

2020 LABOR TURNOVER STATISTICS

(In establishments in NCR, 2nd Quarter 2020)

The Labor Turnover Survey (LTS) is a sample survey of establishments conducted by the Philippine Statistics Authority (PSA). The survey aims to capture “job creations” and “job displacements” in business establishments by collecting quarterly accessions and separations of workers as well as job vacancies in establishments.

In 2020, LTS was conducted semi-annually covering two-quarter information from the establishments based in the National Capital Region (NCR). A total of 1,206 establishments served as respondents in the conduct of the 2020 LTS. For the 1st and 2nd quarter rounds, information on the effect of the Coronavirus disease 2019 (COVID-19) pandemic on the day-to-day operation of the establishments and the coping mechanisms they employed to address the identified effects were gathered. The field operation was conducted from August to October 2020; thus data gathering, vis-à-vis the results generated, were greatly affected by the implementation of community quarantines due to the COVID-19 pandemic.

This issue of LABSTAT Updates presents the highlights of the Labor Turnover Survey (LTS) for the 2nd quarter of 2020 which had a response rate of 68.0 percent.

Employment in establishments continuously drops in the 2nd quarter of 2020

- As the Coronavirus disease 2019 (COVID-19) pandemic surged in the second quarter of 2020, employment in establishments with 20 or more workers located in NCR continued to decline by -7.6 percent. This rate can be translated to a reduction of 76 workers for every 1,000 persons employed in establishments during the period.
- Hiring or accession rate (4.4%) fell behind separation rate (12.0%) which resulted to a negative labor turnover rate (LTR) of -7.6 percent for the period.

Table 1: Labor Turnover Rate, NCR: 2nd Quarter 2019 and 1st & 2nd Quarter 2020 (Final)

Indicator	Rates (%)		
	2019	2020	
	2 nd Q	1 st Q	2 nd Q
Accession Rate	9.5	9.3	4.4
Separation Rate	8.3	10.7	12.0
Labor Turnover Rate	1.1	-1.4	-7.6

Source: Philippine Statistics Authority, Labor Turnover Survey.

- This quarter’s LTR posted decrements of about -8.7 percentage points from the 1.1 percent recorded in the second quarter in 2019 and 6.2 percentage points reduction from the -1.4 percent in the previous quarter. (Table 1)

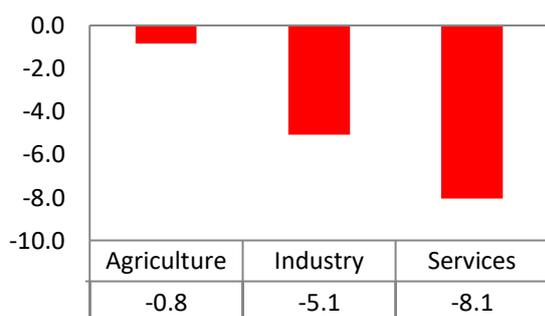
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- The accession rate, which stood at 4.4 percent, implied that 44 workers per 1,000 employed were hired either for business expansion or to replace separated workers in the second quarter of 2020. On the other hand, the separation rate placed at 12.0 percent meant that 120 workers per 1,000 employed were either laid-off or left their jobs during the period.

Declines in workforce in all sectors of the economy

- During the period, all economic sectors experienced declines in employment. The services sector was the most affected having the highest employment loss of -8.1 percent. All industries under this sector posted negative turnover rates. The slump in employment of the sector was largely driven by large reduction of workers in administrative and support service activities at -15.6 percent. This was followed by wholesale and retail trade (-8.7%); other services activities (-8.4%); and education (-7.7%). The rest of the subsectors registered negative turnover rates of less than five percent each. (Figure 1 and Table 2)

Figure 1. Labor Turnover Rates by Sector, National Capital Region: 2nd Quarter 2020 (Final)



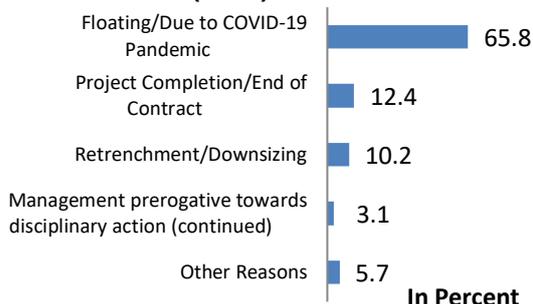
Source: Philippine Statistics Authority

- Meanwhile, the employment reductions of -5.1 percent during the quarter in the industry sector can be attributed to the negative growth in construction (-11.1%), manufacturing (-3.5%), water supply, sewerage waste management and remediation activities (-2.6%), and electricity, gas, steam and air conditioning supply (-0.9%). Only the mining and quarrying reported a remarkable employment gain of 7.5 percent.
- Employment decline likewise occurred in agriculture, forestry, and fishing sector at -0.8 percent during the quarter.

