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LABOR TURNOVER STATISTICS

(in large enterprises in Metro Manila)

Third Quarter 2015

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

A total of 921 enterprises served as respondents to the Third Quarter 2015 Labor Turnover Survey. The sample enterprises were drawn from the 2013 NCR List of Enterprises of the PSA, which was updated by the 2013 LTS sampling frame. The retrieval rate for this quarter was placed at 99.89%.

Employment in large enterprises in Metro Manila continues to rise during the 3rd Quarter of 2015

- Employment growth in large enterprises in Metro Manila remained positive in the third quarter of 2015. (Table 2)
- Most of the industries reported positive labor turnover rates.

Thirty two workers per 1,000 employed are added in the enterprise workforce

- During the period, turnover rate on employment (3.20%) indicated an increase of 32 workers per 1,000 employed persons in all industries.
- The accession rate of 11.07% surpassed the separation rate of 7.87%. This implies that 111 workers per 1,000 employed were added to the enterprise workforce due to either expansion or replacement while 79 workers per 1,000 employed were laid off or quit their jobs. (Table 1)

Services sector leads the gain in employment

- Among the major sectors, services posted the highest employment growth at 3.54%. It is significant to note that labor turnover was highest in administrative and support service activities (8.49%). Other service activities, transportation and storage, and accommodation and food service activities posted 3.19%, 2.83% and 2.72% turnover rates, respectively.
- Employment in the industry sector increased by 1.54% which can be accounted to the positive growth in construction (3.45%); mining and quarrying (2.63%); and water supply, sewerage, waste management and remediation activities (2.21%). (Table 1)

Replacement rate is higher than that of expansion rate

- The accession rate of 11.07% during the quarter was primarily contributed by replacement of workers at 6.35%. Moreover, accession due to expansion of business activities recorded a rate of 4.72%.
- Eleven (11) industry groups recorded higher accession rates due to replacement than expansion. This was most apparent in administrative and support service activities (10.42% vs. 8.46%); wholesale and retail trade, repair of motor vehicles and motorcycles (9.50% vs. 3.06%); mining and quarrying (5.80% vs. 2.57%); accommodation and food service activities (4.93% vs. 4.61%); human health and social work activities (4.11% vs. 2.25%); and real estate activities (3.5% vs. 3.31%).
- On the other hand, seven (7) industry groups registered higher accession rates due to expansion of business activities than replacement of workers.

These were construction (16.19% vs. 3.30%); other service activities (5.80% vs. 2.81%); transportation and storage (3.44% vs. 1.12%); information and communication (3.28% vs. 2.80%); water supply, sewerage, waste management and remediation activities (3.10% vs. 0.76%); professional, scientific and technical activities (3.02% vs. 2.79%); and agriculture, forestry and fishing (2.71% vs. 2.17%).

Separation of workers is prevalent in the construction industry

- Construction industry posted the highest separation rate at 16.04%. This was comprised mostly of employer-initiated separations or layoffs at 12.65%.
- Wholesale and retail trade, repair of motor vehicles and motorcycles posted the second highest separation rate at 11.18%, of which 7.42% was employer-initiated. Administrative and support service activities placed third at 10.39%.

Definition of Terms:

New Hires (Accessions) - 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

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**TABLE 1 - Labor Turnover Rates in Agricultural and Non-Agricultural Enterprises
by Major Industry Group, National Capital Region: 3rd Quarter 2015**

MAJOR INDUSTRY GROUP	Total			Accession		Separation	
	Accession	Separation	Percent Difference	Expansion	Replacement	Employee-Initiated	Employer-Initiated
ALL INDUSTRIES	11.07	7.87	3.20	4.72	6.35	3.57	4.30
Agriculture	4.89	4.75	0.14	2.71	2.17	2.42	2.33
Agriculture, forestry and fishing	4.89	4.75	0.14	2.71	2.17	2.42	2.33
Industry	8.69	7.15	1.54	5.48	3.21	2.45	4.70
Mining and quarrying	8.37	5.74	2.63	2.57	5.80	2.10	3.64
Manufacturing	4.65	3.84	0.81	1.46	3.19	2.15	1.69
Electricity, gas, steam and air conditioning supply	2.57	2.95	(0.38)	0.54	2.04	1.16	1.79
Water supply; sewerage, waste management and remediation activities	3.86	1.65	2.21	3.10	0.76	1.42	0.23
Construction	19.48	16.04	3.45	16.19	3.30	3.38	12.65
Services	11.57	8.03	3.54	4.58	6.99	3.80	4.23
Wholesale and retail trade; repair of motor vehicles and motorcycles	12.56	11.18	1.38	3.06	9.50	3.76	7.42
Transportation and storage	4.56	1.73	2.83	3.44	1.12	1.19	0.53
Accommodation and food service activities	9.55	6.83	2.72	4.61	4.93	3.96	2.86
Information and communication	6.08	4.37	1.71	3.28	2.80	3.08	1.29
Financial and insurance activities	5.19	4.47	0.72	1.78	3.41	3.20	1.27
Real estate activities	6.82	5.33	1.49	3.31	3.50	4.13	1.20
Professional, scientific and technical activities	5.81	4.74	1.06	3.02	2.79	2.93	1.82
Administrative and support service activities	18.88	10.39	8.49	8.46	10.42	5.24	5.15
Education	2.68	0.98	1.70	0.66	2.02	0.91	0.07
Human health and social work activities	6.37	4.89	1.48	2.25	4.11	2.91	1.98
Arts, entertainment and recreation	2.76	2.77	(0.01)	0.69	2.07	0.97	1.80
Other service activities	8.61	5.42	3.19	5.80	2.81	3.03	2.39

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

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

**TABLE 2 – Labor Turnover Rates by Year and Quarter,
National Capital Region: 2008–3rd Quarter 2015**

YEAR/QUARTER	Accession Rate	Separation Rate	Labor Turnover Rate (Percent Difference)
<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
<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 difference of accession rate and separation rate due to rounding.
Source of data: Philippine Statistics Authority, Labor Turnover Survey.*