

LABOR TURNOVER STATISTICS

(in Metro Manila enterprises)
Fourth 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 fourth quarter round of the 2016 Labor Turnover Survey. The sample enterprises were drawn from the 2015 List of Enterprises. The retrieval rate for this quarter was placed at 100.0 percent.

Metro Manila-based enterprises continues to yield increases in employment in the last quarter of 2016

- Measured in terms of labor turnover rates - employment growth remained positive during fourth quarter of 2016 as accession rate (11.14%) surpassed separation rate (7.79%) by 3.36 percentage points. This is significantly higher than the 0.62 percent rate in the same period of the previous year. (Table 1)
- Positive labor turnover rates were evident in thirteen (13) out of eighteen (18) industries. (Table 2)

Thirty four per 1,000 employed are added to the enterprise workforce

- The 3.36 percent labor turnover rate implied an addition of thirty four (34) workers per 1,000 employed to the workforce during the period.
- Specifically, this meant that for every 1,000 employed, 111 workers were hired by the enterprises either for their expansion or replacement while 78 workers were separated from their jobs.

All sectors post employment gains in 4th quarter of 2016

- By industry, wholesale and retail trade, repair of motor vehicles and motorcycles recorded the highest employment gain of 11.49 percent resulting from an accession rate of 17.23 percent and a separation rate of 5.74 percent.
- The rest of the industries registered labor turnover rates of less than 10 percent.
- The agriculture sector posted the least increase in employment at 0.66 percent resulting from an accession rate of 4.18 percent and a separation rate of 3.52 percent.

Enterprises hire additional employees mainly for business expansion

- The accession rate of 11.14 percent during the quarter was primarily contributed by expansion of business activities registered at 8.36 percent. Accession due to replacement of workers was recorded at a lower rate of 2.78 percent.

- Increase in employment due to expansion occurred in thirteen (13) industry groups. On top were the wholesale and retail trade industry (12.55%) and administrative and support service activities (12.53%).
- The remaining five (5) industries registered higher accession rates due to replacement of separated workers most noticeably in accommodation and food service activities (9.48%) and in the financial and insurance activities (4.39%).

Substantial separation rate arises from mining and quarrying industry

- Mining and quarrying industry posted the highest separation rate at 16.09 percent. This was comprised mostly of employer-initiated separations or layoffs at 14.79 percent.
- On the contrary, employees' decision to quit their jobs or voluntary resignation for any reasons triggered the high separation rates in the administrative and support service activities (11.67%) as well as in the accommodation and food service activities (9.71%).

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.

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 BY YEAR AND QUARTER, NATIONAL CAPITAL
REGION: 2008-4th Quarter 2016**

YEAR/QUARTER	Accession Rate	Separation Rate	Labor Turnover Rate (Percent Difference)
<u>2016</u>			
1 st Quarter	7.87	6.91	0.96
2 nd Quarter	12.43	10.13	2.30
3 rd Quarter	14.10	10.43	3.67
4 th Quarter	11.14	7.79	3.36
<u>2015</u>			
1 st Quarter	10.70	10.17	0.53
2 nd Quarter	10.75	9.59	1.15
3 rd Quarter	11.07	7.87	3.20
4 th Quarter	8.50	7.88	0.62
<u>2014</u>			
1 st Quarter	10.06	9.47	0.59
2 nd Quarter	11.47	10.59	0.88
3 rd Quarter	13.11	10.76	2.35
4 th Quarter	9.31	8.29	1.02
<u>2013</u>			
1 st Quarter	7.49	7.51	(0.02)
2 nd Quarter	8.77	6.28	2.49
3 rd Quarter	8.37	5.99	2.38
4 th Quarter	8.86	5.64	3.22
<u>2012</u>			
1 st Quarter	8.10	7.47	0.63
2 nd Quarter	8.93	8.08	0.85
3 rd Quarter	8.43	6.08	2.35
4 th Quarter	8.14	5.67	2.47
<u>2011</u>			
1 st Quarter	11.36	9.47	1.89
2 nd Quarter	8.60	10.65	(2.05)
3 rd Quarter	11.05	8.55	2.51
4 th Quarter	10.38	8.50	1.88
<u>2010</u>			
1 st Quarter	10.23	11.11	(0.88)
2 nd Quarter	13.52	10.66	2.86
3 rd Quarter	12.11	7.88	4.22
4 th Quarter	12.56	8.51	4.05
<u>2009</u>			
1 st Quarter	9.29	9.02	0.27
2 nd Quarter	9.74	7.53	2.21
3 rd Quarter	9.99	9.62	0.37
4 th Quarter	8.48	7.43	1.05
<u>2008</u>			
1 st Quarter	12.23	7.46	4.76
2 nd Quarter	10.56	8.57	1.99
3 rd Quarter	11.05	9.00	2.05
4 th Quarter	9.14	8.45	0.69

Note: Labor turnover rate may not equal to the differences of accession rate and separation rate due to rounding.
Source of data: Philippine Statistics Authority, Labor Turnover Survey.

**Table 2 - LABOR TURNOVER RATES IN AGRICULTURAL AND NON-AGRICULTURAL ENTERPRISES
BY MAJOR INDUSTRY, NATIONAL CAPITAL REGION: 4th Quarter 2016**

Industry	Total			Accession		Separation	
	Accession	Separation	Percent Difference	Expansion	Replacement	Employee-Initiated	Employer-Initiated
Total	11.14	7.79	3.36	8.36	2.78	5.53	2.26
Agriculture, Forestry, and Fishing Industry	4.18	3.52	0.66	2.22	1.96	1.12	2.40
Mining and Quarrying	6.19	16.09	(9.90)	3.63	2.56	1.30	14.79
Manufacturing	4.92	3.62	1.30	3.08	1.85	1.60	2.02
Electricity, Gas, Steam and Air Conditioning Supply	1.40	1.50	(0.11)	0.85	0.54	0.67	0.83
Water Supply; Sewerage Waste Management and Remediation Activities	3.21	4.06	(0.86)	2.17	1.04	1.09	2.97
Construction	9.04	5.86	3.18	6.56	2.48	2.31	3.54
Services	11.80	8.22	3.58	8.92	2.88	6.02	2.20
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles	17.23	5.74	11.49	12.55	4.68	2.94	2.80
Transportation and Storage	3.49	5.14	(1.65)	1.71	1.78	2.82	2.32
Accommodation and Food Service Activities	13.08	9.71	3.37	3.60	9.48	5.75	3.96
Information and Communication	4.07	5.30	(1.23)	2.14	1.93	3.48	1.82
Financial and Insurance Activities	5.46	4.77	0.69	1.06	4.39	2.95	1.82
Real Estate Activities	5.63	1.90	3.73	4.22	1.42	1.58	0.32
Professional, Scientific and Technical Activities	5.47	4.68	0.80	2.98	2.49	4.15	0.52
Administrative and Support Service Activities	14.38	11.67	2.71	12.53	1.86	9.23	2.44
Education	3.27	1.03	2.24	1.52	1.75	0.60	0.43
Human Health and Social Work Activities	7.56	3.31	4.26	4.80	2.76	2.77	0.53
Arts, Entertainment and Recreation	3.98	3.11	0.87	1.51	2.47	1.69	1.42
Other Service Activities	5.44	2.83	2.61	3.49	1.95	2.52	0.31

Note: Details may not add up to totals or equal to differences due to rounding.
Source of data: Philippine Statistics Authority, Labor Turnover Survey.