About two in every three separated workers were displaced or in floating status due to the effects of COVID-19 pandemic

- During the second quarter of 2020, the survey also inquired on the reasons why employers terminate the services of their employees (employer-initiated) as well as why employees quit their jobs (employee-initiated).
- The main reasons cited by employers for ending the services of their workers were due to their current business conditions. Majority of the affected workers were temporarily laid-off or in floating status (65.8%) because of the COVID-19 pandemic. Other reasons for termination were project completion/end of contract and retrenchment/downsizing with 12.4 percent and 10.2 percent of the separated workers, respectively. (Figure 2)

Figure 2. Percent Distribution of Separated Employees by Reason for Layoff and Displacement/ Dismissal, NCR: 2nd Quarter 2020 (Final)



Source: Philippine Statistics Authority, Labor Turnover Survey

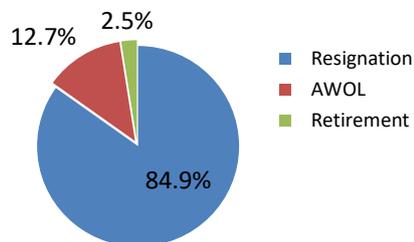
- Moreover, employers laid-off about 3.1 percent of workers as a management prerogative towards disciplinary action. The following were the behaviour of workers that led to termination: absence without leave (AWOL), serious misconduct or willful disobedience, gross and habitual neglect of duties, fraud or willful breach of trust, and commission of crime or offense.
- Health reasons (2.1%), failure to meet agency/ establishment’s standards (1.9%), and failure rating on performance (1.6%) were also cited by the employers.

Nearly eighty-five percent of separated workers resigned from their work

- Meanwhile, about 84.9 percent of the workers who quit their jobs voluntarily resigned mostly because of the following reasons: a) hired by another company (25.2 percentage points); b) personal issues (23.3 percentage points); c) family considerations (12.2 percentage points); and d) due to COVID-19 pandemic (10.7 percentage points).
- Other reasons cited for employee-initiated separations were due to

AWOL (12.7%) and retirement (2.5%). (Figure 3 and Table 4)

Figure 3. Percent Distribution of Employees Who Quit Their Jobs by Reason, NCR: 2nd Quarter 2020 (Final)



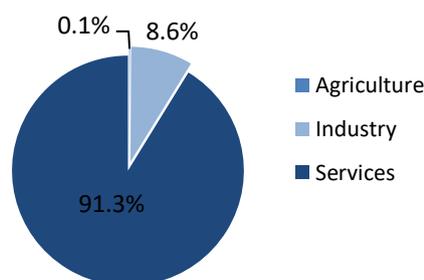
Source: Philippine Statistics Authority, Labor Turnover Survey

Job Vacancies

Demand for workers is high in the services sector

- A total of 63,888 existing job openings for various occupational groups across industries were posted at the end of the quarter. (Table 5)
- These vacancies were mostly found in the services sector (91.3%) during the reference period. The rest of the vacancies were in the industry sector, 8.6 percent, and in the agriculture sector, 0.1 percent. (Figure 4)

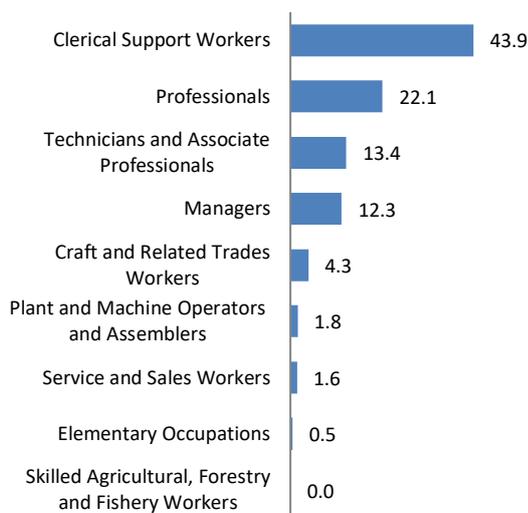
Figure 4. Job Vacancies by Major Sector, NCR: 2nd Quarter 2020 (Final)



