



## LABOR TURNOVER STATISTICS

(in enterprises in Metro Manila)  
Third 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 Third 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 98.4 percent.*

### **Employment in large enterprises in Metro Manila sustains its growth in the 3<sup>rd</sup> quarter of 2016**

- Employment in large enterprises in Metro Manila continuously grew in the third quarter of 2016 at 3.67 percent. This is, in fact, the highest labor turnover rate recorded since 2011. (Table 1)

### **Thirty seven workers per 1,000 employed are added in the enterprise workforce**

- The registered turnover rate for the period was higher than the 3.20 percent and 2.30 percent recorded in the same quarter of 2015 and in the second quarter of 2016, respectively.
- Further, the accession rate (14.10%) surpassed separation rate (10.43%) resulting to the 3.67 percent difference. This infers that for every 1,000 employed, 37 workers were added in the enterprise workforce. Specifically, for every 1,000 employed, 141 workers were added due to either expansion or replacement while 104 workers were laid off or quit their jobs.

- Most of the industries reported positive labor turnover rates ranging from 0.05 percent (water supply; sewerage waste management and remediation activities) to 20.79 percent (transportation and storage). (Table 2)

### **Services sector leads in employment gain**

- Among the major sectors, services posted the highest employment growth at 4.03 percent. This was mainly contributed by transportation and storage (20.79%); accommodation and food service activities (6.02%); administrative and support service activities (5.10%); and other service activities (4.87%). On the other hand, only education (-0.44%) has a negative labor turnover rate under this sector.
- Moreover, employment growth in the industry sector was very minimal at 0.98 percent as gains posted by mining and quarrying (3.24%) and manufacturing (2.02%) were dampened by setbacks in electricity, gas, steam and air conditioning supply (-1.80%) and construction (-0.64%).

- In contrast, employment in the agriculture, forestry, and fishing sector was cut down by -0.83 percent during the quarter.

### ***Expansion rate about three times that of replacement rate***

- The 14.10 percent accession rate was mostly contributed by the expansion of business activities for the period at 10.88 percent which was 7.7 percentage points higher than the accession due to replacement of workers at 3.22 percent.
- Eight (8) industry groups had higher accession rates due to expansion of business activities than replacement of workers. This was mostly evident in transportation and storage (23.51% vs. 2.16%); administrative and support services (19.74% vs. 1.95%); construction (5.33% vs. 2.18%); and real estate activities (3.72% vs. 1.29%).
- On the other hand, there were ten (10) industries which registered higher accession rates due to replacement. These were led by accommodation and food service activities (11.22% vs. 6.29%); wholesale and retail trade;

repair of motor vehicles, motorcycles (5.95% vs. 2.24%); other service activities (6.58% vs. 3.15%); financial and insurance activities (4.81% vs. 1.90%); and agriculture, forestry and fishing (3.70% vs. 1.58%).

### ***Separations of workers are commonly employee-initiated***

- Employment losses were mainly due to employees' decision to quit their jobs at 7.94 percent, while only 2.49 percent were laid-off or terminated by the employers.
- Administrative and support service activities posted the highest separation rate at 16.59 percent, wherein 14.05 percent was employee-initiated. This was followed by accommodation and food service activities at 11.49 percent, of which 9.47 percent was employee-initiated.
- Generally, employer-initiated separations were higher in the industry sector. However, most of the industries in the services sector recorded higher separations initiated by the workers themselves except for three industries (trade, education and health).

## **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**

Regarding this report, contact **EMPLOYMENT DEMAND STATISTICS DIVISION** at telefax no. 376-1952

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: 2008–3rd 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
3 <sup>rd</sup> Quarter	14.10	10.43	3.67
<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: 3rd Quarter 2016**

MAJOR INDUSTRY GROUP	Total			Accession		Separation	
	Accession	Separation	Percent Difference	Expansion	Replacement	Employee-Initiated	Employer-Initiated
<b>ALL INDUSTRIES</b>	<b>14.10</b>	<b>10.43</b>	<b>3.67</b>	<b>10.88</b>	<b>3.22</b>	<b>7.94</b>	<b>2.49</b>
<b>Agriculture</b>	<b>5.29</b>	<b>6.12</b>	<b>(0.83)</b>	<b>1.58</b>	<b>3.70</b>	<b>1.47</b>	<b>4.64</b>
<b>Industry</b>	<b>6.68</b>	<b>5.70</b>	<b>0.98</b>	<b>4.24</b>	<b>2.44</b>	<b>2.10</b>	<b>3.60</b>
Mining and quarrying	6.41	3.17	3.24	4.08	2.34	1.22	1.95
Manufacturing	6.44	4.42	2.02	3.81	2.63	1.74	2.68
Electricity, gas, steam and air conditioning supply	2.80	4.61	(1.80)	1.00	1.80	1.34	3.27
Water supply; sewerage, waste management and remediation activities	5.74	5.68	0.05	2.84	2.90	2.12	3.57
Construction	7.50	8.14	(0.64)	5.33	2.18	2.84	5.31
<b>Services</b>	<b>15.08</b>	<b>11.05</b>	<b>4.03</b>	<b>11.77</b>	<b>3.32</b>	<b>8.71</b>	<b>2.34</b>
Wholesale and retail trade; repair of motor vehicles and motorcycles	8.18	7.06	1.12	2.24	5.95	2.87	4.19
Transportation and storage	25.67	4.87	20.79	23.51	2.16	3.75	1.13
Accommodation and food service activities	17.51	11.49	6.02	6.29	11.22	9.47	2.01
Information and communication	5.12	4.53	0.59	3.58	1.54	4.07	0.47
Financial and insurance activities	6.71	4.01	2.71	1.90	4.81	3.17	0.84
Real estate activities	5.01	3.21	1.80	3.72	1.29	3.12	0.09
Professional, scientific and technical activities	6.92	6.05	0.87	2.76	4.16	4.42	1.63
Administrative and support service activities	21.69	16.59	5.10	19.74	1.95	14.05	2.54
Education	3.41	3.85	(0.44)	1.84	1.57	1.25	2.60
Human health and social work activities	8.03	6.65	1.38	3.74	4.29	2.99	3.66
Arts, entertainment and recreation	5.08	3.58	1.51	2.52	2.57	2.72	0.86
Other service activities	9.72	4.85	4.87	3.15	6.58	4.37	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.*