



## LABOR TURNOVER STATISTICS

(in large enterprises in Metro Manila)

Second Quarter 2014

The Labor Turnover Survey (LTS) is a quarterly sample survey of enterprises conducted by the Philippine Statistics Authority (PSA) 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.

A total of 921 enterprises based in Metro Manila served as respondents to the second quarter 2014 Labor Turnover Survey. The sample enterprises were drawn from the 2013 NCR List of Enterprises of the PSA, which was updated by the 2013 LTS sampling frame. The retrieval rate for this quarter was placed at 87.3%.

### **Employment slowdown in large enterprises in Metro Manila**

- In the second quarter of 2014, employment in large enterprises in Metro Manila fell to 0.88% compared with the 2.49% labor turnover rate posted a year ago. The decline was due mainly to job losses in the industry sector, particularly in construction. This offset the modest gains in the services and agriculture sectors. (Table 1)

The slowdown parallels the lower economic growth rate registered in the same quarter (6.4%) as compared with second quarter of 2013 (7.9%).

### **Nine workers per 1,000 employed added in the enterprise workforce**

- Accession rate (11.47%) was slightly above separation rate (10.59%). This suggests an addition of 9 workers per 1,000 employed; 115 workers per 1,000 employed were added to the enterprise workforce due to expansion or replacement while

106 workers per 1,000 employed were terminated or quit their jobs.

### **Growth led by services sector at 1.38%**

- Growth during the quarter was led by the services sector which expanded by 1.38%. This is on the back of the strong growth in real estate activities (3.55%); information and communication (2.55%); administrative and support service activities that include the BPO (2.52%); and accommodation and food service activities (2.48%).

Employment was almost the same in wholesale and retail trade (0.52%); financial and insurance activities (0.51%); professional, scientific and technical activities (0.30%); transportation and storage (0.16%); and private education (0.15%).

Meanwhile, small declines were noted in human health and social work activities (-0.10%) and arts, entertainment and recreation (-0.89%).

### ***Steep decline in construction pulled down industry sector employment***

- Industry employment fell slightly (-0.68%) on account of the large reduction registered in construction (-4.15%) along with the decline in electricity, gas, steam and air conditioning supply (-0.38%).
- Manufacturing employment was of little change (0.55%) while expansion occurred in mining and quarrying (3.16%).

### ***Agriculture sector employment posted modest gain***

- Employment was slightly up in agriculture, forestry and fishing (1.70%).

### ***Replacement rate of workers around 3.5 times that of expansion***

- Accession due to replacement of workers (8.95%) accounted for most of the hiring in second quarter 2014; accession due to expansion of business activities accounted for the rest (2.52%).
- Six industry groups registered higher accession rates due to expansion of business activities than replacement of workers: mining and quarrying (7.82% vs. 7.41%); water supply (2.04% vs. 0.47%); information and communication (4.29% vs. 2.41%); financial and insurance activities (5.14% vs. 2.29%); professional, scientific and technical activities (2.55% vs. 1.55%); and other service activities (1.87% vs. 1.41%).

The rest registered higher accession rates due to replacement of workers than due to expansion of business activities. This was most notable in construction (55.01% vs. 1.13%); administrative and support service activities (10.21% vs. 4.91%); and private education (12.31% vs. 2.32%).

### ***More terminations than quits occurred in construction, private education and mining and quarrying***

- Employer-initiated separations (6.38%) or terminations surpassed employee-initiated separations or quits (4.21%).
- More terminations than resignations were observed in six sub-sectors but most pronounced in construction (46.90% vs. 13.39%); private education (11.29% vs. 3.19%); and mining and quarrying (10.73% vs. 1.35%). Construction and private education recorded high accession rates due to replacement of workers.
- The rest of the sub-sectors reported higher quit rates than terminations. This was most apparent in accommodation and food service activities (3.76% vs. 0.98%); information and communication (3.15% vs. 1.00%); financial and insurance activities (5.71% vs. 1.20%); real estate activities (5.09% vs. 0.28%); and human health and social work activities (3.95% vs. 0.37%).

