



2020 LABOR TURNOVER STATISTICS

(In establishments with 20 or more workers)
National Capital Region: Third 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 3rd and 4th quarter rounds of the 2020 LTS. For both periods, 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 operations was conducted from March to May 2021, thus data gathering, vis-a-vis, the results generated were greatly affected by the Enhanced/General Community Quarantine implemented due to the pandemic.

This LABSTAT Updates presents the highlights of the Labor Turnover Survey (LTS) for the 3rd quarter of 2020 with a response rate of 74.38 percent.

Employment recovers from the declines in the 1st semester of 2020

- Overall, employment in the establishments located in the NCR for the third quarter of 2020 has improved from the second quarter of the same year, as evidenced by the positive labor turnover rate (LTR) posted at 0.1 percent. However, this figure is much lower than the 2.8 percent recorded in the same quarter of 2019. (Table 1)
- It should be noted that as lockdowns were imposed by the government due to the pandemic, employment took a dive as labor turnover rate (accession rate less separation rate) was posted at -7.6 percent in the second quarter of 2020.
- The improvement of the labor turnover rate by 0.1 percent in the third quarter of 2020 suggests that for every 1,000 employed persons, one worker was

added to the workforce. There were 80 workers per 1,000 employed who were hired due to expansion of business activity or replacement of separated workers, while 79 workers per 1,000 employed were either laid off, displaced, dismissed, retired, and/or quit their jobs.

Table 1. Labor Turnover Rates, NCR: 3rd Quarter 2019, 2nd, and 3rd Quarters 2020 (Final)

Indicators	Rates (%)		
	2019	2020	
	3 rd Q	2 nd Q	3 rd Q
Labor Turnover Rate	2.8	-7.6	0.1
Accession Rate	8.6	4.4	8.0
Separation Rate	5.9	12.0	7.9

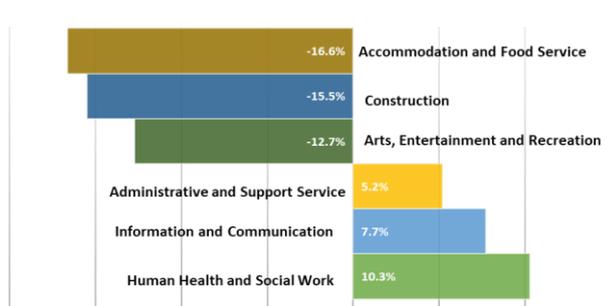
Source: Philippine Statistics Authority, Labor Turnover Survey.



Labor Turnover Rate by Major Industry

- Several industries experienced more separation than accession for the period. Accommodation and food service activities had the highest reduction of employees at -16.6 percent, followed by construction with -15.5 percent; and arts, entertainment, and recreation at -12.7 percent. (Figure 1 and Table 3)

Figure 1- Labor Turnover Rate of Top 3 and Bottom 3 Industries, NCR: 3rd Quarter 2020



Source: Philippine Statistics Authority, Labor Turnover Survey.

- On the other hand, human health and social work activities posted a positive labor turnover rate of 10.3 percent. This was followed by information and communication with 7.7 percent, administrative and support service activities (5.2%), manufacturing (2.0%); water supply, sewerage waste management and remediation activities and transportation and storage with 1.8 and 1.3 percent, respectively. (Table 3)

Highest number of new hires in Human Health and Social Work Activities

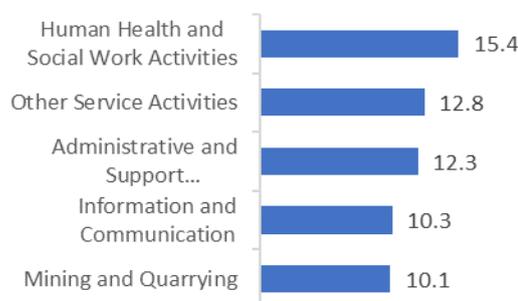
- Accession rate in the third quarter of 2020 greatly improved, from 4.4 percent in the second quarter of 2020 to 8.0 percent in the following quarter. Year-on-year, this third quarter accession rate was 0.6 percentage point short from that of the same period in the previous year (8.6%).

