

LABOR TURNOVER STATISTICS

Fourth Quarter 2012

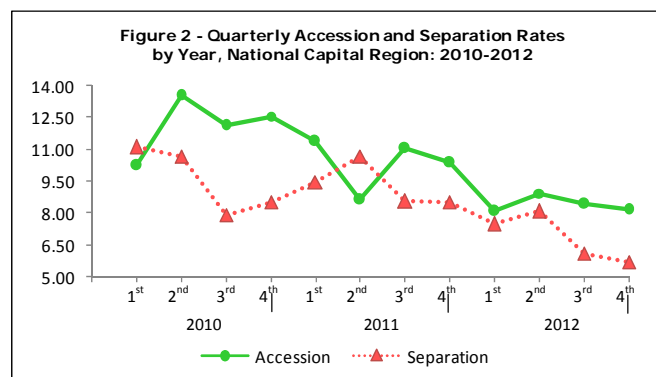
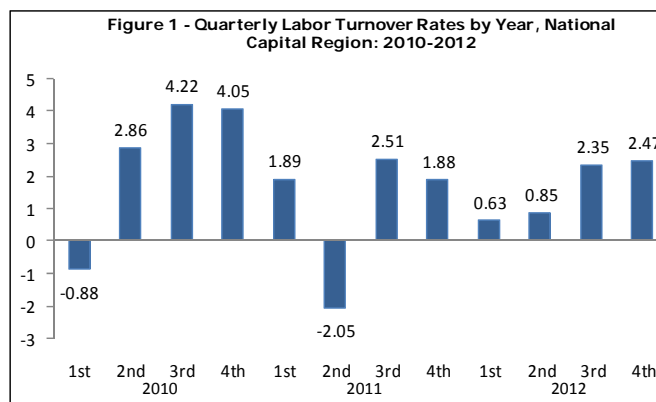
IN LARGE ENTERPRISES IN METRO MANILA

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 fourth quarter of 2012 was 91.98%. 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 in large enterprises in Metro Manila continued to expand in the fourth quarter of 2012. This is the second consecutive quarter that employment had gone up after posting negligible growth rates in the first two quarters of 2012.
- Measured in terms of percent difference between accession rate and separation rate, employment growth or labor turnover rate for the fourth quarter of 2012 accelerated to 2.47% - slightly higher than the third quarter growth figure of 2.35%. This is a turnaround from the near zero growth in the first quarter (0.63%) and second quarter (0.85%) of 2012 and the decline in the fourth quarter of 2011 (-2.05%). (Table 2)
- More specifically, overall accession rate (8.14%) exceeded separation rate (5.67%), a percentage point difference or a labor turnover rate of 2.47%. This suggests an addition of 25 workers per 1,000 employed: 81 workers per 1,000 employed were added to the enterprise workforce due to expansion or replacement while 57 workers per 1,000 employed were terminated or quit their jobs. (Table 1)



- The higher labor turnover rates in the fourth quarter of 2012 was largely contributed by three big sub-sectors led by accommodation and food service activities (4.04%); wholesale and retail trade (3.60%); and construction (3.23%).
- Notable gains were also recorded in water supply (3.04%); administrative and support service activities (2.99%); real estate activities (2.58%); other service activities (1.93%); information and communication (1.66%); financial and insurance activities (1.63%); and manufacturing (1.18%).
- On the other hand, labor turnover rates were down in six (6) sub-industries: mining and quarrying (-7.28%); human health and social activities (-3.96%); education (-2.05%); agriculture, forestry and fishing (-0.86%); arts, entertainment and recreation (-0.77%); and electricity, gas, steam and air conditioning supply (-0.17%).

