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LABOR TURNOVER STATISTICS: Fourth Quarter 2009 (IN LARGE ENTERPRISES IN METRO MANILA)



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

The number of respondents was composed of more than 700 large enterprises in Metro Manila which were drawn from the 2008 List of the Philippines Top 8,000 Corporations of the Securities and Exchange Commission. (Retrieval rate for the fourth quarter of 2009 was 99.71% or 697 sample respondents). Survey data from 2008 onwards are no longer sample rates but are weighted to come up with population estimates. Hence, data are not comparable with the previous data series.

Accession Rate

- **The fourth quarter 2009 accession rate stood at 8.48%.** Accessions are additions to employment during the quarter. *Accession rate is derived by dividing total accession by total employment.*
- **Mining and quarrying recorded the highest accession rate at 11.72%.** Construction, and wholesale and retail trade clinched the second (11.26%) and third spots (10.84%), respectively. Agriculture, hunting and forestry came in fourth (10.67%), followed by real estate, and renting and business activities (10.63%); and hotels and restaurants (10.54%).



electricity, gas and water supply (1.15%).

- **Accession due to expansion of business activity (4.26%) barely offset** accession due to replacement of separated workers and job quitters (4.22%).

Separation Rate

- **For the same period, separation rate stood at 7.43%.** Separations are terminations of employment or quits that occurred during the period. *Separation rate is derived by dividing total separations by total employment.*
- **Mining and quarrying likewise recorded the highest separation rate (16.82%) during the fourth quarter of 2009.**

Manufacturing came in second (11.56%) followed by construction (9.46%); other community, social and personal service activities (8.45%); and agriculture, hunting and forestry (8.37%).

- The lowest separation rates were recorded in electricity, gas and water supply (1.42%); private education services (2.95%); and financial intermediation (3.10%).
- Employee-initiated separation (4.08%) slightly surpassed employer-initiated separation (3.35%).

Labor Turnover (Accessions vs. Separations)

- Overall, employment growth in the top enterprises in the National Capital Region for the fourth quarter of 2009 was generally modest. Measured in terms of labor turnover rate, employment grew by 1.05% as accession rate (8.48%) barely surpassed separation rate (7.43%).
- The figure indicates that employment expanded by about 11 workers in every 1,000 employed persons - as 85 workers per 1,000 employed were hired due to expansion or replacement of employees, while 74 workers per 1,000 employed were terminated or left the workplaces.

- The turnover rate this quarter was about at par with the growth in the domestic economy which grew by 1.8% as measured by gross domestic product. Also, this growth figure was an improvement from the 0.37% turnover rate recorded in the third quarter of the year but lower than the figure posted in the second quarter at 2.21%.
- By sub-sectors, employment gains were posted highest in hotels and restaurants (5.37%). Ranking a distant second was wholesale and retail trade (2.70%); and followed by real estate, renting and business activities (2.43%); agriculture, hunting and forestry (2.30%); and construction (1.80%).
- Employment remained almost unchanged in four (4) sub-sectors: other community, social and personal service activities (0.44%); transport, storage and communications (0.24%); health and social work (0.14%); and private education services (0.13%).
- Meanwhile, losses were noted in five (5) sub-sectors: mining and quarrying (-5.10%); fishing (-2.70%); manufacturing (-1.77%); financial intermediation (-1.29%); and electricity, gas and water supply (-0.27%).

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**Table 1 - LABOR TURNOVER RATE BY SECTOR,
NATIONAL CAPITAL REGION: 4th QUARTER 2009**

SECTOR	Number of Enterprises	Labor Turnover Rate (%)		
		Accession Rate	Separation Rate	Percent Difference
All Sectoral Groups	3,055	8.48	7.43	1.05
Agriculture, Fishery and Forestry	23	7.12	7.20	(0.09)
Agriculture, Hunting and Forestry	13	10.67	8.37	2.30
Fishing	10	3.22	5.92	(2.70)
Industry	866	9.67	10.61	(0.94)
Mining and Quarrying	23	11.72	16.82	(5.10)
Manufacturing	655	9.79	11.56	(1.77)
Electricity, Gas and Water Supply	31	1.15	1.42	(0.27)
Construction	157	11.26	9.46	1.80
Services	2,167	8.17	6.56	1.61
Wholesale and Retail Trade and Related Services	1,125	10.84	8.15	2.70
Hotels and Restaurants	82	10.54	5.17	5.37
Transport, Storage and Communications	178	3.79	3.55	0.24
Financial Intermediation	216	1.81	3.10	(1.29)
Real Estate, Renting and Business Activities	472	10.63	8.20	2.43
<i>Real Estate Activities</i>	101	5.21	3.88	1.33
<i>Business Activities</i>	371	10.85	8.37	2.48
- <i>Call Center Activities Including Medical Transcription</i>	48	9.18	6.31	2.86
- <i>Other Business Activities</i>	323	12.19	10.02	2.17
Private Education Services	8	3.08	2.95	0.13
Health and Social Work (Private)	24	4.56	4.42	0.14
Other Community, Social and Personal Service Activities	62	8.89	8.45	0.44

Source of data: Bureau of Labor and Employment Statistics, Labor Turnover Survey.

**Table 2 - ACCESSION AND SEPARATION RATES BY REASON,
NATIONAL CAPITAL REGION: 4th QUARTER 2009**

INDICATOR	Rate (%)
Accession Rate	8.48
Due to Expansion	4.26
Due to Replacement	4.22
Separation Rate	7.43
Employee-Initiated	4.08
Employer-Initiated	3.35

Source of data: Bureau of Labor and Employment Statistics, Labor Turnover Survey.

**Table 3 - LABOR TURNOVER RATE BY YEAR AND QUARTER,
NATIONAL CAPITAL REGION: 3rd QTR. 2002 – 4th QTR. 2009**

YEAR/QUARTER	Labor Turnover Rate (%)		
	Accession Rate	Separation Rate	Percent Difference
<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
<u>2007</u>			
1 st Quarter	9.21	7.65	1.56
2 nd Quarter	11.31	7.75	3.57
3 rd Quarter	11.16	7.84	3.31
4 th Quarter	10.20	7.33	2.87
<u>2006</u>			
1 st Quarter	9.20	8.43	0.77
2 nd Quarter	8.94	7.21	1.72
3 rd Quarter	9.84	7.87	1.97
4 th Quarter	8.91	7.27	1.64
<u>2005</u>			
1 st Quarter	7.91	7.70	0.21
2 nd Quarter	9.95	7.34	2.61
3 rd Quarter	8.47	8.55	(0.08)
4 th Quarter	8.30	7.10	1.20
<u>2004</u>			
1 st Quarter	5.88	6.11	(0.24)
2 nd Quarter	7.34	5.47	1.87
3 rd Quarter	8.16	6.53	1.63
4 th Quarter	7.12	6.23	0.89
<u>2003</u>			
1 st Quarter	6.12	6.06	0.06
2 nd Quarter	6.85	6.70	0.15
3 rd Quarter	6.52	7.92	(1.40)
4 th Quarter	7.79	6.38	1.42
<u>2002</u>			
3 rd Quarter	5.96	6.19	(0.22)
4 th Quarter	5.98	5.07	0.91

Note: 2008 data onwards not comparable with the previous year data series due to change in sampling design and sample size.

Source of data: Bureau of Labor and Employment Statistics, Labor Turnover Survey.