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Moreover, hiring to replace separated workers (6.0%) was higher than hiring for business expansion (2.1%).

- Across subsectors, the highest accession rate was recorded in the Human Health and Social Work Activities at 15.4 percent, followed by Other services activities (12.8%); Administrative and support service activities (12.3%); Information and communication (10.3%), and Mining and quarrying (10.1%). (Figure 2 and Table 3)

Figure 2. Top 5 Industries with the Highest Accession Rates, NCR: 3rd Quarter 2020 (In percent)



Source: Philippine Statistics Authority, Labor Turnover Survey.

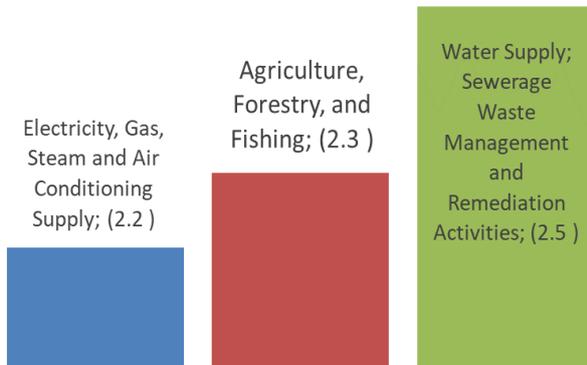
- The rest of the subsectors posted below 10 percent accession rate. (Table 3)
- There was no employment growth in the agriculture, forestry, and fishing sector as accession and separation rates were equal.

Overall separation rate decreases by four (4) percentage points

- Separation rate for the third quarter of 2020 stood at 7.9 percent, exhibiting a slump of 4.1 percentage points from the previous quarter (12.0%).
- Electricity, gas, steam, and air conditioning supply posted the lowest separation rate at 2.2 percent, followed by agriculture, forestry, and fishing with 2.3 percent; and water supply, sewerage waste management

and remediation activities with 2.5 percent. (Figure 3 and Table 3)

Figure 3. Industries with the Lowest Separation Rates, NCR: 3rd Quarter 2020 (In percent)



Source: Philippine Statistics Authority, Labor Turnover Survey.

- Double-digit separation rates were observed in other service activities (24.5%); accommodation and food service activities (21.3%); construction (21.1%); and arts, entertainment, and recreation (12.9%).
- Meanwhile, separation rates of below 10.0 percent were noted in the rest of the subsectors. (Table 3)

Laid-off employees comprised two-thirds of separated workers

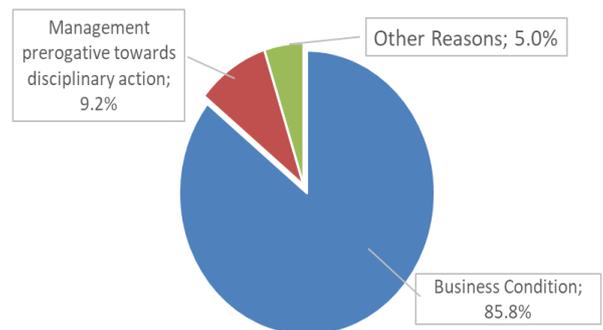
- A total of 290,233 employees were separated from work during the third quarter of 2020, 67.5 percent or 195,782 of which were laid-off while the remaining 32.5 percent voluntarily left their jobs. (Table 2)

Table 2. Total Number of Employees Separated, NCR: 3rd Quarter 2020

Reason for Separation	Number of Employees	(%)
Total	290,233	100.0
Employer-initiated	195,782	67.5
Employee-initiated	94,451	32.5

- Of the 195,782 employer-initiated separations, 85.8 percent were due to business condition, 9.2 percent were attributed to management prerogative towards disciplinary action and while the remaining 5.0 percent were because of some other reasons. (Figure 4)

Figure 4. Percent Distribution of Employees Separated from Work by Reasons for Layoff and Displacement/Dismissal, NCR: 3rd Quarter 2020



Source: Philippine Statistics Authority, Labor Turnover Survey.

