

## LABOR TURNOVER STATISTICS

(in enterprises in Metro Manila)  
Second Quarter 2016

The Labor Turnover Survey (LTS) is a quarterly sample survey of enterprises conducted by the Philippine Statistics Authority (PSA) since the third quarter of 2002. The survey aims to capture "job creations" and "job displacements" in business enterprises based in Metro Manila by collecting quarterly data on accessions and separations of workers.

A total of 1,232 enterprises served as respondents to the Second Quarter 2016 Labor Turnover Survey. The sample enterprises were drawn from the 2015 List of Enterprises. The retrieval rate for this quarter was placed at 93.8 percent.

### **Employment in large enterprises in Metro Manila continued to rise**

- Employment growth in enterprises based in Metro Manila remained positive in the second quarter of 2016.
- Gains were observed in the agriculture and services sectors which offset the decline posted in the industry sector.
- Measured in terms of labor turnover rates or the percent difference between accession (additions) and separation (loses) rates, employment growth accelerated to 2.3 percent during the period. This doubled the 1.15 percent rate registered in the same period in 2015. (Table 1)

### **Twenty three workers per 1,000 employed added in the enterprise workforce**

- The accession rate of 12.43 percent exceeded separation rate of 10.13 percent resulting to a labor turnover rate of 2.3 percent for the period.
- These rates indicated that for every 1,000 employed, 23 workers were added to the total enterprise workforce, 124 workers were added

due to either expansion or replacement while 101 workers were laid off or quit their jobs.

### **Growth led by agriculture, forestry, and fishing sector**

- Agriculture, forestry, and fishing sector posted the highest employment gain at 4.59 percent, almost quadruple of the labor turnover rate (1.02%) registered in the same period last year.
- Moreover, the employment gains in the services sector of 2.88 percent can be attributed to the positive growth in education (6.08%); financial and insurance activities (5.10%); information and communication (4.45%); other service activities (4.36%); and wholesale and retail trade; repair of motor vehicles, motorcycles (3.06%). (Table 2)
- Meanwhile, the employment reduction (-2.11%) in the industry sector was mainly due to losses registered in construction (-8.36%); and electricity, gas, steam and air conditioning supply (-1.17%).

### **Expansion rate is higher than replacement rate**

- The accession rate of 12.43 percent during the quarter was primarily contributed by the expansion of business activities at 8.86 percent, which was more than double of the accession due to replacement of workers (3.57%).
- Eight industry groups registered higher accession rates due to expansion than replacement of workers. This was most apparent in administrative and support service activities (15.18% vs. 1.91%); information and communication (7.98% vs. 1.45%) and human health and social work activities (8.13 vs. 3.64%).
- Meanwhile, there were ten (10) industries which posted more replacements than expansion. Among these, significant percentage point differences were registered in education (9.49% vs. 4.54%); wholesale and retail trade; repair of motor vehicles and motorcycles (6.99% vs. 2.37%) and accommodation and food service activities (9.31% vs. 7.23%).

### **Widespread separation of workers in construction industry**

- Employee-initiated separations (7.33%) accounted for most of the employment losses; the rest (2.80%) were due to terminations (employer-initiated).
- Construction industry registered the highest separation rate at 17.07 percent. This was consisted mainly of employer-initiated separations at 9.60 percent.
- Administrative and support service activities posted the second highest separation rate of 14.68 percent of which, 11.95 percent was employer-initiated. This was followed by accommodation and food and service activities at 14.04 percent.

#### **Definition of Terms:**

**New Hires (Accessions)** - refer to permanent or temporary additions to employment in the enterprise due to 1) expansion of business activity and 2) replacement of separated workers and employment resulting from changes in methods/technology of production or service.

**Separations** - refer to terminations of employment due to a) quits or terminations initiated by the employees and b) layoffs or terminations initiated by the employers due to economic reasons (e.g., lack of market, financial losses, redundancy, end of contract) and non-economic reasons (e.g., gross negligence, AWOL).

**Labor Turnover** - Changes in the employment of an enterprise during a reference period resulting from accessions and separations of worker.

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#### **FOR INQUIRIES**

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Regarding other statistics, contact **KNOWLEDGE MANAGEMENT AND COMMUNICATIONS DIVISION** at 462-6600 local 834

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**Table 1 – Labor Turnover Rates by Year and Quarter,  
National Capital Region: 2008–2nd Quarter 2016**

