

STATISTICS ON LABOR TURNOVER RATES: 1998-2000

(in non-agricultural establishments with 20 or more workers)

INTRODUCTION

This LABSTAT issue is part of a series of reports on employment statistics culled from the Employment, Hours and Earnings Survey (EHES). The EHES is a sample survey of non-agricultural establishments employing 20 or more workers conducted by the Bureau of Labor and Employment Statistics twice a year in coordination with the DOLE Regional Offices. The survey collects quarterly trend data on key employment indicators such as labor turnover, job vacancies, hours of work and earnings from around 6,000 sample establishments.

This issue presents a review of the quarterly trends and patterns of labor turnover rates based on the results of the 1998, 1999 and 2000 EHES.

HIGHLIGHTS OF RESULTS

Quarterly Trend

- ◆ Employment of establishments covered in this survey exhibited a sluggish trend throughout the 1998-2000 period as employers were barely maintaining their current workforce to cope with the effects of the Asian financial crisis and the general slowdown in the global economy.
- ◆ Measured in terms of labor turnover rates, employment for the three-year period, has grown on the average, by less than one percent (0.22%) as accession rate



Table 1- Average Quarterly Labor Turnover Rates in Non-Agricultural Establishments With 20 or More Workers, Philippines: 1998-2000

Indicator	Average	1998	1999	2000
Accession Rate (%)	5.22	5.45	4.93	5.28
Separation Rate (%)	5.00	5.31	4.59	5.10
Percent Difference (%)	0.22	0.14	0.34	0.18

(5.22%) barely offset separation rate (5.0%).

- ◆ This implies that on the average, only two (2) additional workers for every 1,000 employed were absorbed quarterly as 52 workers per 1,000 were hired while 50 workers per 1,000 were separated from their workplaces.

Industry

- ◆ The hotel and restaurant industry was the only sector which managed to achieve some growth in employment averaging 1.08 percent for the three-year period under review. This confirms the common notion that food-related business is least affected by the adverse impact of the financial crisis.

- ◆ The manufacturing sector, which accounted for the biggest share of persons employed in the establishments covered in this survey exhibited practically no growth (averaging 0.52%) in employment. Between 1998 and 1999, labor turnover rates in manufacturing went up slightly from 0.38 percent to 0.67 percent, then declined to 0.50 percent in 2000.
- ◆ The other industries which posted negligible net employment creation (ranging from 0.28 percent to 0.39 percent) include electricity, gas and water utilities; other community, social and personal service activities; health and social work; and wholesale and retail trade.
- ◆ The construction industry posted three consecutive years of employment decline. The sustained dive in net employment in this industry can be attributed to the fact that it was hardest hit by the 1997 financial crisis from which it has yet to recover.
- ◆ Of the other major regions in the country, Central Visayas, Southern Tagalog, Northern Mindanao and Southern Mindanao registered a virtually flat growth in employment, averaging 0.71 percent, 0.68 percent, 0.52 percent and 0.39 percent, respectively.
- ◆ The regions which recorded slumps in net employment creation include the Ilocos Region (-0.08%), Caraga (-0.10%), Cordillera Autonomous Region (-0.22%) and Cagayan Valley (-0.63%).

Employment Size

- ◆ The virtual standstill in net employment creation during the period in review was evident in all establishments regardless of employment size. The average three-year employment growth rates by size of employment were as follows: 0.14 percent for establishments with 20-49 workers; 0.34 percent for establishments with 50-199 workers; and 0.21 percent for establishments with 200 and more workers.

Region

- ◆ The National Capital Region, which is the biggest region in terms of the number of establishments, posted little growth in employment during the three-year period. Net employment creation in NCR slumped in 1998 (-0.13%) then improved slightly to 0.05 percent and 0.09 percent in 1999 and 2000, respectively.