- On the reason related to business condition, four (4) out of ten (10) workers were laid-off due to project completion/end of contract, while three for every 10 were dismissed due to retrenchment.
- Dismissal as a result of COVID-19 pandemic accounted for 6.8 percent while the rest of the reasons cited under business condition (e.g., lack of market, reorganization, and merging) recorded a combined share of 5.7 percent. (Table 4)

Most of job quitters resign due to personal concerns

- As to reasons for employee-initiated separations, the biggest chunk is attributed to resignation with 80.1 percent share. Resignation due to personal issues comprised 35.5 percent of the employee-initiated separations. Other resignation-related reasons, with their corresponding shares to employee-initiated separations, were hired by another

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company (16.6%), family consideration (10.4%), due to COVID-19 pandemic (3.0%), to study (3.0%), health issues (1.4%) and to work abroad (1.4%). (Table 5)

- Moreover, 11.4 percent of separated workers left their jobs as they committed absence without leave (AWOL) while the remaining 8.5 percent availed of retirement.

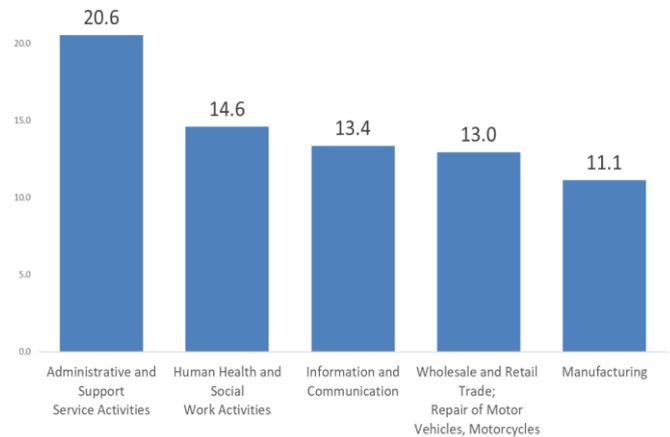
Job Vacancies

Majority of the existing job vacancies are in the services sector

- A total of 48,331 unfilled positions in various industries and occupational groups were available during the third quarter of 2020. (Tables 6 and 7)
- The services sector accounted for the bulk of vacancies with 85.9 percent share or 41,526, followed by industry with 14.0 percent or 6,773, and agriculture, forestry, and fishing with 0.1 percent share.
- Among sub-sectors, administrative and support service activities posted the most number with 20.6 percent share or 9,934 job openings. This was followed by human health and social work activities with 7,057 (14.6%) vacancies. Ranked next were information and communication (13.4%); wholesale and retail trade; repair of motor vehicles, motorcycles (13.0%); and manufacturing (11.1%). (Figure 5 and Table 6)

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Figure 5. Top Five Industries with Job Vacancies, NCR: 3rd Quarter 2020 (In percent)



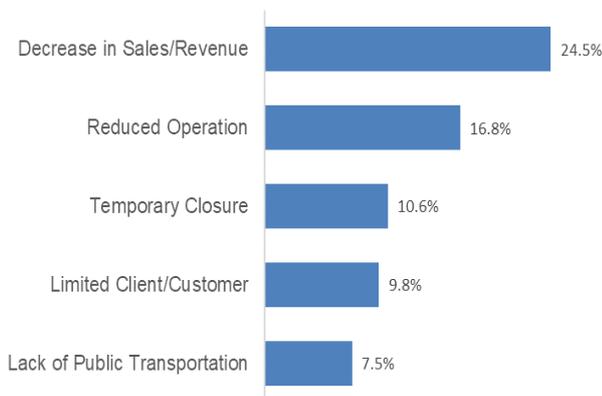
Source: Philippine Statistics Authority, Labor Turnover Survey.

