

LABOR TURNOVER STATISTICS

Second Quarter 2012

(IN LARGE ENTERPRISES IN METRO MANILA)

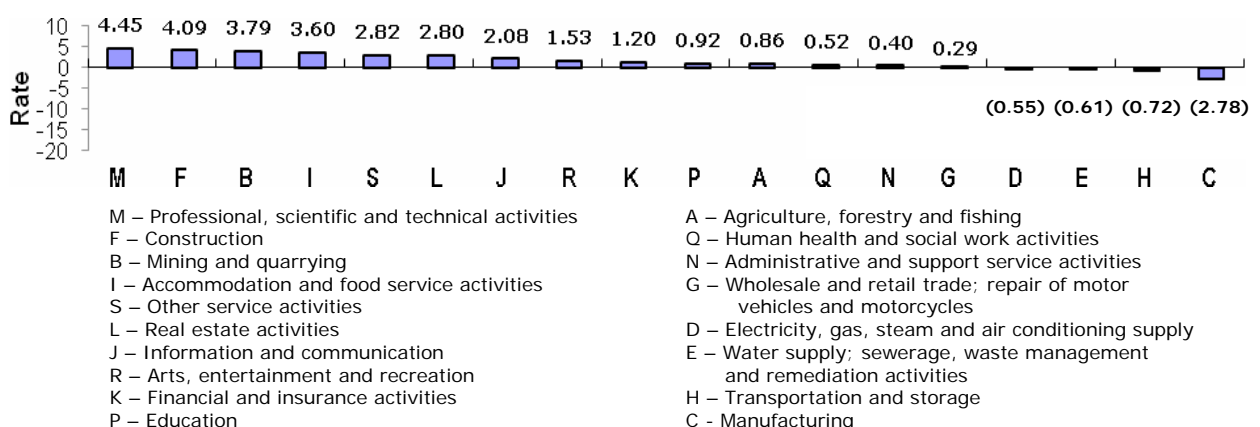
The Labor Turnover Survey (LTS) is a quarterly sample survey of enterprises conducted by the Bureau of Labor and Employment Statistics (BLES) since the third quarter of 2002. The survey aims to capture "job creations" and "job displacements" in large business enterprises based in Metro Manila by collecting 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 2011 Edition of the Philippines' Top 25,000 Corporations of the Securities and Exchange Commission. The retrieval rate for the second quarter of 2012 was 100.00%. 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. Also, starting the first quarter of 2012, the LTS has adopted the 2009 Philippine Standard on Industrial Classification (PSIC).

Labor Turnover (Accessions vs. Separations)

- Employment in large enterprises in Metro Manila remained essentially flat or unchanged in the second quarter of 2012 due to weak turnover rates in industries with large employment base.
- Measured in terms of the percent difference between accession rate and separation rate, employment growth for the second quarter of 2012 stayed positive but less than one percent at 0.85%. (Table 1)
- This figure represents a modest recovery from the negative turnover rate (-2.05%) posted in the same quarter last year but only a slight improvement compared with the first quarter 2012 survey results (0.63%). (Table 2)
- More specifically, overall accession rate (8.93%) barely exceeded separation rate (8.08%), a percentage point difference or a labor turnover rate of 0.85%. This suggests an addition of 8 workers per 1,000 employed: 89 workers per 1,000

**FIGURE 1 – Labor Turnover Rates (Percent Difference) by Major Industry Group,
National Capital Region: 2nd Quarter 2012**



employed were added to the enterprise workforce due to expansion or replacement while 81 workers per 1,000 employed were terminated or quit their jobs.

- Labor turnover rates varied widely across sub-industry groupings. Significant gains were posted in four sub-industries, namely: professional, scientific and technical activities (4.45%); construction (4.09%); mining and quarrying (3.79%); and accommodation and food service activities (3.60%).
- Modest gains were recorded in other service activities (2.82%); real estate activities (2.80%); information and communication (2.08%); arts, entertainment and recreation (1.53%); and financial and insurance activities (1.20%).
- These gains, however, were offset by the sharp decline in turnover rate in manufacturing (-2.78%) and the slowdown in wholesale and retail trade (0.29%) and administrative and support service activities (0.40%) – the top three sub-industries in terms of employment. Further contributing to this quarter's low turnover rate were job losses in transportation and storage (-0.72%); water supply; sewerage, waste management and remediation activities (-0.61%); and electricity, gas, steam and air conditioning supply (-0.55%).

