

## LABOR TURNOVER STATISTICS (in Metro Manila enterprises) First Quarter 2017

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 1,372 enterprises served as respondents to the first quarter round of the 2017 Labor Turnover Survey. The sample enterprises were drawn from the 2016 List of Enterprises. The retrieval rate for this quarter was placed at 96.65 percent.

### **Large enterprises in Metro Manila sustain increment in employment during the quarter**

- Employment in Metro Manila-based enterprises continuously grew in the first quarter of 2017 as labor turnover rate was registered at 1.27 percent (computed as the difference between accession rate of 8.79 percent and separation rate of 7.52 percent). This figure was higher than the 0.96 percent rate recorded in the first quarter of 2016. (*Table 1*)
- All major sectors posted employment gains led by the industry at 2.84 percent labor turnover rate. (*Table 2*)

### **Thirteen workers per 1,000 employed are added to the enterprise workforce**

- The 1.27 percent labor turnover rate meant an addition of thirteen (13) workers per 1,000 employed to the workforce during the period.
- Specifically, this implied that for every 1,000 employed, 88 workers were hired by the enterprises either for their business expansion

or replacement of separated workers while 75 workers left their jobs.

### **Mining and quarrying tops in employment gains**

- The industry sector's labor turnover rate for the period was higher than the other sectors' rates as shown by the positive employment gains in all its major industries. The highest recorded gain was in mining and quarrying at 14.88 percent. The manufacturing and water supply, sewerage, waste management and remediation activities followed with employment growths of 3.89 percent and 2.15 percent, respectively.
- Meanwhile, information and communication industry registered the highest employment gain among services sector in the first quarter of 2017 at 2.78 percent.
- On the other hand, industries that took a downturn for the period were the other service activities (-0.89%) and the administrative and support service activities (-0.11%). Both industries were included in the top three gainers of

the sector in the same period in 2016 with labor turnover rates posted at 2.09 percent and 2.18 percent, respectively.

### ***Demand for manpower almost equally brought about by both expansion and replacement***

- The accession rate of 8.79 percent during the quarter was contributed by replacement of workers which was registered at 4.51 percent and by business expansion at 4.28 percent.
- Increase in employment were very evident in the services sector as eight industries posted higher replacement rates led by wholesale and retail trade industry (8.23%) and accommodation and food service activities (5.01%).
- The remaining ten major industries registered high accession rates due to expansion of businesses rather than replacement. This was most apparent in mining and quarrying (11.59%) and in construction (7.17%).

### ***Administrative and support service activities' decline in employment due to employee initiated separations***

- Separations for the period were mostly due to quits or resignations initiated by employees (4.68%) while lay-offs or terminations accounted for 2.84 percent.
- The slowdown in administrative and support service activities was brought about by higher separation rate of 11.89 percent as against the accession rate of 11.78 percent.
- Wholesale and retail trade recorded the next highest separation rate (10.77%) which was mostly comprised of employee initiated separation or resignations (6.51%).
- In contrast, separation rate of 8.23 percent in construction was primarily caused by employer-initiated layoffs or termination (5.73%).

### **Definition of Terms:**

**Accessions (New Hires)** - 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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**Table 1- LABOR TURNOVER RATES BY YEAR AND QUARTER, NATIONAL CAPITAL REGION: 2008-1st Quarter 2017**

YEAR/QUARTER	Accession Rate	Separation Rate	Labor Turnover Rate (Percent Difference)
<b><u>2017</u></b>			
1 <sup>st</sup> Quarter	8.79	7.52	1.27
<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
3 <sup>rd</sup> Quarter	14.10	10.43	3.67
4 <sup>th</sup> Quarter	11.14	7.79	3.36
<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 ENTERPRISES EMPLOYING 20 OR MORE WORKERS  
BY MAJOR INDUSTRY, NATIONAL CAPITAL REGION: 1st Quarter 2017**

Industry	Total			Accession		Separation	
	Accession	Separation	Percent Difference	Expansion	Replacement	Employee-Initiated	Employer-Initiated
<b>Total</b>	<b>8.79</b>	<b>7.52</b>	<b>1.27</b>	<b>4.28</b>	<b>4.51</b>	<b>4.68</b>	<b>2.84</b>
<b>Agriculture, Forestry, and Fishing Industry</b>	<b>6.01</b>	<b>3.50</b>	<b>2.50</b>	<b>4.27</b>	<b>1.74</b>	<b>1.05</b>	<b>2.45</b>
Mining and Quarrying	20.86	5.98	14.88	11.59	9.27	2.55	3.43
Manufacturing	8.02	4.13	3.89	4.48	3.53	2.69	1.44
Electricity, Gas, Steam and Air Conditioning Supply	1.69	1.66	0.03	0.87	0.82	1.26	0.40
Water Supply; Sewerage Waste Management and Remediation Activities	5.87	3.72	2.15	4.30	1.57	2.06	1.66
Construction	9.23	8.23	1.00	7.17	2.06	2.50	5.73
<b>Services</b>	<b>8.86</b>	<b>7.92</b>	<b>0.94</b>	<b>4.01</b>	<b>4.85</b>	<b>5.14</b>	<b>2.78</b>
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles	11.90	10.77	1.13	3.66	8.23	6.51	4.26
Transportation and Storage	4.37	3.29	1.08	3.06	1.31	1.90	1.39
Accommodation and Food Service Activities	6.74	5.90	0.84	1.73	5.01	4.96	0.93
Information and Communication	7.34	4.57	2.78	4.56	2.79	4.08	0.49
Financial and Insurance Activities	6.40	3.96	2.43	2.55	3.84	3.55	0.41
Real Estate Activities	4.86	4.35	0.51	1.53	3.33	3.93	0.42
Professional, Scientific and Technical Activities	5.15	4.34	0.81	2.55	2.60	3.66	0.68
Administrative and Support Service Activities	11.78	11.89	(0.11)	6.98	4.80	6.90	4.98
Education	2.42	1.72	0.70	0.99	1.43	1.30	0.42
Human Health and Social Work Activities	6.20	4.73	1.47	1.88	4.32	4.38	0.35
Arts, Entertainment and Recreation	2.51	2.05	0.46	1.34	1.17	1.55	0.50
Other Service Activities	4.86	5.75	(0.89)	1.83	3.03	3.40	2.34

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