Reasons for accession

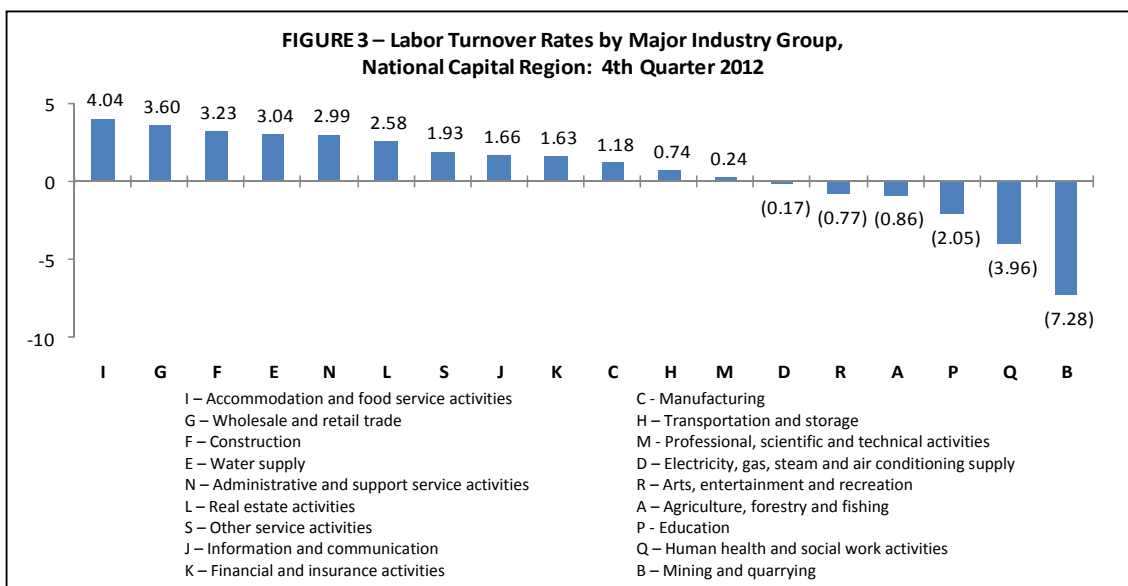
- Accession due to replacement of workers (4.77%) continued to outpace accession due to expansion of business activities (3.37%). (Table 1)
- This is observed in 13 sub-industries most notably in mining and quarrying (7.73% vs. 3.02%); wholesale and

retail trade (7.27% vs. 3.25%); arts, entertainment and recreation (4.97% vs. 1.30%); and agriculture, forestry and fishing (3.34% vs. 1.02%).

- In contrast, accession due to expansion of business activities dominated accession due to replacement of workers in five (5) sub-industries that included construction (11.28% vs. 2.86%); water supply (3.85% vs. 0.48%); professional, scientific and technical activities (2.41% vs. 1.37%); information and communication (3.15% vs. 2.68%); and education (0.86% vs. 0.74%).

Reasons for separation

- Employer-initiated separations (3.53%) or terminations surpassed employee-initiated separations or quits (2.13%). This was most pronounced in mining and quarrying (16.07% vs. 1.95%) and construction (8.86% vs. 2.05%). (Table 1)
- On the other hand, more quits than terminations occurred in 10 sub-sectors. The top three were: transportation and storage (3.60% vs. 0.34%); arts, entertainment and recreation (5.12% vs. 1.93%); and real estate activities (3.00% vs. 0.40%).



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**TABLE 1 - Labor Turnover Rates in Agricultural and Non-Agricultural Enterprises
by Major Industry Group, National Capital Region: 4th Quarter 2012**

INDUSTRY	Total			Accession		Separation	
	Accession	Separation	Labor Turnover Rate (Percent Difference)	Expansion	Replacement	Employee- Initiated	Employer- Initiated
ALL INDUSTRIES	8.14	5.67	2.47	3.37	4.77	2.13	3.53
Agriculture	4.36	5.22	(0.86)	1.02	3.34	1.23	3.99
Agriculture, forestry and fishing	4.36	5.22	(0.86)	1.02	3.34	1.23	3.99
Industry	7.62	5.99	1.63	5.02	2.60	1.38	4.61
Mining and quarrying	10.75	18.02	(7.28)	3.02	7.73	1.95	16.07
Manufacturing	3.40	2.22	1.18	1.20	2.21	0.93	1.29
Electricity, gas, steam and air conditioning	1.35	1.52	(0.17)	0.29	1.06	0.80	0.72
Water supply; sewerage, waste management and remediation activities	4.33	1.29	3.04	3.85	0.48	1.04	0.25
Construction	14.14	10.91	3.23	11.28	2.86	2.05	8.86
Services	8.26	5.60	2.65	3.04	5.22	2.29	3.31
Wholesale and retail trade; repair of motor vehicles and motorcycles	10.52	6.91	3.60	3.25	7.27	2.08	4.83
Transportation and storage	4.69	3.94	0.74	1.63	3.06	3.60	0.34
Accommodation and food service activities	11.74	7.71	4.04	5.31	6.43	4.17	3.54
Information and communication	5.82	4.16	1.66	3.15	2.68	2.97	1.19
Financial and insurance activities	3.91	2.28	1.63	1.19	2.72	2.21	0.06
Real estate activities	5.98	3.40	2.58	2.55	3.43	3.00	0.40
Professional, scientific and technical activities	3.78	3.54	0.24	2.41	1.37	2.02	1.53
Administrative and support service activities	8.29	5.31	2.99	3.70	4.59	1.59	3.72
Education	1.60	3.65	(2.05)	0.86	0.74	1.81	1.84
Human health and social work activities	3.72	7.68	(3.96)	1.02	2.70	3.74	3.94
Arts, entertainment and recreation	6.27	7.05	(0.77)	1.30	4.97	5.12	1.93
Other service activities	4.90	2.98	1.93	2.10	2.81	2.16	0.81

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 – 4th 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
3 rd Quarter	8.43	6.08	2.35
4 th Quarter	8.14	5.67	2.47
<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.