Reasons for accession

- Accession due to replacement of workers (5.20%) surpassed accession due to expansion of business activities (3.73%). (*Table 1*)

- Twelve sub-sectors reported higher accession due to replacement of workers than due to expansion of business activities. The most notable were in arts, entertainment and recreation (10.95% vs. 2.99%); mining and quarrying (10.27% vs. 2.68%); education (9.39% vs. 4.47%); wholesale and retail trade; repair of motor vehicles and motorcycles (6.26% vs. 1.41%); and accommodation and food service activities (8.07% vs. 4.02%).
- The six sub-sectors that recorded higher accession due to expansion of business activities than due to replacement of workers were professional, scientific and technical activities (13.58% vs. 1.55%); construction (7.74% vs. 4.19%); information and communication (5.01% vs. 2.46%); administrative and support service activities (6.97% vs. 6.51%); water supply; sewerage, waste management and remediation activities (1.21% vs. 0.87%); and other service activities (6.97% vs. 6.91%).

Reasons for separation

- Employer-initiated separations (4.69%) surpassed employee-initiated separations (3.39%). (*Table 1*)
- Eight (8) sub-sectors recorded higher termination (employer-initiated) than quits (employee-initiated). The top three were: education (10.50%); mining and quarrying (7.79%); and administrative and support service activities (7.61%).
- Meanwhile, employee-initiated separations were highest in professional, scientific and technical activities (10.33%) followed by other service activities (8.05%) and arts, entertainment and recreation (7.00%).

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**TABLE 1 - Labor Turnover Rates in Agricultural and Non-Agricultural Enterprises
by Major Industry Group, National Capital Region: 2nd Quarter 2012**

INDUSTRY	Total			Accession		Separation	
	Accession	Separation	Percent Difference	Expansion	Replacement	Employee-Initiated	Employer-Initiated
ALL INDUSTRIES	8.93	8.08	0.85	3.73	5.20	3.39	4.69
Agriculture	5.06	4.21	0.86	2.06	3.00	1.06	3.15
Agriculture, forestry and fishing	5.06	4.21	0.86	2.06	3.00	1.06	3.15
Industry	8.18	7.94	0.24	4.17	4.01	1.80	6.14
Mining and quarrying	12.95	9.16	3.79	2.68	10.27	1.37	7.79
Manufacturing	5.51	8.30	(2.78)	2.03	3.48	1.69	6.60
Electricity, gas, steam and air conditioning supply	1.20	1.75	(0.55)	0.20	0.99	1.33	0.41
Water supply; sewerage, waste management and remediation activities	2.08	2.69	(0.61)	1.21	0.87	1.40	1.29
Construction	11.93	7.84	4.09	7.74	4.19	2.06	5.77
Services	9.11	8.12	0.99	3.64	5.47	3.74	4.38
Wholesale and retail trade; repair of motor vehicles and motorcycles	7.66	7.38	0.29	1.41	6.26	2.05	5.33
Transportation and storage	3.56	4.28	(0.72)	0.80	2.77	3.99	0.29
Accommodation and food service activities	12.09	8.49	3.60	4.02	8.07	4.23	4.26
Information and communication	7.47	5.39	2.08	5.01	2.46	3.60	1.80
Financial and insurance activities	4.83	3.63	1.20	1.50	3.34	2.40	1.23
Real estate activities	8.25	5.45	2.80	3.81	4.44	5.37	0.08
Professional, scientific and technical activities	15.13	10.68	4.45	13.58	1.55	10.33	0.35
Administrative and support service activities	13.48	13.08	0.40	6.97	6.51	5.47	7.61
Education	13.86	12.94	0.92	4.47	9.39	2.44	10.50
Human health and social work activities	5.75	5.23	0.52	1.60	4.15	5.01	0.21
Arts, entertainment and recreation	13.93	12.40	1.53	2.99	10.95	7.00	5.40
Other service activities	13.88	11.07	2.82	6.97	6.91	8.05	3.02

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

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

**TABLE 2 – Labor Turnover Rates by Year and Quarter, National Capital
Region: 3rd Qtr. 2002 – 2nd Qtr. 2012**

YEAR/QUARTER	Accession Rate	Separation Rate	Labor Turnover Rate (Percent Difference)
<u>2012</u>			
1 st Quarter	8.10	7.47	0.63
2 nd Quarter	8.93	8.08	0.85
<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
<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

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

2. Labor turnover rate may not equal difference of separation rate from accession rate due to rounding.

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