



## LABOR TURNOVER STATISTICS

(in enterprises in Metro Manila)  
First Quarter 2016

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 business enterprises based in Metro Manila by collecting quarterly data on accessions and separations of workers.

A total of 1,232 enterprises served as respondents to the First Quarter 2016 Labor Turnover Survey. The sample enterprises were drawn from the 2015 List of Enterprises. The retrieval rate for this quarter was placed at 83.0 percent.

### **Employment in large enterprises in Metro Manila remains positive for the first quarter of 2016**

- Employment in enterprises based in Metro Manila grew positively in the first quarter of 2016.
- Labor turnover rates in most of the industries were generally positive which ranged from 0.54 percent (transportation and storage) to 5.77 percent (mining and quarrying). (Table 1)

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

- Measured in terms of labor turnover rate or the percent difference between accession rate and separation rate, employment growth was recorded at 0.96 percent, higher than the 0.53 percent posted in the same quarter of 2015.
- Specifically accession rate of 7.87 percent slightly exceeded the separation rate of 6.91 percent for a percentage point difference of 0.96 percent. This suggests that an additional of about 10 workers per 1,000 were employed - around 80 workers per 1,000 were added to the enterprise workforce due to

expansion or replacement while 70 workers per 1,000 employed were terminated or quit their jobs. (Table 1)

### **Industry sector posted the highest employment growth**

- Among the major sectors, industry posted the highest employment growth at 2.54 percent wherein mining and quarrying and water supply; sewerage, waste management and remediation activities posted the highest labor turnover rates of 5.77 percent and 5.44 percent respectively. Only electricity, gas, steam and air conditioning supply registered a negative labor turnover rate (-0.73%) in the sector.
- Employment expanded in the agriculture sector posting at 1.18 percent.
- Employment in the services sector increased by 0.64 percent which can be attributed to the positive growth in information and communication (3.31%); administrative and support service activities (2.18%); and other service activities (2.09%), among others. However, five industries registered negative labor turnover rates ranging from -0.05 percent to -2.89 percent.

### ***Most of the industries registered higher replacement rate than expansion rate***

- The accession due to replacement of workers (4.17%) surpassed accession due to expansion of business activities (3.70%).
- Twelve industry groups recorded higher accession rates due to replacement than expansion. This was most apparent in accommodation and food service activities (16.12% vs. 2.08%); mining and quarrying (12.73% vs. 1.20%); human health and social work activities (4.64% vs. 1.41%); and wholesale and retail trade; repair of motor vehicles and motorcycles (5.03% vs. 1.91%).
- On the other hand, six industry groups that recorded higher accession rates due to expansion of business activities than replacement of workers were evident in construction (10.87% vs. 2.49%); information and communication (6.59% vs. 1.37%); and water supply; sewerage, waste management and remediation activities (5.44% vs. 1.39%).

### ***Separation rate was high in accommodation and food service activities***

- Employee-initiated separations (3.75%) or layoffs edged employer-initiated separations or quits (3.16%).
- Accommodation and food service activities posted the highest separation rate at 16.35 percent. This was comprised mostly of employer-initiated separations or lay-offs at 11.12 percent. This was however offset by a higher accession rate of 18.20 percent for the period.
- Construction posted the second highest separation rate at 9.61 percent, of which 7.48 percent was employer-initiated. Administrative and support service activities placed third at 8.28 percent.
- The lowest separation rate was observed in water supply; sewerage, waste management and remediation activities at 1.39 percent.

#### **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 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, 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 worker.

***Enterprise*** - refers to an economic unit consisting of one or more establishments under a single ownership or control. It may be a complex family of legal entities or a single legal entity such as a corporation, partnership or single proprietorship.

