	4.5	4.5	4.9	8.9
Metals	3.7	3.8	2.7	3.7	4.2	13.5
Fuels	4.9	5.5	12.2	5.4	5.6	3.7
Non-metals	5.1 <sup>2</sup>	4.9	- 3.9	4.7	5.0	6.4
Quarrying	10.1	9.7 <sup>2</sup>	- 4.0	10.1	9.6	- 5.0
Manufacturing	5.3 <sup>2</sup>	5.2 <sup>2</sup>	- 1.9	5.0	5.0	-
Foods etc.	7.8 <sup>2</sup>	7.5	- 3.8	7.6	7.5	- 1.3
Tobacco	6.3	6.8	7.9	6.3	6.8	7.9
Rubber	3.8 <sup>2</sup>	3.6 <sup>2</sup>	- 5.3	3.2	3.3	3.1
Leather	4.9 <sup>2</sup>	4.9	-	4.5	5.0	11.1
Textile	3.8 <sup>2</sup>	3.9 <sup>2</sup>	2.6	3.4	3.6	5.9
Clothing	6.0 <sup>2</sup>	6.1 <sup>2</sup>	1.7	5.7	5.8	1.8
Wood	8.0 <sup>2</sup>	7.9 <sup>2</sup>	- 1.3	7.8	7.7	- 1.3
Paper	3.3	3.3	-	3.3	3.3	-
Printing	3.2	3.3	3.1	3.2	3.3	3.1
Iron and steel	5.0 <sup>2</sup>	4.8 <sup>2</sup>	- 4.0	4.4	4.5	2.3
Transportation equipment	5.2 <sup>2</sup>	5.1 <sup>2</sup>	- 1.9	4.8	4.7	- 2.1
Non-ferrous metal products	4.0 <sup>2</sup>	3.9 <sup>2</sup>	- 2.5	3.6	3.8	5.6
Electrical apparatus	3.9 <sup>2</sup>	3.7 <sup>2</sup>	- 5.1	3.1	3.4	9.7
Non-metallic mineral products	5.9 <sup>2</sup>	5.5	- 6.8	5.6	5.9	5.4
Petroleum and coal products	1.8	1.6	- 11.1	2.0	1.9	- 5.0
Chemicals	3.3 <sup>2</sup>	3.3 <sup>2</sup>	-	3.1	3.2	3.2
Miscellaneous manufacturing	6.5 <sup>2</sup>	6.6 <sup>2</sup>	1.5	6.1	6.3	3.3
Construction	17.1 <sup>2</sup>	16.5	- 3.5	17.0	16.7	- 1.8
General contractors	19.4	18.8	- 3.1	19.4	19.2	- 1.0
Sub-contractors	13.3 <sup>2</sup>	13.0 <sup>2</sup>	- 2.3	12.9	12.9	-
Transportation etc.	3.0	3.1	3.3	3.1	3.2	3.2
Transportation	3.1	3.2	3.2	3.2	3.3	3.1
Storage	5.0	5.0 <sup>2</sup>	-	5.2	4.9	- 5.8
Communication	2.6 <sup>2</sup>	2.5 <sup>2</sup>	- 3.8	2.4	2.3	- 4.2
Public utility operation	2.6 <sup>2</sup>	2.5	- 3.8	2.4	2.5	4.2
Trade	5.3 <sup>2</sup>	5.3 <sup>2</sup>	-	5.1	5.1	-
Wholesale	4.6 <sup>2</sup>	4.6 <sup>2</sup>	-	4.4	4.5	2.3
Retail	5.7 <sup>2</sup>	5.6 <sup>2</sup>	- 1.8	5.6	5.5	- 1.8
Finance etc.	3.8 <sup>2</sup>	3.9 <sup>2</sup>	2.6	3.5	3.6	2.9
Service, except government	5.9 <sup>2</sup>	5.9 <sup>2</sup>	-	5.6	5.5	- 1.8
Community	3.0 <sup>2</sup>	2.9 <sup>2</sup>	- 3.3	2.6	2.4	- 7.7
Recreation	10.8 <sup>2</sup>	11.1 <sup>2</sup>	2.8	10.3	10.5	1.9
Business	5.8 <sup>2</sup>	5.7 <sup>2</sup>	- 1.7	5.4	5.4	-
Personal	8.8 <sup>2</sup>	9.1 <sup>2</sup>	3.4	8.4	8.8	4.8

<sup>1</sup> Rates for firms usually employing 10 or more.

