

LABOR TURNOVER STATISTICS

Third Quarter 2010

(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 (BLES) 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 600 large enterprises in Metro Manila which were drawn from the 2009 Edition of the Philippines Top 10,000 Corporations of the Securities and Exchange Commission. The retrieval rate for third quarter 2010 was 100%. 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.



Labor Turnover (Accessions vs. Separations)

- **Employment in the top enterprises in the National Capital Region grew by 4.22%, on the average, for the third quarter of 2010.** This figure represents a substantial improvement from the growth reported in the previous quarter (2.86%) and the same quarter a year ago (0.37%). Said figure also represents the second strongest quarterly growth since the first quarter of 2008 (4.76%). (Table 2)
- Measured in terms of labor turnover rate, employment in the enterprises covered in this survey grew as accession rate (12.11%) surpassed separation rate (7.88%) by 4.22 percentage points. This suggests an addition of 42 workers per 1,000 employed persons - as 121 workers per 1,000 employed were added to the enterprise workforce due to expansion or replacement of employees while

79 workers per 1,000 employed were terminated or quit their workplaces.

- The third quarter turnover rate mirrored the robust growth in the domestic economy which grew by an average of 7.4% in the first three quarters of 2010.
- By sub-sector, construction was the biggest gainer (8.78%) - a complete turnaround from the losses reported in the second quarter (-8.09%). Other

Table 1 - ACCESSION AND SEPARATION RATES BY REASON, NATIONAL CAPITAL REGION: 3rd QUARTER 2010

Indicator	Rate (%)
Accession Rate	12.11
Due to Expansion	6.28
Due to Replacement	5.83
Separation Rate	7.88
Employee-Initiated	4.31
Employer-Initiated	3.58
Labor Turnover Rate (Difference between accession rate and separation rate)	4.22

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

gainers were real estate, renting and business activities (7.41%); private education services (3.00%); manufacturing (2.64%); and transport, storage and communications (2.47%). (Table 3)

- Meanwhile, losses were recorded in three (3) sub-sectors: mining and quarrying (-3.91%); fishing (-1.91%); and agriculture, hunting and forestry (-1.51%).

Accession Rate

- The third quarter 2010 accession rate was recorded at 12.11%. Accessions are additions to employment during the quarter. *Accession rate is derived by dividing total accession by total employment.*
- **Accession due to expansion of business activity (6.28%) exceeded** accession due to replacement of separated workers and job quitters (5.83%). This is a positive indication of new jobs created and represents a break from the past trend where accession was often dominated by replacement of separated workers.
- **The mining and quarrying sub-sector marked the highest accession rate at 20.32%.** Others on top of the list were: construction (17.91%); real estate, renting and business activities (17.02%); manufacturing (16.35%); and hotels and restaurants (13.01%). (Table 3)

- The lowest accession rates, on the other hand, were observed in the following sub-sectors: agriculture, hunting and forestry (5.01%); financial intermediation (3.66%); and electricity, gas and water supply (2.26%).

Separation Rate

- **Separation rate stood at 7.88%.** Separations are terminations of employment or quits that occurred during the period. *Separation rate is derived by dividing total separations by total employment.*
- Employee-initiated separation or quits (4.31%) surpassed employer-initiated separation (3.58%).
- **The mining and quarrying sub-sector also recorded the highest separation rate (24.24%) during the third quarter of 2010.** The manufacturing sub-sector came in second (13.71%) followed by hotels and restaurants (10.98%); and real estate, renting and business activities (9.61%). (Table 3)
- The lowest separation rates were recorded in the following sub-sectors: financial intermediation (2.87%); private education services (2.42%); and electricity, gas and water supply (1.23%).

FOR INQUIRIES:

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**Table 2 - LABOR TURNOVER RATE BY YEAR AND QUARTER,
NATIONAL CAPITAL REGION: 3rd QTR. 2002 – 3rd QTR. 2010**

YEAR/QUARTER	Labor Turnover Rate (%)		
	Accession Rate	Separation Rate	Percent Difference
2010			
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
2009			
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
2008			
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
2007			
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
2006			
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
2005			
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
2004			
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
2003			
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
2002			
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.

**Table 3 - LABOR TURNOVER RATE BY SECTOR, NATIONAL CAPITAL REGION:
3rd QUARTER 2010**

SECTOR	Number of Enterprises	Labor Turnover Rate (%)		
		Accession	Separation	Difference
All Sectoral Groups	8,892	12.11	7.88	4.22
Agriculture, Fishery and Forestry	40	5.11	6.92	(1.81)
Agriculture, Hunting and Forestry	24	5.01	6.51	(1.51)
Fishing	16	5.15	7.07	(1.91)
Industry	2,114	16.34	12.43	3.91
Mining and Quarrying	30	20.32	24.24	(3.91)
Manufacturing	1,605	16.35	13.71	2.64
Electricity, Gas and Water Supply	25	2.26	1.23	1.03
Construction	454	17.91	9.13	8.78
Services	6,739	11.25	6.92	4.33
Wholesale and Retail Trade and Related Services	2,989	8.48	6.30	2.18
Hotels and Restaurants	613	13.01	10.98	2.02
Transport, Storage and Communications	557	6.05	3.57	2.47
Financial Intermediation	406	3.66	2.87	0.79
Real Estate, Renting and Business Activities	1,861	17.02	9.61	7.41
Private Education Services	50	5.42	2.42	3.00
Health and Social Work (Private)	79	5.89	4.20	1.69
Other Community, Social and Personal Service Activities	183	9.79	8.74	1.06

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