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#### **FOR INQUIRIES**

Regarding this report, contact **EMPLOYMENT DEMAND STATISTICS DIVISION** at telefax no. 376-1952

Regarding other statistics, contact **KNOWLEDGE MANAGEMENT AND COMMUNICATIONS DIVISION** at 462-6600 local 834

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**TABLE 1 - Labor Turnover Rates in Agricultural and Non-Agricultural Enterprises  
by Major Industry Group, National Capital Region: 1st Quarter 2016**

MAJOR INDUSTRY GROUP	Total			Accession		Separation	
	Accession	Separation	Percent Difference	Expansion	Replacement	Employee-Initiated	Employer-Initiated
<b>ALL INDUSTRIES</b>	<b>7.87</b>	<b>6.91</b>	<b>0.96</b>	<b>3.70</b>	<b>4.17</b>	<b>3.75</b>	<b>3.16</b>
<b>Agriculture</b>	<b>6.93</b>	<b>5.75</b>	<b>1.18</b>	<b>2.32</b>	<b>4.61</b>	<b>1.60</b>	<b>4.15</b>
<b>Industry</b>	<b>9.75</b>	<b>7.21</b>	<b>2.54</b>	<b>6.30</b>	<b>3.45</b>	<b>2.44</b>	<b>4.76</b>
Mining and quarrying	13.92	8.16	5.77	1.20	12.73	1.90	6.26
Manufacturing	7.15	5.69	1.47	2.99	4.17	2.92	2.76
Electricity, gas, steam and air conditioning supply	1.08	1.81	(0.73)	0.25	0.83	1.08	0.74
Water supply; sewerage, waste management and remediation activities	6.84	1.39	5.44	5.44	1.39	0.64	0.75
Construction	13.36	9.61	3.75	10.87	2.49	2.13	7.48
<b>Services</b>	<b>7.49</b>	<b>6.86</b>	<b>0.64</b>	<b>3.17</b>	<b>4.32</b>	<b>4.02</b>	<b>2.83</b>
Wholesale and retail trade; repair of motor vehicles and motorcycles	6.94	6.99	(0.05)	1.91	5.03	3.07	3.92
Transportation and storage	4.59	4.05	0.54	2.01	2.59	2.01	2.04
Accommodation and food service activities	18.20	16.35	1.85	2.08	16.12	5.23	11.12
Information and communication	7.97	4.65	3.31	6.59	1.37	3.69	0.97
Financial and insurance activities	4.52	7.41	(2.89)	1.25	3.28	5.05	2.36
Real estate activities	2.82	4.42	(1.59)	0.95	1.87	4.30	0.11
Professional, scientific and technical activities	5.84	4.40	1.44	1.64	4.20	3.95	0.45
Administrative and support service activities	10.46	8.28	2.18	5.97	4.49	5.29	2.99
Education	1.68	1.74	(0.06)	1.00	0.67	1.15	0.59
Human health and social work activities	6.05	4.97	1.08	1.41	4.64	3.74	1.23
Arts, entertainment and recreation	2.32	2.60	(0.29)	0.84	1.48	1.34	1.26
Other service activities	5.34	3.26	2.09	3.42	1.93	2.94	0.32

*Note: Details may not add up to total or equal to difference due to rounding.*

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

**Table 2 – Labor Turnover Rates by Year and Quarter,  
National Capital Region: 2008–1st Quarter 2016**

<b>YEAR/QUARTER</b>	<b>Accession Rate</b>	<b>Separation Rate</b>	<b>Labor Turnover Rate (Percent Difference)</b>
<b><u>2016</u></b>			
1 <sup>st</sup> Quarter	7.87	6.91	0.96
<b><u>2015</u></b>			
1 <sup>st</sup> Quarter	10.70	10.17	0.53
2 <sup>nd</sup> Quarter	10.75	9.59	1.15
3 <sup>rd</sup> Quarter	11.07	7.87	3.20
4 <sup>th</sup> Quarter	8.50	7.88	0.62
<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
3 <sup>rd</sup> Quarter	13.11	10.76	2.35
4 <sup>th</sup> Quarter	9.31	8.29	1.02
<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.*