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#### **FOR INQUIRIES:**

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**TABLE 1 - Labor Turnover Rates in Agricultural and Non-Agricultural Enterprises  
by Major Industry Group, National Capital Region: 2<sup>nd</sup> Quarter 2014**

MAJOR INDUSTRY GROUP	Total			Accession		Separation	
	Accession	Separation	Percent Difference	Expansion	Replacement	Employee-Initiated	Employer-Initiated
<b>ALL INDUSTRIES</b>	<b>11.47</b>	<b>10.59</b>	<b>0.88</b>	<b>2.52</b>	<b>8.95</b>	<b>4.21</b>	<b>6.38</b>
<b>Agriculture</b>	<b>4.20</b>	<b>2.49</b>	<b>1.70</b>	<b>1.25</b>	<b>2.95</b>	<b>1.31</b>	<b>1.18</b>
Agriculture, forestry and fishing	4.20	2.49	1.70	1.25	2.95	1.31	1.18
<b>Industry</b>	<b>17.48</b>	<b>18.15</b>	<b>(0.68)</b>	<b>1.34</b>	<b>16.14</b>	<b>4.26</b>	<b>13.90</b>
Mining and quarrying	15.24	12.08	3.16	7.82	7.41	1.35	10.73
Manufacturing	3.87	3.33	0.55	1.33	2.54	1.05	2.28
Electricity, gas, steam and air conditioning supply	1.41	1.79	(0.38)	0.34	1.07	1.02	0.77
Water supply; sewerage, waste management and remediation activities	2.51	1.75	0.76	2.04	0.47	1.19	0.56
Construction	56.14	60.29	(4.15)	1.13	55.01	13.39	46.90
<b>Services</b>	<b>9.55</b>	<b>8.16</b>	<b>1.38</b>	<b>2.92</b>	<b>6.63</b>	<b>4.22</b>	<b>3.95</b>
Wholesale and retail trade; repair of motor vehicles and motorcycles	8.96	8.44	0.52	1.11	7.85	3.10	5.34
Transportation and storage	2.50	2.34	0.16	1.07	1.43	1.69	0.65
Accommodation and food service activities	7.21	4.74	2.48	2.13	5.08	3.76	0.98
Information and communication	6.70	4.15	2.55	4.29	2.41	3.15	1.00
Financial and insurance activities	7.42	6.91	0.51	5.14	2.29	5.71	1.20
Real estate activities	8.92	5.37	3.55	4.43	4.49	5.09	0.28
Professional, scientific and technical activities	4.10	3.80	0.30	2.55	1.55	2.57	1.23
Administrative and support service activities	15.12	12.60	2.52	4.91	10.21	6.75	5.86
Education	14.63	14.48	0.15	2.32	12.31	3.19	11.29
Human health and social work activities	4.22	4.32	(0.10)	0.71	3.51	3.95	0.37
Arts, entertainment and recreation	4.09	4.98	(0.89)	0.38	3.70	2.23	2.75
Other service activities	3.28	2.38	0.90	1.87	1.41	2.17	0.21

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

*Source of data: Philippine Statistics Authority, Labor Turnover Survey.*

**TABLE 2 – Labor Turnover Rates by Year and Quarter,  
National Capital Region: 2008–2<sup>nd</sup> Quarter 2014**

<b>YEAR/QUARTER</b>	<b>Accession Rate</b>	<b>Separation Rate</b>	<b>Labor Turnover Rate (Percent Difference)</b>
<b><u>2014</u></b>			
1 <sup>st</sup> Quarter	10.06	9.47	0.59
2 <sup>nd</sup> Quarter	11.47	10.59	0.88
<b><u>2013</u></b>			
1 <sup>st</sup> Quarter	7.49	7.51	(0.02)
2 <sup>nd</sup> Quarter	8.77	6.28	2.49
3 <sup>rd</sup> Quarter	8.37	5.99	2.38
4 <sup>th</sup> Quarter	8.86	5.64	3.22
<b><u>2012</u></b>			
1 <sup>st</sup> Quarter	8.10	7.47	0.63
2 <sup>nd</sup> Quarter	8.93	8.08	0.85
3 <sup>rd</sup> Quarter	8.43	6.08	2.35
4 <sup>th</sup> Quarter	8.14	5.67	2.47
<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
4 <sup>th</sup> Quarter	10.38	8.50	1.88
<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

*Note: Labor turnover rate may not equal to the difference of accession rate and separation rate due to rounding.  
Source of data: Philippine Statistics Authority, Labor Turnover Survey.*