Source: Philippine Statistics Authority, Labor Turnover Survey

- Across occupational groups, about two-thirds of the total job vacancies were available for clerical support workers (43.9%) and professional workers (22.1%), collectively. The other job openings include the following: technicians and associate professionals (13.4%); managers (12.3%); crafts and related trades (4.3%); Plant and machine operators and assemblers (1.8%); sales and service workers (1.6%); and a few elementary occupations and skilled agricultural, forestry and fishery workers. (Figure 5 and Table 6)

Figure 5. Percent Distribution of Job Vacancies by Major Occupation Group, NCR: 2nd Quarter 2020 (Final)



Note: Figures are in percent
 Source: Philippine Statistics Authority, Labor Turnover Survey

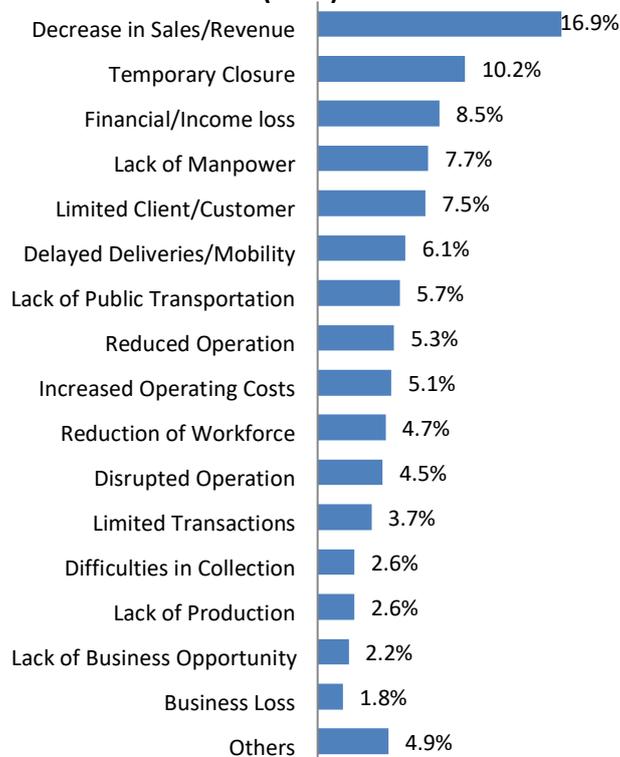
More than half of establishments implement alternative work arrangements to cope with the effects of COVID-19 pandemic

- For the second quarter round of the LTS in 2020, the topmost

effect of the COVID-19 pandemic as identified by the establishments was declining sales/revenue which accounted for 16.9 percent of the total responses. Moreover, temporary closures and stop operation (10.2%), financial/ income loss (8.5%), lack of manpower due to restrictions (7.7%), and the decrease in client/customer (7.5%) were also experienced by the establishments during the quarantine periods brought by the pandemic. (Figure 6)

- Other consequences suffered by establishments included limited transactions, difficulty in collection, lack of production, and lack of business opportunity.

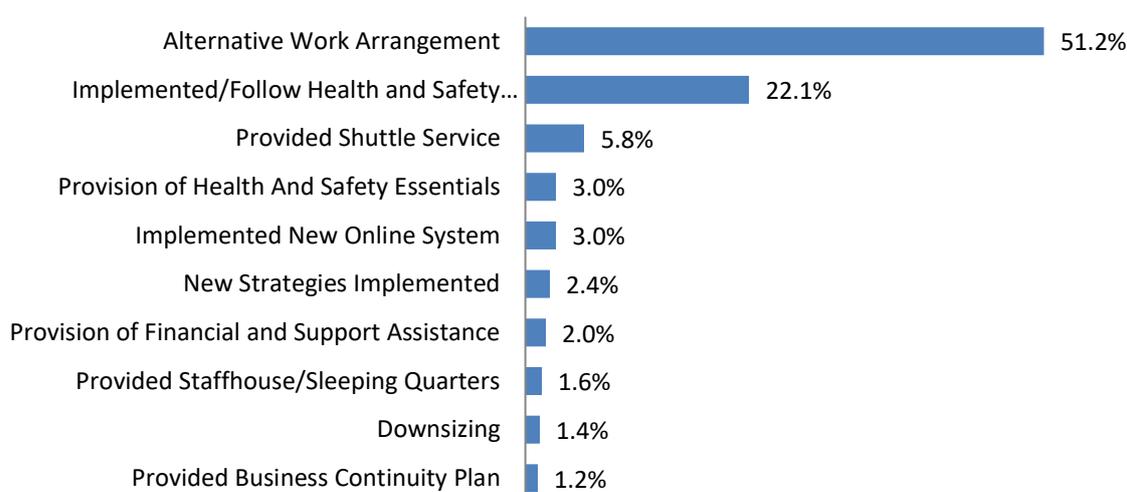
Figure 6. Identified Effects of the COVID-19 Pandemic to Establishment's Daily Operations, NCR: 2nd Quarter 2020 (Final)