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**TABLE 2 - LABOR TURNOVER RATES IN NON-AGRICULTURAL ESTABLISHMENTS WITH 20 OR MORE WORKERS
BY MAJOR INDUSTRY GROUP, REGION AND EMPLOYMENT SIZE
PHILIPPINES: 1998-2000**

(In Percent)

Major Industry Group/Region/Employment Size	Accession Rate			Separation Rate			Percent Difference			
	1998	1999	2000	1998	1999	2000	1998	1999	2000	Average
ALL INDUSTRIES	5.45	4.93	5.28	5.31	4.59	5.10	0.14	0.34	0.18	0.22
Mining & Quarrying	3.58	1.65	3.08	3.76	2.84	3.35	-0.18	-1.19	-0.27	-0.55
Manufacturing	6.25	5.67	5.65	5.87	5.00	5.15	0.38	0.67	0.50	0.52
Electricity, Gas & Water Supply	2.23	1.02	1.43	1.50	0.97	1.38	0.73	0.05	0.05	0.28
Construction	6.20	8.27	12.33	7.42	10.46	13.08	-1.22	-2.19	-0.75	-1.39
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	7.31	6.80	6.26	7.79	5.66	5.74	-0.48	1.14	0.52	0.39
Hotels & Restaurants	8.51	6.98	6.84	6.76	5.61	6.72	1.75	1.37	0.12	1.08
Transport, Storage & Communications	2.39	2.23	2.98	2.71	2.47	4.03	-0.32	-0.24	-1.05	-0.54
Financial Intermediation	2.27	2.12	3.45	1.97	2.91	2.99	0.30	-0.79	0.46	-0.01
Real Estate, Renting & Bus. Activities	4.47	4.30	4.83	4.70	4.39	4.86	-0.23	-0.09	-0.03	-0.12
Education (Private Education Services)	3.39	2.00	2.52	2.74	2.27	2.93	0.65	-0.27	-0.41	-0.01
Health & Social Work	3.23	2.16	3.22	2.57	2.18	2.83	0.66	-0.02	0.39	0.34
Other Community, Social & Personal Service Activities	3.77	2.24	3.10	2.72	1.83	3.69	1.05	0.41	-0.59	0.29
ALL REGIONS	5.45	4.93	5.28	5.31	4.59	5.10	0.14	0.34	0.18	0.22
National Capital Region	5.17	5.05	5.71	5.30	5.00	5.62	-0.13	0.05	0.09	0.00
Cordillera Autonomous Region	5.13	2.89	1.93	4.38	3.18	3.05	0.75	-0.29	-1.12	-0.22
Region I - Ilocos Region	4.06	3.90	4.95	7.47	2.72	2.96	-3.41	1.18	1.99	-0.08
Region II - Cagayan Valley	3.22	3.67	2.88	3.35	1.56	6.74	-0.13	2.11	-3.86	-0.63
Region III - Central Luzon	4.72	3.96	4.55	4.87	3.98	3.86	-0.15	-0.02	0.69	0.17
Region IV - Southern Tagalog	7.56	6.14	5.72	6.38	5.02	5.99	1.18	1.12	-0.27	0.68
Region V - Bicol Region	3.53	2.04	3.09	2.84	1.41	2.02	0.69	0.63	1.07	0.80
Region VI - Western Visayas	4.17	2.32	3.26	3.82	2.21	3.14	0.35	0.11	0.12	0.19
Region VII - Central Visayas	5.42	5.23	5.58	4.58	5.05	4.48	0.84	0.18	1.10	0.71
Region VIII - Eastern Visayas	3.74	2.50	4.79	2.10	3.04	2.92	1.64	-0.54	1.87	0.99
Region IX - Western Mindanao	1.90	2.56	2.22	1.89	1.46	2.66	0.01	1.10	-0.44	0.22
Region X - Northern Mindanao	4.96	2.80	3.45	4.23	2.43	2.99	0.73	0.37	0.46	0.52
Region XI - Southern Mindanao	7.47	6.86	5.16	7.94	5.25	5.12	-0.47	1.61	0.04	0.39
Region XII - Central Mindanao Caraga	3.42	3.51	3.50	3.27	3.06	2.69	0.15	0.45	0.81	0.47
	2.48	4.30	2.64	3.11	2.76	3.85	-0.63	1.54	-1.21	-0.10
ALL EMPLOYMENT SIZES	5.45	4.93	5.28	5.31	4.59	5.10	0.14	0.34	0.18	0.22
20 - 49 Workers	4.91	3.17	3.01	4.04	3.18	3.46	0.87	-0.01	-0.45	0.14
50 - 199 Workers	5.56	4.40	4.91	5.20	3.86	4.79	0.36	0.54	0.12	0.34
200 or More Workers	5.71	5.69	6.13	5.83	5.33	5.74	-0.12	0.36	0.39	0.21

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