



## LABOR TURNOVER STATISTICS

*Fourth Quarter 2014*

**(IN LARGE ENTERPRISES IN METRO MANILA)**

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 fourth quarter 2014 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 94.0%.

### **Employment in large enterprises in Metro Manila maintained its positive growth**

- Employment growth in large enterprises in Metro Manila continued to be positive at 1.02% during the fourth quarter of 2014 but this reflected a marked slowdown compared with the same quarter of the previous year at 3.22%. (Table 2)

Sluggish employment was attributed mainly to the employment cutbacks in the agriculture sector and the industry sector particularly mining and quarrying. This offset the modest gains in the services sector. (Table 1)

### **Ten workers per 1,000 employed added to the enterprise workforce**

- Measured in terms of the percent difference between accession rate and separation rate, employment growth was recorded at 1.02%. (Table 2)

- Specifically, overall accession rate (9.31%) exceeded separation rate (8.29%), a percentage point difference or a labor turnover rate of 1.02%. This suggests an addition of 10 workers per 1,000 employed: 93 workers per 1,000 employed were added to the enterprise workforce due to expansion or replacement while 83 workers per 1,000 employed were laid off or quit their jobs.

### **Employment growth driven by expansion in the services sector**

- Employment growth during the quarter was noted only in the services sector at 1.39%. This was supported by the strong growth in administrative and support service activities, which include the BPO (4.51%); real estate activities (4.32%); and accommodation and food service activities (2.59%). (Table 1)
- Employment was up slightly in financial and insurance activities (1.24%).

- **Employment was** about unchanged in information and communication (0.83%); other service activities (0.59%); wholesale and retail trade, repair of motor vehicles and motorcycles (0.25%); arts, entertainment and recreation (0.22%); and professional, scientific and technical activities (0.11%).
- Meanwhile, job losses occurred in human health and social work activities (-3.02%) and private education (-2.59%).

### ***Employment setback experienced by agriculture and industry sectors***

- Agriculture sector suffered large reduction in employment at -2.65%. (Table 1)

Likewise, employment in the industry sector fell slightly (-0.54%) during the period brought about by the sharp decline in mining and quarrying (-21.20%), together with the cutback in construction (-1.21%).

- Modest growth was noted in water supply, sewerage, waste management and remediation activities (2.39%).

Small gains were recorded in electricity, gas, steam and air conditioning supply (0.46%) and manufacturing (0.41%).

### ***More employers hired workers due to replacement than expansion of business activities***

- Accession due to replacement of workers (5.99%) edged out accession due to expansion of

business activities (3.31%). This was most evident in ten sub-sectors particularly in construction (11.99% vs. 6.13%); wholesale and retail trade; repair of motor vehicles and motorcycles (10.29% vs. 2.14%); and accommodation and food service activities (6.43% vs. 1.43%). (Table 1)

- On the other hand, accession due to expansion of business activities exceeded accession due to replacement of workers in eight sub-sectors. This was most noticeable in administrative and support service activities (8.68% vs. 6.69%); mining and quarrying (8.15% vs. 6.92%); and water supply, sewerage, waste management and remediation activities (4.18% vs. 0.26%).

### ***Separation of workers mostly due to layoffs than quits***

- Employer-initiated separations (5.42%) or layoffs surpassed employee-initiated separations or quits (2.86%). (Table 1)
- More layoffs than quits were posted in nine sub-sectors. This was most apparent in mining and quarrying (34.11% vs. 2.17%); construction (17.43% vs. 1.90%); and wholesale and retail trade, repair of motor vehicles and motorcycles (8.67% vs. 3.51%).
- In contrast, more quits than layoffs were observed in nine sub-sectors. The top three were real estate activities (3.85% vs. 1.32%); human health and social work activities (3.34% vs. 1.60%); and professional, scientific and technical activities (3.34% vs. 1.60%).

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#### **FOR INQUIRIES**

Regarding this report contact **EMPLOYMENT AND MANPOWER STATISTICS DIVISION** at 527-3000 loc. 312/313

Regarding other statistics and technical services contact **PSA- INTRAMUROS DATABANK** at 527-3000 loc. 317

Or Write to **PSA-Intramuros c/o Databank, 3/F DOLE Bldg. Gen. Luna St., Intramuros, Manila, 1002**

FAX 527-9324 E mail: bles\_emsd@dole.gov.ph Website at <http://www.bles.dole.gov.ph>

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**TABLE 1 - Labor Turnover Rates in Agricultural and Non-Agricultural Enterprises  
by Major Industry Group, National Capital Region: 4<sup>th</sup> Quarter 2014**

MAJOR INDUSTRY GROUP	Total			Accession		Separation	
	Accession	Separation	Percent Difference	Expansion	Replacement	Employee-Initiated	Employer-Initiated
<b>ALL INDUSTRIES</b>	<b>9.31</b>	<b>8.29</b>	<b>1.02</b>	<b>3.31</b>	<b>5.99</b>	<b>2.86</b>	<b>5.42</b>
<b>Agriculture</b>	<b>2.39</b>	<b>5.04</b>	<b>(2.65)</b>	<b>0.17</b>	<b>2.23</b>	<b>0.58</b>	<b>4.46</b>
Agriculture, forestry and fishing	2.39	5.04	(2.65)	0.17	2.23	0.58	4.46
<b>Industry</b>	<b>9.95</b>	<b>10.49</b>	<b>(0.54)</b>	<b>3.86</b>	<b>6.09</b>	<b>1.85</b>	<b>8.65</b>
Mining and quarrying	15.07	36.28	(21.20)	8.15	6.92	2.17	34.11
Manufacturing	3.37	2.96	0.41	1.95	1.41	1.86	1.10
Electricity, gas, steam and air conditioning supply	2.05	1.59	0.46	0.76	1.29	1.00	0.59
Water supply; sewerage, waste management and remediation activities	4.44	2.05	2.39	4.18	0.26	0.97	1.09
Construction	18.12	19.33	(1.21)	6.13	11.99	1.90	17.43
<b>Services</b>	<b>9.20</b>	<b>7.81</b>	<b>1.39</b>	<b>3.21</b>	<b>5.99</b>	<b>3.10</b>	<b>4.71</b>
Wholesale and retail trade; repair of motor vehicles and motorcycles	12.44	12.18	0.25	2.14	10.29	3.51	8.67
Transportation and storage	2.50	5.40	(2.89)	0.58	1.92	2.75	2.65
Accommodation and food service activities	7.86	5.27	2.59	1.43	6.43	3.08	2.19
Information and communication	3.24	2.41	0.83	1.63	1.62	1.80	0.61
Financial and insurance activities	3.71	2.47	1.24	1.10	2.62	2.14	0.33
Real estate activities	9.49	5.16	4.32	4.78	4.71	3.85	1.32
Professional, scientific and technical activities	4.03	3.92	0.11	2.49	1.54	2.18	1.74
Administrative and support service activities	15.37	10.86	4.51	8.68	6.69	4.13	6.73
Education	3.01	5.60	(2.59)	1.41	1.61	2.12	3.48
Human health and social work activities	1.92	4.94	(3.02)	0.98	0.94	3.34	1.60
Arts, entertainment and recreation	3.84	3.63	0.22	1.29	2.55	1.23	2.39
Other service activities	5.06	4.47	0.59	2.14	2.92	0.70	3.77

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: 2008–4<sup>th</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
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.*