

LABOR TURNOVER STATISTICS

Second Quarter 2013

(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.

Some 763 large enterprises in Metro Manila served as respondents to this survey. The samples 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 2013 was 98.7%. 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 Industrial Classification (PSIC).

Labor Turnover (Accessions vs. Separations)

Employment growth in large enterprises in Metro Manila rebounded in the second quarter of 2013 on the back of the strengthening economy.

- Growth was largely driven by the industry sector alongside the upbeat performance of the services sector which together compensated for the slack in the agriculture, fishery and forestry.
- Measured in terms of labor turnover rate or percent difference between accession rate and separation rate, employment for the second quarter of 2013 grew by 2.49% - a turnaround from the slump in the first quarter (-0.02%) of this year and a marked improvement from the growth registered in the same quarter last year (0.85%). (Table 2)

- More specifically, overall accession rate (8.77%) outpaced separation rate (6.28%) - a percentage point difference or a labor turnover rate of 2.49%. This suggests an addition of 25 workers per 1,000 employed: 88 workers per 1,000 employed were added to the enterprise workforce due to expansion or replacement while 63 workers per 1,000 employed were laid off or quit their jobs.

Sectoral Employment

- Growth was registered strongest in the industry sector (3.64%) - driven by large expansion in mining and quarrying (4.71%), manufacturing (4.53%) and construction (2.60%). Growth in water supply was negligible (0.28%) while a slight decline (-0.25%) was noted in electricity, gas, steam and air conditioning supply.

- Employment was also up in the services sector (2.27%). Expansion was led by accommodation and food service activities (6.29%) followed by administrative and support service activities (4.96%) and professional, scientific and technical activities (4.12%).
- Fairly large gains were also recorded in real estate activities (3.27%); education (3.11%); arts, entertainment and recreation (2.85%); human health and social activities (2.27%); and other service activities (2.09%).

Little growth in employment occurred in information and communication (1.69%) and transportation and storage (1.05%).

Growth was virtually nil in wholesale and retail trade (0.78%); financial and insurance activities (0.06%); and agriculture, forestry and fishing (0.01%).

Reasons for accession

- Accession due to replacement of workers (5.08%) continued to outpace accession due to expansion of business activities (3.69%). This was observed in 11 sub-industries most notably in arts, entertainment and recreation (12.84% vs. 2.59%); education (11.30% vs. 1.46%); and accommodation and food service activities (10.07% vs. 7.72%).
(Table 1)

- In contrast, six (6) sub-industries reported more accession due to expansion of business activities than replacement of workers. The ones that stood out were construction (8.07% vs. 2.18%); professional, scientific and technical activities (6.07% vs. 1.41%); and administrative and support service activities (7.21 vs. 6.98%).

Reasons for separation

- Employee-initiated separations or quits (3.35%) exceeded employer-initiated separations or layoffs (2.94%) during this quarter. (Table 1)
- More quits than layoffs occurred in twelve (12) sub-sectors. The top three (3) were: administrative and support service activities (7.90% vs. 1.33%); accommodation and food service activities (7.40% vs. 4.10%); and real estate activities (4.87% vs. 0.22%).
- The other six (6) sub-sectors reported more layoffs than quits. This was most evident in arts, entertainment and recreation (9.25% vs. 3.33%); mining and quarrying (6.56% vs. 1.77%); and education (6.54% vs. 3.11%).

FOR INQUIRIES

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**TABLE 1 - Labor Turnover Rates in Agricultural and Non-Agricultural Enterprises
by Major Industry Group, National Capital Region: 2nd Quarter 2013**

INDUSTRY	Total			Accession		Separation	
	Accession	Separation	Percent Difference	Expansion	Replacement	Employee-Initiated	Employer-Initiated
ALL INDUSTRIES	8.77	6.28	2.49	3.69	5.08	3.35	2.94
Agriculture	2.76	2.75	0.01	0.81	1.95	1.14	1.61
Agriculture, forestry and fishing	2.76	2.75	0.01	0.81	1.95	1.14	1.61
Industry	9.26	5.62	3.64	5.52	3.74	2.33	3.29
Mining and quarrying	13.04	8.32	4.71	5.84	7.20	1.77	6.56
Manufacturing	8.62	4.10	4.53	3.84	4.78	2.20	1.90
Electricity, gas, steam and air conditioning supply	1.82	2.08	(0.25)	1.50	0.32	1.43	0.65
Water supply; sewerage, waste management and remediation activities	2.23	1.95	0.28	1.69	0.54	1.27	0.68
Construction	10.24	7.64	2.60	8.07	2.18	2.65	4.99
Services	8.70	6.43	2.27	3.34	5.36	3.56	2.87
Wholesale and retail trade; repair of motor vehicles and motorcycles	7.72	6.94	0.78	1.19	6.53	2.15	4.79
Transportation and storage	5.59	4.54	1.05	1.88	3.71	3.54	1.00
Accommodation and food service activities	17.79	11.50	6.29	7.72	10.07	7.40	4.10
Information and communication	4.95	3.26	1.69	2.90	2.05	1.97	1.29
Financial and insurance activities	3.65	3.60	0.06	1.83	1.83	2.98	0.62
Real estate activities	8.36	5.09	3.27	3.52	4.84	4.87	0.22
Professional, scientific and technical activities	7.48	3.36	4.12	6.07	1.41	2.30	1.05
Administrative and support service activities	14.18	9.23	4.96	7.21	6.98	7.90	1.33
Education	12.77	9.65	3.11	1.46	11.30	3.11	6.54
Human health and social work activities	7.32	5.05	2.27	3.38	3.94	4.33	0.72
Arts, entertainment and recreation	15.43	12.58	2.85	2.59	12.84	3.33	9.25
Other service activities	5.70	3.61	2.09	2.58	3.12	2.93	0.68

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. 2013

YEAR/QUARTER	Accession Rate	Separation Rate	Labor Turnover Rate (Percent Difference)
2013			
1 st Quarter	7.49	7.51	(0.02)
2 nd Quarter	8.77	6.28	2.49
2012			
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
2011			
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
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
4 th Quarter	12.56	8.51	4.05
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

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.