

METADATA (LTS 2018)

I. ABOUT THE DATA

A. OBJECTIVE OF THE SURVEY

The Labor Turnover Survey (LTS) aims to generate quarterly data on labor turnover (accession and separation rates) as useful indicators of labor market activity.

B. USES OF THE DATA

The information gathered in this survey is intended to generate timely labor market signals as sound basis in planning, policy formulation and decision making.

C. MAIN TOPICS COVERED BY THE SURVEY

Main topics covered by the survey include total accession (expansion and replacement), total separation (employee-initiated and employer-initiated) and job vacancies.

D. REFERENCE PERIOD

The reference period of the survey covers a quarter.

E. PERIODICITY (FREQUENCY)

The survey is conducted quarterly. Results of the survey are available four (4) months on the average after the reference period.

F. SCOPE AND COVERAGE

The LTS 2018 is a nationwide survey covering establishments with 20 or more workers as listed by the Philippine Statistics Authority. The survey covers 18 major industries classified according to the amended 2009 Philippine Standard Industrial Classification (PSIC).

G. CONCEPTS AND DEFINITIONS

Establishments - refers to an economic unit engaged in one or predominantly one kind of economic activity under a single ownership or control at a single fixed location.

Main economic activity - refers to the activity that contributes the biggest or major portion of the gross income or revenues of the establishment.

Major products/goods or services - refer to the specific products/goods produced or service given by the establishment.

Total Employment - refers to the number of persons who worked or received pay from the establishment during the reference period. This includes the following:

- 1) **Working Owners** – owners who are actively engaged in the management of the establishment but do not receive regular pay;
- 2) **Unpaid Workers** – persons working without pay, and work for at least 1/3 of the working time normal to the establishment; and
- 3) **Paid Officials and Workers** – include full-time/part-time workers; employees on paid leaves (e.g., sick/vacation/ maternity/holiday/study leave); and employees working away from the establishment but paid by and under the control of the firm.

Excluded are workers hired through contractor/agency.

New Hires (Accessions) – 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.

Accession Rate or Hiring Rate – is computed by dividing the number of new hires by employment and multiplying that quotient by 100. Expansion and replacement rates are computed similarly, dividing the number by employment and multiplying by 100.

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

Separation Rate – is computed by dividing the number of separations by employment and multiplying that quotient by 100. The quits, layoffs and other separation rates are computed similarly, dividing the number by employment and multiplying by 100.

Agency-Hired Workers – workers hired through agencies/contractors to perform or complete a job, work or service within the premises of the establishment. They are **excluded** from the total employment of the establishment.

Existing Job Vacancies – refer to the number of unfilled job openings, which are immediately available for placement and for which active recruitment steps are being undertaken anytime during the reference period.

H. CLASSIFICATIONS

Industrial: The industry classification is based on the 2009 Philippine Standard Industrial Classification (PSIC). The PSIC is the 6-alpha-numeric code to denote the industrial classification of the establishment. The alpha character refers to the major industry group while the numeric characters refer to the specific industry group.

I. SAMPLING DESIGN

Statistical unit: The statistical unit is the establishment.

Survey universe/sampling frame: The establishment sampling frame for the 2018 Labor Turnover Survey was extracted from the preliminary 2017 List of Establishments (LE) as of 19 January 2018.

This list was a product of the 2017 Updating of List of Establishments (ULE). The updating involved complete enumeration of establishments in the barangays where “no matched” establishments (establishments listed in other sources but not in the LE) from prioritized secondary sources are located, barangays with new malls, barangays having establishments with total employment of 100 and over, barangays with the highest number of establishments from the typhoon Yolanda affected cities/municipalities and barangays and barangays with the highest number of establishments for some provinces. Also covered using mail inquiry, were other “no matched” establishments including those located in distant barangays.

Other sources of updates are the survey feedbacks from the 2016 Annual Survey of Philippine Business and Industry (ASPBI) and 2015/2016 Integrated Survey on Labor and Employment (ISLE).

A total of 37,166 establishments with employment size of at least 20 workers extracted from the 2017 List of Establishments in the country comprised the 2018 LTS 2018 sampling frame.

Sampling Design:

The establishment is the unit of enumeration. The 37,166 establishments included in the frame were stratified based on the eighteen (18) major industry groups as domains.

The initial sample size for each domain was obtained by taking into account the computed highest coefficient of variation (CV_H) for each domain among indicators from the pilot data in Region III and a target coefficient of variation

(CV_T) of 3%. The number of establishments per domain was initially computed using the following formula:

$$n_o = [(CV_H / 100) * r] / (CV_T / 100)$$

where n_o - initial sample size
 CV_H - highest coefficient of variation
 r - number of responding from the pilot data
 CV_T - target coefficient of variation

The estimated number of establishments per domain was further adjusted for expected 10% non-response to arrive at the final sample size of 5,469 establishments.