<sup>2</sup> Expansion of employment, i.e., hiring rate greater than separation rate.

CHART - I

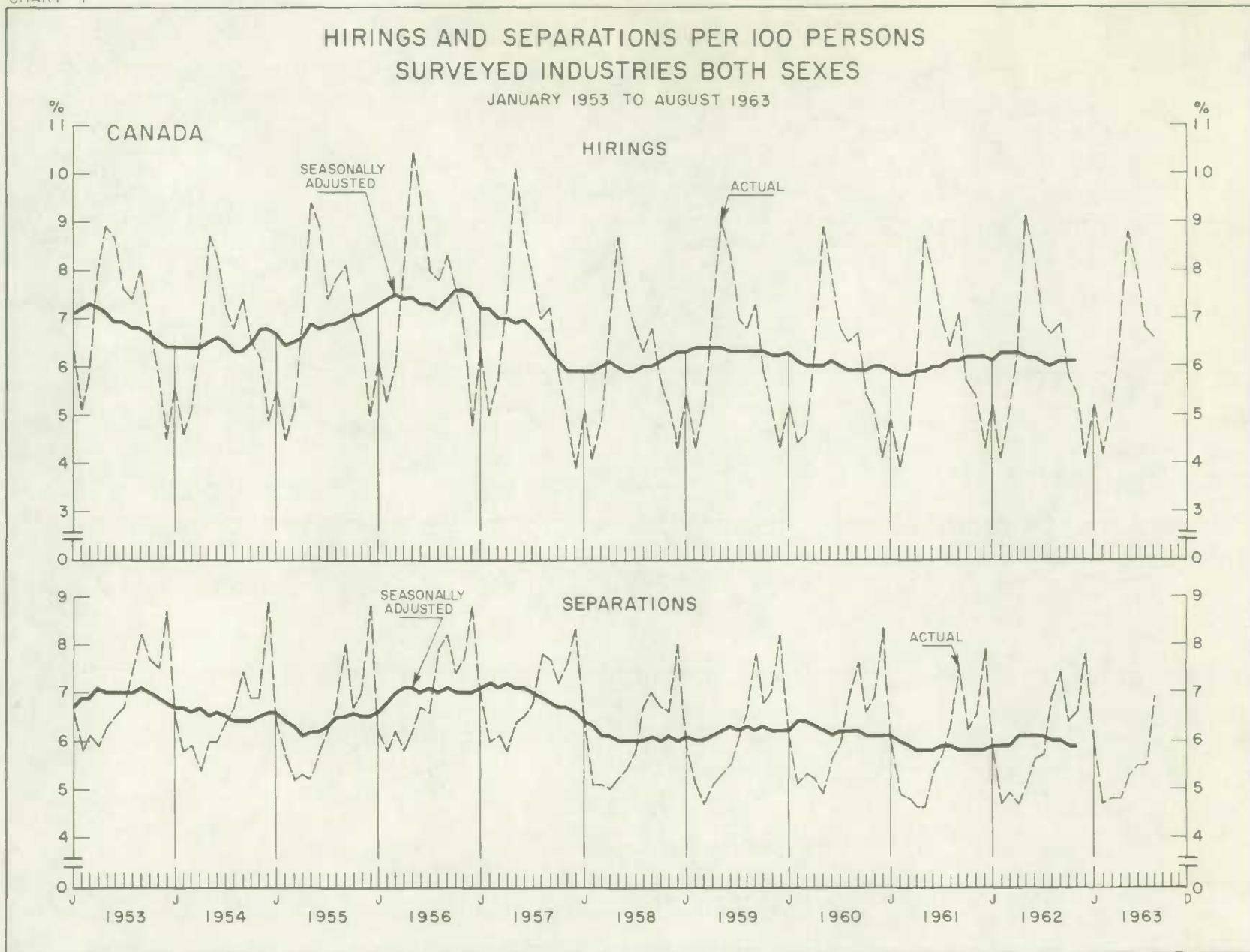


CHART-2

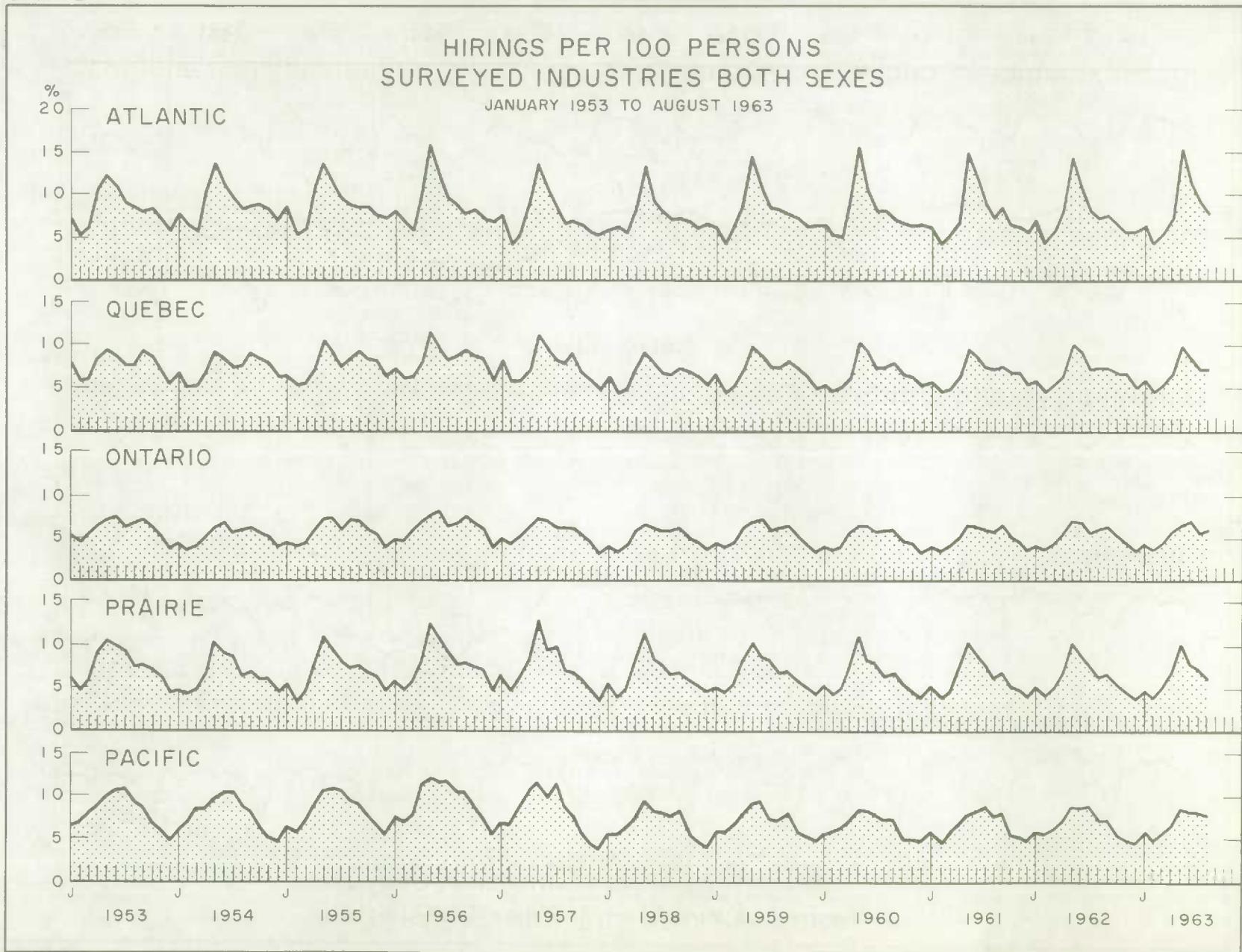


CHART - 3

SEPARATIONS PER 100 PERSONS  
SURVEYED INDUSTRIES BOTH SEXES

JANUARY 1953 TO AUGUST 1963

























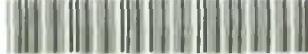








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