

## LABOR TURNOVER STATISTICS

Third Quarter 2011  
(IN LARGE ENTERPRISES IN METRO MANILA)

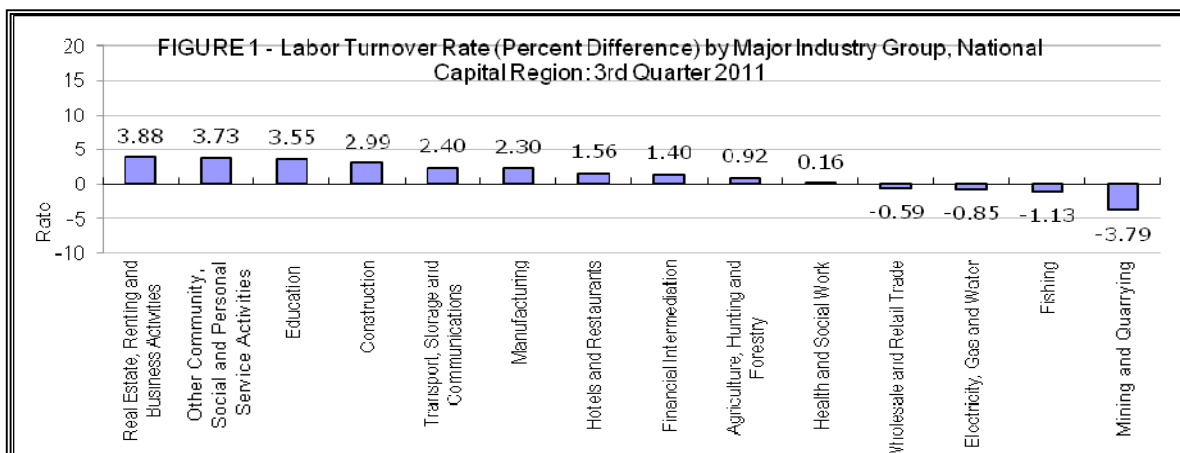


The Labor Turnover Survey (LTS) is a quarterly sample survey of enterprises conducted by the Bureau of Labor and Employment Statistics (BLES) since the third quarter of 2002. The survey aims to capture "job creations" and "job displacements" in large business enterprises based in Metro Manila by collecting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

The number of respondents was composed of more than 700 large enterprises in Metro Manila which were drawn from the 2010 Edition of the Philippines Top 25,000 Corporations of the Securities and Exchange Commission. The retrieval rate for third quarter 2011 was 99.30%. 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 growth in top enterprises in the National Capital Region stood at 2.51% in the 3<sup>rd</sup> quarter of 2011.
  - This figure represents a slowdown from the 4.22% growth recorded in the same quarter last year but a recovery from the 2.05% decline registered in the 2<sup>nd</sup> quarter of this year. (Table 2)
  - Measured in terms of labor turnover rate, more employment was created as the accession (hiring) rate of 11.05% surpassed the separation (termination) rate of 8.55% by 2.51 percentage points.
- This suggests an increase of 25 workers per 1,000 employed persons: 111 workers per 1,000 employed were added to the enterprise workforce due to expansion or replacement while 86 workers per 1,000 employed were terminated or quit their jobs.
- Employment grew in ten (10) sub-sectors – the highest growth was recorded in real estate, renting and business activities (3.88%); followed by other community, social and personal service activities (3.73%); and private education services (3.55%).



- Modest growth rates occurred in construction (2.99%); transport, storage and communications (2.40%); and manufacturing (2.30%).
- Meanwhile, losses were recorded in four (4) sub-sectors: mining and quarrying (-3.79%); fishing (-1.13%); electricity, gas and water supply (-0.85%); and wholesale and retail trade (-0.59%).

### Reasons for accession

- Replacement of workers accounted for the bulk (8.15%) of accession while accession due to expansion of business activities comprised a fairly small share (2.90%). (*Table 1*)
- Six (6) sub-sectors recorded greater accession due to expansion of economic activities than replacement of workers – most notably in mining and quarrying (8.54% against 6.0%) and construction (7.47% against 2.57%). The rest were agriculture, hunting and forestry; transport, storage and communications; and private education.
- Conversely, eight (8) sub-sectors experienced more accession due to replacement of workers than due to business expansion – this was most pronounced in real estate, renting and business activities (11.56% against 3.08%); hotels and restaurants (10.66% against 2.44%); and manufacturing (8.29% against 1.77%).