To distribute the computed samples by region, the total sample establishments for each domain was proportionally allocated to 17 Regions using the proportion of population units by region (N_r) to the total population (N_{TE}) in the sampling frame.

$$n_{ri} = (N_r / N_{TE}) * n_{oi}$$

where n_{ri} - number of establishment in the r th region in the i th industry
 N_r - total number of establishment in the r th region
 N_{TE} - total number of establishment in the sampling frame
 n_{oi} - number of samples in the i th industry

The sample establishments in each domain and region were drawn through simple random sampling.

J. FIELD WORK

Data collection: Data collection methods include personal interview and facsimile. In some instances, respondents are contacted through phone to ascertain their location, establish initial contact, and/or to verify submitted figures.

Substitution of sampling units: No replacement of sample establishments are made as the final sample has already been adjusted for anticipated 10% non-response.

K. DATA PROCESSING AND EDITING

Data are manually and electronically processed. Upon collection of accomplished questionnaires, enumerators perform field editing before leaving the establishment to ensure completeness, consistency and reasonableness of entries in accordance with the field operations manual. The forms are again checked by field supervisors for data consistency and completeness. The PSA personnel undertake the final review, coding of the main economic activity of the establishment using the Philippine Standard Industrial Classification

(PSIC), coding of the occupations (for vacancies) using the Philippine Standard Occupational Classification (PSOC), data entry and validation, and scrutiny of aggregated results for coherence. Questionnaires with incomplete or inconsistent entries are returned to the enumerator/s for verification with the establishments. Verification is done personally or through phone interview.

CSPPro is used as the data processing system. After checking the completeness and consistency of the data using the system, data files are submitted to the central office thru the drawer for re-validation. Statistical tables are then generated using SPSS.

L. TYPES OF ESTIMATES

Labor turnover rates (total accession, total separation and percent difference), by major industry; number of job vacancies by major industry and major occupation; and percent share of reasons initiated by employers and employees.

M. ESTIMATION PROCEDURES

Estimates are obtained by simple expansion, i.e., by multiplying the sample values at the industry level by the corresponding blowing-up factor (BUF) which is the ratio of the estimated population of establishments to the number of responding establishments. These estimates are then aggregated to the desired totals. This weighing procedure takes non-response into account.

Accession

$$A = \sum_i \sum_j \sum_k \sum_l A_{ijkl}$$

$$= \sum_i \sum_j \sum_k \sum_l AE_{ijkl} + \sum_i \sum_j \sum_k \sum_l AP_{ijkl}$$

where

A = total accession

AE_{ijkl} = total number of accession due to expansion of the l^{th} establishment during the k^{th} month covered by the survey with employment size j in major industry i

AP_{ijkl} = total number of accession due to replacement of the l^{th} establishment during the k^{th} month covered by the survey with employment size j in major industry i

Separation

$$S = \sum_i \sum_j \sum_k \sum_l S_{ijkl}$$
$$= \sum_i \sum_j \sum_k \sum_l SE_{ijkl} + \sum_i \sum_j \sum_k \sum_l SR_{ijkl}$$

where

S = total separation

SE_{ijkl} = total number of employee-initiated separation of the l^{th} establishment during the k^{th} month covered by the survey with employment size j in major industry i

SR_{ijkl} = total employer-initiated separation of the l^{th} establishment during the k^{th} month covered by the survey with employment size j in major industry i

Accession Rate

$$AR = \frac{A}{E} \times 100$$

where

AR = accession rate

A = total accession

E = total employment

Separation Rate

$$SR = \frac{S}{E} \times 100$$

where

SR = separation rate

S = total separation

E = total employment

Labor Turnover Rate

$$LTR = AR - SR$$

where

AR = accession rate

SR = separation rate

N. ADJUSTMENTS

No adjustments are made for seasonal variations, non-response or for any other bias. No benchmark data or any data from other surveys are used.

O. INDICATORS OF THE RELIABILITY OF THE ESTIMATES

Coverage of the sampling frame: Updated annually.

Non-sampling errors: These may occur due to inaccuracies in reporting by establishments and enumerators, mistakes in coding, editing, and data entry. However, efforts are made to reduce non-sampling errors by careful design of the questionnaire, intensive training of survey personnel, linkages with key informants (employers' and workers' groups, government agencies and the academe), and through adoption and documentation of efficient operating procedures.