- By major occupation groups, the demand for professional workers posted the highest with 15,470 vacancies (32.0 percent share) throughout the third quarter of 2020. Likewise, vacant positions were recorded for service and sales workers (18.4%), technicians and associate professionals (17.4%). Job opportunities were also available for clerical support workers (10.9%) while the rest of the occupation groups comprised the remaining 21.3 percent of job vacancies, with the skilled agricultural, forestry, and fishery workers registering the lowest with 0.2 percent share to the total vacant positions. (Table 7)

COVID-19 pandemic adversely affects sales and revenues of establishments

The main consequence of the pandemic during the period was the decline in sales and revenues of the establishments with 24.5 percent share. About 16.8 percent of the establishments had to reduce their operations while some resorted to temporary closure (10.6%). Due to restrictions brought about by the pandemic business establishments had limited clients/customers (9.8%) and affected by lack of public transportation (7.5%). Among the other effects cited were reduction of workforce, increased operating costs and delayed deliveries/mobility. (Figure 6 and Table 8a)

Figure 6. Main Effects of COVID-19 Pandemic to Establishments' Daily Operations, NCR: 3rd Quarter 2020



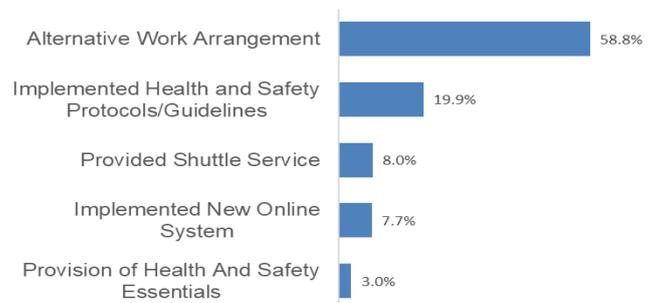
Source: Philippine Statistics Authority, Labor Turnover Survey.

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Establishments' measures to cope with the effects of the pandemic

Due to the aforementioned effects of the pandemic, ways and means had been made by the establishments to keep their business and employees. The adoption of the alternative work arrangements (58.8%) was the highest response in coping with the current situation. Implementation of health and safety protocols/guidelines was next with 19.9 percent response rate. Other measures were also adopted in order to ensure the well-being and safety of their employees. Among these were the provision of shuttle service (8.0%), use of new online platforms (7.7%) and provision of health and safety essentials to their employees (3.0%). However, a few establishments forced to cut-down the salaries of their staff. (Figure 7 and Table 8b)

Figure 7. Coping Mechanisms on the Effect of Covid-19 Pandemic by Establishments NCR: 4th Quarter 2020



Source: Philippine Statistics Authority, Labor Turnover Survey.

Definition of Terms:

Accessions (New Hires) - refer to permanent or temporary additions to employment in the establishment 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 (a) layoffs or terminations initiated by the employers due to economic reasons (e.g., lack of market, financial losses, reorganization, and end of contract) and non-economic reasons (e.g., gross negligence, AWOL, failure rating on performance, and health reasons) and (b) quits or termination initiated by the employees (e.g., resignations due to being hired by another company, or to work abroad).

Labor Turnover – refers to changes in the employment of an establishment resulting from accessions and separations.

Existing Job Vacancies – defined as a paid post that is newly created, unoccupied, or unfilled job openings at the end of the quarter which are immediately available for employment and for which active recruitment steps are being undertaken.