### Reasons for separation

- Employee-initiated separations (5.22%) continued to surpass employer-initiated separations (3.33%). This pattern was observed in ten (10) sub-sectors. (*Table 1*)
- Employee-initiated separation or quits was noted to be particularly high in real estate, renting and business activities (6.55%); hotels and restaurants (6.29%); and manufacturing (6.13%).
- On the other hand, employer-initiated separation or layoff was recorded highest in mining and quarrying (16.96%) followed by hotels and restaurants (5.26%); fishing (4.22%); and real estate, renting and business activities (4.20%).

**TABLE 1 - Labor Turnover Rates In Agriculture and Non-Agricultural Enterprises  
by Major Industry Group, National Capital Region: 3rd Quarter 2011**

| Industry   | Total        |             |                    | Accession   |             | Separation         |                    |
|--|--------------|-------------|--------------------|-------------|-------------|--------------------|--------------------|
|  | Accession    | Separation  | Percent Difference | Expansion   | Replacement | Employee-Initiated | Employer-Initiated |
| <b>Total</b>   | <b>11.05</b> | <b>8.55</b> | <b>2.51</b>        | <b>2.90</b> | <b>8.15</b> | <b>5.22</b>        | <b>3.33</b>        |
| <b>Agriculture, Fishery and Forestry</b>   | <b>3.56</b>  | <b>4.01</b> | <b>(0.45)</b>      | <b>0.99</b> | <b>2.57</b> | <b>0.79</b>        | <b>3.22</b>        |
| Agriculture, Hunting and Forestry  | 3.21         | 2.30        | 0.92               | 1.67        | 1.54        | 1.08               | 1.21               |
| Fishing  | 3.73         | 4.87        | (1.13)             | 0.64        | 3.09        | 0.64               | 4.22               |
| <b>Industry</b>  | <b>9.88</b>  | <b>7.58</b> | <b>2.30</b>        | <b>3.62</b> | <b>6.26</b> | <b>5.19</b>        | <b>2.38</b>        |
| Mining and Quarrying   | 14.55        | 18.34       | (3.79)             | 8.54        | 6.00        | 1.37               | 16.96              |
| Manufacturing  | 10.06        | 7.76        | 2.30               | 1.77        | 8.29        | 6.13               | 1.63               |
| Electricity, Gas and Water   | 1.39         | 2.24        | (0.85)             | 0.72        | 0.67        | 1.10               | 1.15               |
| Construction   | 10.04        | 7.04        | 2.99               | 7.47        | 2.57        | 3.86               | 3.19               |
| <b>Services</b>  | <b>11.35</b> | <b>8.78</b> | <b>2.56</b>        | <b>2.75</b> | <b>8.60</b> | <b>5.24</b>        | <b>3.54</b>        |
| Wholesale and Retail Trade; Repair of Motor<br>Vehicles, Motorcycles and Personal and<br>Household Goods | 6.71         | 7.29        | (0.59)             | 1.89        | 4.81        | 3.67               | 3.63               |
| Hotels and Restaurants   | 13.10        | 11.54       | 1.56               | 2.44        | 10.66       | 6.29               | 5.26               |
| Transport, Storage and Communications  | 5.60         | 3.20        | 2.40               | 3.49        | 2.12        | 1.98               | 1.22               |
| Financial Intermediation   | 5.49         | 4.09        | 1.40               | 1.97        | 3.52        | 3.55               | 0.54               |
| Real Estate, Renting and Business Activities   | 14.64        | 10.76       | 3.88               | 3.08        | 11.56       | 6.55               | 4.20               |
| Education (Private Education Services)   | 6.47         | 2.92        | 3.55               | 3.58        | 2.89        | 2.06               | 0.86               |
| Health and Social Work   | 5.48         | 5.32        | 0.16               | 0.56        | 4.91        | 4.81               | 0.51               |
| Other Community, Social and Personal<br>Service Activities   | 7.13         | 3.41        | 3.73               | 2.39        | 4.74        | 1.71               | 1.69               |

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

**TABLE 2 – Labor Turnover Rates by Year and Quarter, National Capital Region: 3<sup>rd</sup> Qtr. 2002 – 3<sup>rd</sup> Qtr. 2011**

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

*Notes: 1. 2008 data onwards are not comparable with the previous year data series due to change in sampling design and sample size.*

*2. Details may not add up to total or equal to difference due to rounding.*

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