

## LABOR TURNOVER STATISTICS

(in large enterprises in Metro Manila)

First Quarter 2014

The Labor Turnover Survey (LTS) is a quarterly sample survey of enterprises conducted by the Philippine Statistics Authority-Bureau of Labor and Employment Statistics (PSA-BLES) 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 based in Metro Manila served as respondents to the first quarter 2014 Labor Turnover survey. The sample enterprises were drawn from the 2013 NCR List of Enterprises of the Philippine Statistics Authority-National Statistics Office which was updated by the 2013 LTS Sampling frame. The retrieval rate for this quarter was placed at 85.5%.

### Labor Turnover (Accessions vs. Separations)

- Employment in large enterprises in Metro Manila was of little change in the first quarter of 2014. Employment growth was largely mixed across industries. Stronger hiring than separations occurred in administrative and support service activities; manufacturing; and agriculture, forestry and fishery. Meanwhile, weak hiring and more separations prevailed in construction; wholesale and retail trade; professional, scientific and technical activities; and mining and quarrying.

Sluggish employment can be attributed to the lower economic growth rate registered in first quarter of the current year as compared a year ago - 5.6% and 7.7%, respectively.

- Measured in terms of labor turnover or the percent difference between accession rate and separation rate, employment

growth was negligible at 0.59% in the first quarter of 2014.

Nevertheless, this figure is slightly better compared with the 2013 first quarter rate of -0.02%. The data series suggests that first quarter survey is often associated with low turnover rates. (Table 2)

- More specifically, accession rate (10.06%) was slightly above separation rate (9.47%), a percentage point difference or a labor turnover rate of just 0.59%.

This suggests an addition of 6 workers per 1,000 employed: 101 workers per 1,000 employed were added to the enterprise workforce due to expansion or replacement while 95 workers per 1,000 employed were laid off or quit their jobs.

- On the bright side, two industries with big employment base were among the top gainers this quarter, namely: administrative and support service activities

(3.42%) and manufacturing (2.16%). (Table 1)

However, the highest turnover rate was observed in agriculture, forestry and fishery (8.73%).

- Moderate gains occurred in real estate activities (1.90%); other service activities (1.50%); water supply; sewerage, waste management and remediation activities (1.33%); and financial and insurance activities (1.03%).
- Employment was about unchanged in transportation and storage (0.96%); human health and social work activities (0.82%); information and communication (0.81%); arts, entertainment and recreation (0.61%); electricity, gas, steam and air conditioning supply (0.60%); accommodation and food service activities (0.58%).
- Meanwhile, net turnover rate was down in five sub-sectors: mining and quarrying (-5.33%); construction (-3.56%); professional, scientific and technical activities (-1.55%); wholesale and retail trade; repair of motor vehicles and motorcycles (-0.78%); and private education (-0.35%).

### Reasons for accession

- Accession due to replacement of workers (7.48%) accounted for most of the hiring this quarter with accession due to expansion of business activities (2.58%) trailing behind. (Table 1)

Only six (6) industry groups registered higher accession due to expansion of business activities than replacement of workers: information and communication (2.77% vs. 2.01%); other service

activities (2.62% vs. 1.69%); water supply, sewerage, waste management and remediation activities (2.41% vs. 1.58%); transportation and storage (2.17% vs. 2.07%); professional, scientific and technical activities (1.95% vs. 1.71%); and private education (0.71% vs. 0.67%).

The rest registered higher accession due to replacement of workers than due to expansion of business activities - most notably in wholesale and retail trade; repair of motor vehicles and motorcycles (15.68% vs. 2.61%); mining and quarrying (9.82% vs. 0.67%); and agriculture, fishery and forestry (8.50% vs. 4.11%).

### Reasons for separation

- Employer-initiated separations (6.11%) or layoffs surpassed employee-initiated separations or quits (3.36%). (Table 1)
- More terminations than quits were observed in five sub-sectors but most pronounced in wholesale and retail trade (15.45% vs 3.63%); mining and quarrying (14.63% vs 1.18%) and construction (11.06% vs 4.45%).