Conformity with other sources: The survey results are checked for consistency with the results of previous LTS, Labor Force Survey, and National Accounts.

P. HISTORY OF THE SURVEY

Prior to 1989, statistics on labor turnover and layoffs were derived from two mandatory reports submitted by employers to the Department of Labor and Employment (DOLE). These reports were the Monthly Employment Report and the Employer's Termination Report which were submitted in compliance with the implementing rules and regulations of the Labor Code of the Philippines. However, due to low compliance rates, coverage was limited and the Department was unable to come up with an accurate picture of the dynamics of the labor market.

In 1988, a special study funded by the former National Statistical Coordination Board entitled "Improvement of Client-Based Statistics on Labor and

Employment,” was undertaken. Among others, the study recommended the conduct of a national survey of establishments to inquire on labor turnover, vacancies and layoffs to adequately monitor the labor market performance of the business sector. This recommendation paved way for the conduct of the Employment, Hours and Earnings Survey (EHES).

From 1989 to 1997, the EHES was conducted as a rider to the then Quarterly Survey of Establishments (QSE) of the former National Statistics Office. The survey was designed to collect quarterly data on labor turnover, hours of work, layoffs and job vacancies.

The EHES was revised in 1998 and this entailed the redesigning of the questionnaire and modification of the sampling design in conformance with the 1994 Philippine Standard Industrial Classification. Moreover, the field data collection was assumed by the former BLES in coordination with the DOLE Regional Offices. The revised EHES was conducted from 1998 to 2000 but temporarily discontinued in 2001 due to severe budget constraints. It was resumed in the first semester of 2002 but the coverage was limited only to the National Capital Region and was again discontinued for lack of budget.

In the 2nd semester of 2002, the DOLE Secretary instructed the former BLES to collect quarterly data on labor turnover to complement the data on establishment closures and layoffs. This became the forerunner of the current LTS and was in place from 2002 to 2007. The new survey was designed with “establishment” as the sampling unit instead of the “establishment” in the EHES. To be manageable and to come up with the results the shortest time possible, the survey was limited in Metro Manila where the bulk of the country’s business establishments were located. The sample size was fixed at 500 establishments that were selected through stratified random sampling. Two strata were formed with the first 200 top firms (based on revenue) comprising the first stratum, all of them included as samples. The rest of the establishments formed the second stratum from which the 300 samples were drawn randomly. The survey results were released based on sample data only.

In 2008, further improvements were made with the introduction of Kish’s allocation formula to reflect better industry representation. Also, released survey results were based on weighted data and the sample size was no longer fixed but was computed using the formula as previously discussed.

Starting 4th quarter of 2013, the LTS is being conducted by the Philippine Statistics Authority due to the implementation starting September 12, 2013 of the Republic Act 10625, otherwise known as the Philippine Statistical Act of 2013.

From 2015 to 2017, the LTS covers a subsample of establishments with 20 or more workers that are located in the National Capital Region (NCR) only using the updated List of Establishments available at the PSA as sampling frame. As a matter of procedure, the survey gathers consolidated information about the establishment and its branches, if any.

One of the statistical programs under the Philippine Statistical Development Program (PSDP) 2011-2017 Strategic Plan is the improvement of the LTS, among other surveys, towards its enlisting as a designated statistics (Chapter 15, pp.97-98). Labor turnover statistics, as a measure of labor demand, provides policy and decision makers complementary data on labor supply which helps them in examining and analyzing the labor market situation of the nation's economy. As such, a pilot survey for the expansion of LTS from its NCR to nationwide coverage was conducted in Region III from October to December 2017. Based on the results of the pilot survey, expansion of LTS was implemented in 2018 to get a more complete picture of the labor market situation in the whole country.

Q. AVAILABLE SERIES

The data series starts from the 3rd quarter of 2002 up to the 4th quarter of 2018.

II. DOCUMENTATION

A. ADVANCE RELEASE CALENDAR

An advance release calendar that gives one-quarter-ahead notice of the approximate release date is posted in the PSA website.

B. DISSEMINATION FORMATS

Hard Copy

- LABSTAT Updates
- Infographics

Electronic

- PSA website: <http://www.psa.gov.ph/>

III. CONFIDENTIALITY

The compilation and dissemination of the data are governed by the terms and conditions of Republic Act 10625 approved on September 12, 2013, creating and mandating the Philippine Statistics Authority to prepare and conduct statistical sample surveys.

Individual data furnished by a respondent to statistical inquiries, surveys and censuses of the PSA shall be considered privileged communication and as such shall be inadmissible as evidence in any proceeding.