Notes: (1) Figures are in percent; (2) Multiple response allowed.
 Source: Philippine Statistics Authority, Labor Turnover Survey

- Among the strategies or mechanisms used to cope with the effects of the pandemic, more than half (51.2%) of the responding establishments implemented alternative work arrangements. (Figure 7)
- Health and safety protocols were also strictly followed and implemented by 22.1 percent of the respondents while the other establishments provided shuttle service to their employees (5.8%); implementation of new online system and platforms (3.0%), and provision of health and safety essentials (3.0%).

Figure 7. Identified Coping Mechanism on the Effect of the Coronavirus disease 2019 (COVID-19) Pandemic to Establishment's Daily Operations, NCR: 2nd Quarter 2020 (Final)



Notes: (1) Figures are in percent; (2) Multiple response allowed
Source: Philippine Statistics Authority, Labor Turnover Survey

Definition of Terms:

Accessions (New Hires) - refer to permanent or temporary additions to employment in the enterprise due to 1) expansion of business activity and 2) replacement of separated workers and employment resulting from changes in methods/technology of production or service.

Separations - refer to terminations of employment due to 1) quits or terminations initiated by the employees and 2) layoffs or terminations initiated by the employers due to economic reasons (e.g., lack of market, financial losses, redundancy, end of contract) and non-economic reasons (e.g., gross negligence, AWOL).

Labor Turnover - Changes in the employment of an enterprise during a reference period resulting from accessions and separations of workers.

Existing Job Vacancies – refer to the number of unfilled job openings at the end of the quarter which are immediately available for placement and for which active recruitment steps are being undertaken.

FOR INQUIRIES

Regarding this report, contact **EMPLOYMENT DEMAND STATISTICS DIVISION** at telefax no. 8376-1952
Regarding other statistics, contact **KNOWLEDGE MANAGEMENT AND COMMUNICATIONS DIVISION** at 8462-6600 local 834
Or visit our website at <http://www.psa.gov.ph>

**Table 2 - Labor Turnover Rates in Agricultural and Non-Agricultural Establishments
by Major Industry, NCR: 2nd Quarter 2019 and 2020
(Final)**

Industry	2nd Quarter 2019			2nd Quarter 2020		
	Accession	Separation	Labor Turnover	Accession	Separation	Labor Turnover
Total	9.5	8.3	1.1	4.4	12.0	-7.6
Agriculture, Forestry, and Fishing Industry	4.0	4.2	-0.2	0.7	1.6	-0.8
Mining and Quarrying	2.0	10.0	-8.1	9.9	2.4	7.5
Manufacturing	7.6	8.8	-1.2	1.0	4.5	-3.5
Electricity, Gas, Steam and Air Conditioning Supply	0.8	1.7	-0.9	0.5	1.5	-0.9
Water Supply; Sewerage Waste Management and Remediation Activities	5.3	3.6	1.7	0.3	3.0	-2.6
Construction	8.2	6.1	2.1	3.0	14.2	-11.1
Services	9.9	8.5	1.4	5.0	13.0	-8.1
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles	6.8	6.0	0.9	1.2	9.9	-8.7
Transportation and Storage	5.4	7.6	-2.1	2.4	6.6	-4.2
Accommodation and Food Service Activities	10.0	8.3	1.7	0.2	3.8	-3.6
Information and Communication	9.0	7.7	1.3	20.5	23.0	-2.5
Financial and Insurance Activities	6.2	4.3	1.9	0.9	2.1	-1.2
Real Estate Activities	8.3	6.8	1.5	0.2	2.7	-2.5
Professional, Scientific and Technical Activities	5.2	4.7	0.5	2.3	4.8	-2.5
Administrative and Support Service Activities	12.9	11.3	1.7	7.4	23.0	-15.6
Education	10.4	11.8	-1.4	0.5	8.2	-7.7
Human Health and Social Work Activities	6.7	6.2	0.5	3.5	4.1	-0.6
Arts, Entertainment and Recreation	12.0	2.8	9.1	*	0.8	-0.8
Other Service Activities	10.2	5.0	5.3	-	8.4	-8.4

* Less than 0.05 percent but not zero

-Equal to zero

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

Source: Philippine Statistics Authority, Labor Turnover Survey, 2nd Quarter 2020.