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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 462-6600 local 834

Or visit our website at <http://www.psa.gov.ph>

**Table 3 - Labor Turnover Rates in Agricultural and Non-Agricultural Establishments
by Major Industry, NCR: 3rd Quarter 2020
(Final, in percent)**

Industry	Total			Accession		Separation	
	Accession	Separation	Labor Turnover	Expansion	Replacement	Employer-Initiated	Employee-Initiated
Total	8.0	7.9	0.1	2.1	6.0	5.3	2.6
Agriculture, Forestry, and Fishing	2.3	2.3	0.0	1.1	1.3	1.1	1.2
Industry	6.5	12.6	-6.1	2.2	4.3	10.5	2.1
Mining and Quarrying	10.1	9.9	0.2	8.7	1.5	8.7	1.2
Manufacturing	7.4	5.4	2.0	0.3	7.2	3.8	1.6
Electricity, Gas, Steam and Air Conditioning Supply	3.0	2.2	0.7	1.8	1.1	0.8	1.4
Water Supply; Sewerage Waste Management and Remediation Activities	4.3	2.5	1.8	1.4	2.9	0.9	1.6
Construction	5.6	21.1	-15.5	4.3	1.3	18.4	2.6
Services	8.5	6.6	1.9	2.0	6.5	3.9	2.7
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles	5.6	8.4	-2.8	0.7	4.9	5.2	3.2
Transportation and Storage	5.2	3.9	1.3	2.3	3.0	1.2	2.7
Accommodation and Food Service Activities	4.6	21.3	-16.6	1.7	2.9	17.3	4.0
Information and Communication	10.3	2.6	7.7	9.4	0.9	0.9	1.7
Financial and Insurance Activities	2.2	2.6	-0.5	0.4	1.8	1.2	1.4
Real Estate Activities	4.5	4.6	*	3.0	1.6	0.9	3.6
Professional, Scientific and Technical Activities	2.2	7.4	-5.1	0.6	1.6	3.0	4.3
Administrative and Support Service Activities	12.3	7.1	5.2	1.5	10.8	4.6	2.5
Education	2.2	4.2	-2.0	0.2	2.1	1.2	3.1
Human Health and Social Work Activities	15.4	5.1	10.3	0.3	15.1	0.3	4.9
Arts, Entertainment and Recreation	0.2	12.9	-12.7	0.0	0.2	9.2	3.8
Other Service Activities	12.8	24.5	-11.7	12.8	0.0	19.9	4.6

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

* Less than 0.05

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

**Table 4 - Number and Percent Distribution of Employees Separated from Work by Reasons for Layoff and Displacement/Dismissal (Employer-Initiated) in Establishments with 20 or More Workers, NCR: 3rd Quarter 2020
(Final)**

Reasons for Layoff and Displacement/Dismissal (Employer-Initiated Separations)	Number of Employees	Percent (%)
TOTAL	195,782	100.0
Business Condition	167,941	85.8
Project Completion/End of Contract	81,719	41.7
Retrenchment/Downsizing	61,898	31.6
Due to COVID-19 Pandemic	13,291	6.8
Lack of Market	4,609	2.4
Reorganization	2,881	1.5
Mergers/Change in Management	1,136	0.6
Closing or Cessation of Operations	1,025	0.5
Financial Loss	236	0.1
Others 1/	1,145	0.6
Management prerogative towards disciplinary action	18,103	9.2
Absence Without Leave (AWOL)	7,955	4.1
Gross and habitual neglect of duties	5,915	3.0
Serious misconduct or Willful disobedience	2,522	1.3
Fraud or willful breach of trust	803	0.4
Commission of crime or offense	361	0.2
Others 2/	547	0.3
Other Reasons	9,738	5.0
Failure rating on performance	5,570	2.8
Failure to meet agency/establishment's standards	1,774	0.9
Health reasons	1,724	0.9
Others 3/	670	0.3

^{1/} Includes cancelation of orders, no specific reason, etc.

^{2/} Includes dishonesty, mutual agreement, etc.

^{3/} Includes death, behavioral issues, etc.