The two other sub-sectors were manufacturing (1.78% vs 1.48%) and arts, entertainment and recreation (4.49% vs 2.24%).

- The rest of the sub-sectors reported more quits than layoffs. This was most apparent in administrative and support service activities (6.44% vs. 4.98%); real estate activities (4.26% vs. 0.66%); and human health and social activities (3.94% vs. 0.26%).

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**TABLE 1 - Labor Turnover Rates in Agricultural and Non-Agricultural Enterprises  
by Major Industry Group, National Capital Region: 1<sup>st</sup> Quarter 2014**

MAJOR INDUSTRY GROUP	Total			Accession		Separation	
	Accession	Separation	Percent Difference	Expansion	Replacement	Employee-Initiated	Employer-Initiated
<b>ALL INDUSTRIES</b>	<b>10.06</b>	<b>9.47</b>	<b>0.59</b>	<b>2.58</b>	<b>7.48</b>	<b>3.36</b>	<b>6.11</b>
<b>Agriculture</b>	<b>12.62</b>	<b>3.88</b>	<b>8.73</b>	<b>4.11</b>	<b>8.50</b>	<b>2.05</b>	<b>1.84</b>
Agriculture, forestry, and fishing	12.62	3.88	8.73	4.11	8.50	2.05	1.84
<b>Industry</b>	<b>6.56</b>	<b>5.71</b>	<b>0.85</b>	<b>2.24</b>	<b>4.33</b>	<b>1.97</b>	<b>3.74</b>
Mining and quarrying	10.49	15.81	(5.33)	0.67	9.82	1.18	14.63
Manufacturing	5.42	3.26	2.16	1.88	3.54	1.48	1.78
Electricity, gas, steam and air conditioning supply	1.97	1.37	0.60	0.81	1.15	1.15	0.22
Water supply; sewerage, waste management and remediation activities	3.99	2.66	1.33	2.41	1.58	1.85	0.81
Construction	11.95	15.51	(3.56)	4.42	7.53	4.45	11.06
<b>Services</b>	<b>10.90</b>	<b>10.44</b>	<b>0.46</b>	<b>2.65</b>	<b>8.25</b>	<b>3.71</b>	<b>6.72</b>
Wholesale and retail trade; repair of motor vehicles, motorcycles	18.30	19.08	(0.78)	2.61	15.68	3.63	15.45
Transportation and storage	4.24	3.28	0.96	2.17	2.07	2.39	0.89
Accommodation and food service activities	6.58	6.00	0.58	2.39	4.19	3.82	2.18
Information and communication	4.78	3.96	0.81	2.77	2.01	2.86	1.11
Financial and insurance activities	4.13	3.10	1.03	1.04	3.09	2.57	0.53
Real estate activities	6.82	4.92	1.90	2.87	3.95	4.26	0.66
Professional, scientific and technical activities	3.66	5.21	(1.55)	1.95	1.71	3.20	2.01
Administrative and support service activities	14.85	11.43	3.42	5.62	9.23	6.44	4.98
Private education	1.38	1.73	(0.35)	0.71	0.67	1.31	0.42
Human health and social work activities	5.02	4.20	0.82	0.53	4.50	3.94	0.26
Arts, entertainment and recreation	7.34	6.72	0.61	1.43	5.91	2.24	4.49
Other service activities	4.31	2.81	1.50	2.62	1.69	2.71	0.10

*Note: Details may not add up 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: 2008-1<sup>st</sup> Quarter 2014**

<b>YEAR/QUARTER</b>	<b>Accession Rate</b>	<b>Separation Rate</b>	<b>Labor Turnover Rate (Percent Difference)</b>
<b><u>2014</u></b>			
1 <sup>st</sup> Quarter	10.06	9.47	0.59
<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.*