**Table 3 - Percent Distribution of Employees Affected Due to Separations by Layoff and Displacement/Dismissal (Employer-Initiated) in Establishments with 20 or More Workers, NCR: 2nd Quarter 2020
(Final)**

Reasons for Layoff (Employer-Initiated Separation)	Number of Employees	Percent (%)
TOTAL	295,622	100.0
Business Condition	269,620	91.2
Floating/Due to COVID-19 Pandemic	194,517	65.8
Project Completion/End of Contract	36,758	12.4
Retrenchment/Downsizing	30,160	10.2
Closing or Cessation of Operations	3,420	1.2
Lack of Market	1,432	0.5
Reorganization	1,335	0.5
Financial Loss	180	0.1
Mergers/Change in Management	152	0.1
Automation/Modernization/installation of labor-saving devices	-	-
Others	1,667	0.6
Management prerogative towards disciplinary action (continued)	9,072	3.1
Absence Without Leave (AWOL)	5,592	1.9
Serious misconduct or Willful disobedience	2,239	0.8
Gross and habitual neglect of duties	643	0.2
Fraud or willful breach of trust	98	*
Commission of crime or offense	1	*
Others	498	0.2
Other Reasons	16,930	5.7
Failure rating on performance	4,853	1.6
Failure to meet agency/establishment's standards	5,478	1.9
Health reasons	6,204	2.1
Others	395	0.1

**Less than 0.05 percent but not zero*

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

Source: Philippine Statistics Authority, Labor Turnover Survey, 2nd Quarter 2020.

**Table 4 - Percent Distribution of Employees Affected Due to Separations by Quits (Employee-Initiated)
in Establishments with 20 or More Workers,
NCR: 2nd Quarter 2020
(Final)**

Reasons for Quits (Employee-Initiated Separation)	Number of Employees	Percent (%)
TOTAL	125,047	100.0
AWOL	15,830	12.7
Retirement	3,099	2.5
Resignation	106,119	84.9
Hired by another company	31,473	25.2
Personal issues	29,121	23.3
Family considerations	15,221	12.2
Due to COVID-19 Pandemic	13,318	10.7
To study	4,233	3.4
To work abroad	2,429	1.9
Health Issues	1,938	1.5
Others	8,385	6.7

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

Source: Philippine Statistics Authority, Labor Turnover Survey, 2nd Quarter 2020.

**Table 5 - Number of Job Vacancies in Establishments with 20 or More Workers
by Major Industry Group, NCR: 2nd Quarter 2020
(Final)**

Industry	Number	Percent Share (%)
ALL INDUSTRIES	63,888	100.0
Agriculture, Forestry, and Fishing	58	0.1
Industry	5,522	8.6
Mining and Quarrying	315	0.5
Manufacturing	3,489	5.5
Electricity, Gas, Steam and Air Conditioning Supply	60	0.1
Water Supply; Sewerage Waste Management and Remediation Activities	69	0.1
Construction	1,589	2.5
Services	58,307	91.3
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles	4,145	6.5
Transportation and Storage	20,784	32.5
Accommodation and Food Service Activities	46	0.1
Information and Communication	6,069	9.5
Financial and Insurance Activities	6,740	10.5
Real Estate Activities	1,908	3.0
Professional, Scientific and Technical Activities	1,299	2.0
Administrative and Support Service Activities	12,499	19.6
Education	361	0.6
Human Health and Social Work Activities	4,395	6.9
Arts, Entertainment and Recreation	19	*
Other Service Activities	43	0.1

* Less than 0.05 percent but not zero

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

Source: Philippine Statistics Authority, Labor Turnover Survey, 3rd Quarter 2020.

**Table 6 - Number of Job Vacancies in Establishments with 20 or More Workers
by Major Occupation Group, NCR: 2nd Quarter 2020
(Final)**

Major Occupation Group	Number	Percent Share (%)
ALL OCCUPATION	63,888	100.0
Managers	7,879	12.3
Professionals	14,127	22.1
Technicians and Associate Professionals	8,580	13.4
Clerical Support Workers	28,046	43.9
Service and Sales Workers	1,024	1.6
Skilled Agricultural, Forestry and Fishery Workers	26	*
Craft and Related Trades Workers	2,752	4.3
Plant and Machine Operators and Assemblers	1,134	1.8
Elementary Occupations	320	0.5

* Less than 0.05 percent but not zero

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

Source: Philippine Statistics Authority, Labor Turnover Survey, 2nd Quarter 2020.