



LABOR TURNOVER STATISTICS

(in enterprises in Metro Manila)
Second 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 second quarter round of the 2017 Labor Turnover Survey. The sample enterprises were drawn from the 2015 List of Enterprises. The retrieval rate for this quarter was placed at 97.8 percent.

Employment in large enterprises in Metro Manila moves up further in 2nd quarter of 2017

- Employment growth in enterprises based in Metro Manila continued to increase as labor turnover rate was registered at 2.10 percent during the period from only 1.27 percent in the first quarter of 2017. This is however slightly lower than the rate in the same period last year (2.30%). (Table 1)
- Growth was largely driven by the industry sector with modest performances from both the services and agriculture sectors.

Twenty one workers per 1,000 employed are added in the enterprise workforce

- The 2.10 percent labor turnover rate for this quarter indicated an additional 21 workers per 1,000 employed to the total workforce.
- The accession rate of 10.56 percent exceeded the separation rate of 8.46 percent. These rates conveyed that for every 1,000 employed, an additional 106 employees were hired

either due to business expansion or replacement whereas 85 employees were laid off from or voluntarily left their jobs. This movement was also true to all major sectors as they all posted positive labor turnover rates.

Industry sector leads in employment growth

- Among the major sectors, industry posted the highest employment gain at 3.10 percent during the second quarter of 2017, a complete turn around from the -2.11 percent labor turnover rate in the same period last year.
- Growth was driven by large expansion in mining and quarrying (9.89%), manufacturing (3.90%) and construction (2.04%), negating the lack luster performance of the electricity, gas, steam and air conditioning supply (0.21%) and the water supply, sewerage waste management and remediation activities (-1%).
- Employment was also up in the agriculture, forestry and fishing sector as it registered 1.92 percent labor turnover rate though at a slower pace than the 4.59 percent

recorded in the second quarter of 2016.

- Employment growth was also observed in the services sector at 1.86 percent. Major contributors for this sector were accommodation and food service activities (5.32%), wholesale and retail trade, repair of motor vehicles, motorcycles (3.95%), real estate activities (3.25%), financial and insurance activities (2.73%) and education (2.43%). On the other hand, information and communication (-3.26%) and administrative and support service activities (-0.57%) recorded negative labor turnover rates for the period.

Replacement and expansion rates at closely the same level

- The 10.56 percent accession rate during the quarter was attributed to business expansion registered at 5.43 percent and an almost the same rate of accession due to replacement at 5.13 percent.
- Among the industries, mining and quarrying posted the highest accession rate due to business expansion of 12.27 percent, followed by construction (9.72%), administrative and support service activities (8.30%) and

accommodation and food service activities (7.76%).

- On the other hand, wholesale and retail trade; repair of motor vehicles, motorcycles topped in terms of accession due to replacement of separated workers recorded at 9.47 percent followed by education at 8.22 percent.

Higher separations initiated by employees

- Separation rate of 8.46 percent comprised mostly of employee-initiated or the employees' decision to quit their jobs, which was recorded at almost 5.0 percent.
- All industries under the services sector registered more quits than lay-offs, the largest difference of which was led by professional, scientific and technical activities (4.95% vs 0.85%). In contrast, three of the industries in the industry sector had more lay-offs than quits while water supply, sewerage waste management and remediation activities (1.23% vs 5.69%) and electricity, gas, steam and air conditioning supply (0.43% vs 1.17%) had more employee initiated separations.

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.