<b>YEAR/QUARTER</b>	<b>Accession Rate</b>	<b>Separation Rate</b>	<b>Labor Turnover Rate (Percent Difference)</b>
<b><u>2016</u></b>			
1 <sup>st</sup> Quarter	7.87	6.91	0.96
2 <sup>nd</sup> Quarter	12.43	10.13	2.30
<b><u>2015</u></b>			
1 <sup>st</sup> Quarter	10.70	10.17	0.53
2 <sup>nd</sup> Quarter	10.75	9.59	1.15
3 <sup>rd</sup> Quarter	11.07	7.87	3.20
4 <sup>th</sup> Quarter	8.50	7.88	0.62
<b><u>2014</u></b>			
1 <sup>st</sup> Quarter	10.06	9.47	0.59
2 <sup>nd</sup> Quarter	11.47	10.59	0.88
3 <sup>rd</sup> Quarter	13.11	10.76	2.35
4 <sup>th</sup> Quarter	9.31	8.29	1.02
<b><u>2013</u></b>			
1 <sup>st</sup> Quarter	7.49	7.51	(0.02)
2 <sup>nd</sup> Quarter	8.77	6.28	2.49
3 <sup>rd</sup> Quarter	8.37	5.99	2.38
4 <sup>th</sup> Quarter	8.86	5.64	3.22
<b><u>2012</u></b>			
1 <sup>st</sup> Quarter	8.10	7.47	0.63
2 <sup>nd</sup> Quarter	8.93	8.08	0.85
3 <sup>rd</sup> Quarter	8.43	6.08	2.35
4 <sup>th</sup> Quarter	8.14	5.67	2.47
<b><u>2011</u></b>			
1 <sup>st</sup> Quarter	11.36	9.47	1.89
2 <sup>nd</sup> Quarter	8.60	10.65	(2.05)
3 <sup>rd</sup> Quarter	11.05	8.55	2.51
4 <sup>th</sup> Quarter	10.38	8.50	1.88
<b><u>2010</u></b>			
1 <sup>st</sup> Quarter	10.23	11.11	(0.88)
2 <sup>nd</sup> Quarter	13.52	10.66	2.86
3 <sup>rd</sup> Quarter	12.11	7.88	4.22
4 <sup>th</sup> Quarter	12.56	8.51	4.05
<b><u>2009</u></b>			
1 <sup>st</sup> Quarter	9.29	9.02	0.27
2 <sup>nd</sup> Quarter	9.74	7.53	2.21
3 <sup>rd</sup> Quarter	9.99	9.62	0.37
4 <sup>th</sup> Quarter	8.48	7.43	1.05
<b><u>2008</u></b>			
1 <sup>st</sup> Quarter	12.23	7.46	4.76
2 <sup>nd</sup> Quarter	10.56	8.57	1.99
3 <sup>rd</sup> Quarter	11.05	9.00	2.05
4 <sup>th</sup> Quarter	9.14	8.45	0.69

**Note:** Labor turnover rate may not equal to the differences of accession rate and separation rate due to rounding.  
**Source of data:** Philippine Statistics Authority, Labor Turnover Survey.

**TABLE 2 - Labor Turnover Rates in Agricultural and Non-Agricultural Enterprises  
by Major Industry Group, National Capital Region: 2nd Quarter 2016**

MAJOR INDUSTRY GROUP	Total			Accession		Separation	
	Accession	Separation	Percent Difference	Expansion	Replacement	Employee-Initiated	Employer-Initiated
<b>ALL INDUSTRIES</b>	<b>12.43</b>	<b>10.13</b>	<b>2.30</b>	<b>8.86</b>	<b>3.57</b>	<b>7.33</b>	<b>2.80</b>
<b>Agriculture</b>	<b>8.81</b>	<b>4.22</b>	<b>4.59</b>	<b>4.81</b>	<b>4.00</b>	<b>1.98</b>	<b>2.24</b>
<b>Industry</b>	<b>7.20</b>	<b>9.31</b>	<b>(2.11)</b>	<b>3.94</b>	<b>3.26</b>	<b>4.02</b>	<b>5.29</b>
Mining and quarrying	7.46	4.07	3.40	3.43	4.03	2.31	1.76
Manufacturing	6.53	4.60	1.93	3.13	3.40	1.89	2.71
Electricity, gas, steam and air conditioning supply	1.18	2.35	(1.17)	0.32	0.86	1.15	1.20
Water supply; sewerage, waste management and remediation activities	5.58	4.06	1.52	3.75	1.83	1.52	2.54
Construction	8.71	17.07	(8.36)	5.42	3.29	7.47	9.60
<b>Services</b>	<b>13.15</b>	<b>10.27</b>	<b>2.88</b>	<b>9.54</b>	<b>3.61</b>	<b>7.80</b>	<b>2.47</b>
Wholesale and retail trade; repair of motor vehicles and motorcycles	9.36	6.30	3.06	2.37	6.99	3.28	3.02
Transportation and storage	7.80	4.94	2.87	4.61	3.20	4.01	0.92
Accommodation and food service activities	16.53	14.04	2.50	7.23	9.31	8.27	5.77
Information and communication	9.43	4.98	4.45	7.98	1.45	3.43	1.55
Financial and insurance activities	10.04	4.94	5.10	5.66	4.38	3.96	0.98
Real estate activities	4.92	5.30	(0.38)	2.10	2.82	4.10	1.20
Professional, scientific and technical activities	5.25	5.13	0.12	2.48	2.78	4.37	0.76
Administrative and support service activities	17.09	14.68	2.41	15.18	1.91	11.95	2.72
Education	14.03	7.96	6.08	4.54	9.49	3.94	4.02
Human health and social work activities	11.77	9.59	2.18	8.13	3.64	4.38	5.21
Arts, entertainment and recreation	4.07	3.28	0.78	1.74	2.33	2.16	1.13
Other service activities	7.90	3.54	4.36	3.75	4.15	3.05	0.48

**Note: Details may not add up to totals or equal to differences due to rounding.  
Source of data: Philippine Statistics Authority, Labor Turnover Survey.**