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

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

Table 5 - Number and Percent Distribution of Employees Separated from Work by Reasons for Quits (Employee-Initiated) in Establishments with 20 or More Workers, NCR: 3rd Quarter 2020 (Final)

Reasons for Quits (Employee-Initiated Separation)	Number of Employees	Percent (%)
TOTAL	94,451	100.0
AWOL	10,756	11.4
Retirement	8,024	8.5
Resignation	75,671	80.1
Personal issues	33,521	35.5
Hired by another company	15,692	16.6
Family considerations	9,789	10.4
Due to COVID-19 Pandemic	2,876	3.0
To study	2,856	3.0
Health Issues	1,322	1.4
To work abroad	1,291	1.4
Others*	8,325	8.8

* Includes career growth/advancement, relocation, putting up own business, death, etc.

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

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

Table 6 - Number and Distribution of Job Vacancies in Establishments with 20 or More Workers by Major Industry Group, NCR: 3rd Quarter 2020 (Final)

Industry	Number	Percent (%)
ALL INDUSTRIES	48,331	100.0
Agriculture, Forestry, and Fishing Industry	33	0.1
Mining and Quarrying	69	0.1
Manufacturing	5,378	11.1
Electricity, Gas, Steam and Air Conditioning Supply	61	0.1
Water Supply; Sewerage Waste Management and Remediation Activities	25	0.1
Construction	1,239	2.6
Services	41,526	85.9
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles	6,262	13.0
Transportation and Storage	3,176	6.6
Accommodation and Food Service Activities	562	1.2
Information and Communication	6,463	13.4
Financial and Insurance Activities	4,226	8.7
Real Estate Activities	1,707	3.5
Professional, Scientific and Technical Activities	1,879	3.9
Administrative and Support Service Activities	9,934	20.6
Education	223	0.5
Human Health and Social Work Activities	7,058	14.6
Arts, Entertainment and Recreation	**	**
Other Service Activities	36	0.1

** No report.

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

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

Table 7 - Number and Distribution of Job Vacancies in Establishments with 20 or More Workers by Major Occupation Group, NCR: 3rd Quarter 2020 (Final)

Major Occupation Group	Number	Percent (%)
ALL OCCUPATIONS	48,331	100.0
Managers	3,350	6.9
Professionals	15,470	32.0
Technicians and Associate Professionals	8,407	17.4
Clerical Support Workers	5,269	10.9
Service and Sales Workers	8,873	18.4
Skilled Agricultural, Forestry and Fishery Workers	94	0.2
Craft and Related Trades Workers	2,107	4.4
Plant and Machine Operators and Assemblers	826	1.7
Elementary Occupations	3,935	8.1

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

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

Table 8a. Identified Effect of the Corona Virus Disease (COVID-19) Pandemic to Establishments' Daily Operations, NCR: 3rd Quarter 2020

EFFECT	Share (%)
Total	100.0
Decrease in Sales/Revenue	24.5
Reduced Operation	16.8
Temporary Closure	10.6
Limited Client/Customer	9.8
Lack of Public Transportation	7.5
Reduction of Workforce	5.2
Disrupted Operation	4.4
Financial/Income loss	4.1
Lack of Manpower due to Restrictions	3.9
Increased Operating Costs	3.4
Delayed Deliveries/Mobility	3.4
Limited Transactions	2.6
Others*	3.9

* Includes lack of production, lack of business opportunity, business loss, etc.

Table 8b. Identified Coping Mechanisms on the Effect of COVID-19 Pandemic to Establishments' Daily Operations, NCR: 3rd Quarter 2020

COPING MECHANISM	Share (%)
Total	100.0
Alternative Work Arrangement	58.8
Implemented/Follow Health and Safety Protocols/Guidelines	19.9
Provided Shuttle Service	8.0
Implemented New Online System	7.7
Provision of Health And Safety Essentials	3.0
Provision of Financial and Support Assistance	0.9
Cut Down Salary of Staff	0.9
Others*	0.9

* Includes downsizing, new strategies implemented, reduction of operating costs, etc.