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 - 2nd Quarter 2017

YEAR/QUARTER	Accession Rate	Separation Rate	Labor Turnover Rate (Percent Difference)
<u>2017</u>			
1 st Quarter	8.79	7.52	1.27
2 nd Quarter	10.56	8.46	2.10
<u>2016</u>			
1 st Quarter	7.87	6.91	0.96
2 nd Quarter	12.43	10.13	2.30
3 rd Quarter	14.10	10.43	3.67
4 th Quarter	11.14	7.79	3.36
<u>2015</u>			
1 st Quarter	10.70	10.17	0.53
2 nd Quarter	10.75	9.59	1.15
3 rd Quarter	11.07	7.87	3.20
4 th Quarter	8.50	7.88	0.62
<u>2014</u>			
1 st Quarter	10.06	9.47	0.59
2 nd Quarter	11.47	10.59	0.88
3 rd Quarter	13.11	10.76	2.35
4 th Quarter	9.31	8.29	1.02
<u>2013</u>			
1 st Quarter	7.49	7.51	(0.02)
2 nd Quarter	8.77	6.28	2.49
3 rd Quarter	8.37	5.99	2.38
4 th Quarter	8.86	5.64	3.22
<u>2012</u>			
1 st Quarter	8.10	7.47	0.63
2 nd Quarter	8.93	8.08	0.85
3 rd Quarter	8.43	6.08	2.35
4 th Quarter	8.14	5.67	2.47
<u>2011</u>			
1 st Quarter	11.36	9.47	1.89
2 nd Quarter	8.60	10.65	(2.05)
3 rd Quarter	11.05	8.55	2.51
4 th Quarter	10.38	8.50	1.88
<u>2010</u>			
1 st Quarter	10.23	11.11	(0.88)
2 nd Quarter	13.52	10.66	2.86
3 rd Quarter	12.11	7.88	4.22
4 th Quarter	12.56	8.51	4.05
<u>2009</u>			
1 st Quarter	9.29	9.02	0.27
2 nd Quarter	9.74	7.53	2.21
3 rd Quarter	9.99	9.62	0.37
4 th Quarter	8.48	7.43	1.05
<u>2008</u>			
1 st Quarter	12.23	7.46	4.76
2 nd Quarter	10.56	8.57	1.99
3 rd Quarter	11.05	9.00	2.05
4 th 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: 2nd Quarter 2017**

Industry	Total			Accession		Separation	
	Accession	Separation	Percent Difference	Expansion	Replacement	Employee-Initiated	Employer-Initiated
Total	10.56	8.46	2.10	5.43	5.13	4.95	3.52
Agriculture, Forestry, and Fishing Industry	5.75	3.83	1.92	3.97	1.78	1.13	2.70
Mining and Quarrying	17.60	7.71	9.89	12.27	5.34	1.84	5.87
Manufacturing	9.28	5.38	3.90	4.77	4.50	2.56	2.82
Electricity, Gas, Steam and Air Conditioning Supply	1.81	1.60	0.21	0.72	1.08	1.17	0.43
Water Supply; Sewerage Waste Management and Remediation Activities	5.92	6.92	(1.00)	4.47	1.44	5.69	1.23
Construction	12.60	10.56	2.04	9.72	2.88	5.02	5.55
Services	10.60	8.75	1.86	5.11	5.49	5.31	3.43
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles	13.94	9.99	3.95	4.47	9.47	6.19	3.80
Transportation and Storage	6.14	4.21	1.93	2.06	4.08	2.21	2.00
Accommodation and Food Service Activities	12.49	7.18	5.32	7.76	4.73	3.62	3.56
Information and Communication	8.07	11.32	(3.26)	4.80	3.27	5.99	5.33
Financial and Insurance Activities	6.25	3.52	2.73	3.15	3.10	3.38	0.14
Real Estate Activities	8.42	5.17	3.25	3.87	4.55	4.32	0.85
Professional, Scientific and Technical Activities	6.33	5.80	0.53	2.54	3.79	4.95	0.85
Administrative and Support Service Activities	12.34	12.91	(0.57)	8.30	4.04	6.95	5.95
Education	13.22	10.79	2.43	5.00	8.22	6.24	4.56
Human Health and Social Work Activities	6.08	5.08	1.01	2.35	3.73	4.33	0.75
Arts, Entertainment and Recreation	2.76	1.99	0.77	0.75	2.01	1.60	0.39
Other Service Activities	11.21	6.54	4.67	4.51	6.70	5.57	0.97

Note: Details may not add up to totals due to rounding.

Source: Philippine Statistics Authority, Labor Turnover Survey, 2nd Quarter 2017.