

LABOR TURNOVER STATISTICS

First Quarter 2013

(IN LARGE ENTERPRISES IN METRO MANILA)

The Labor Turnover Survey (LTS) is a quarterly sample survey of enterprises conducted by the Bureau of Labor and Employment Statistics (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.

The number of respondents was composed of more than 700 large enterprises in Metro Manila which were drawn from the 2011 Edition of the Philippines' Top 25,000 Corporations of the Securities and Exchange Commission. The retrieval rate for the first quarter of 2013 was 99.18%. Survey data from 2008 onwards are no longer sample rates but are weighted to come up with population estimates. Hence, data are not comparable with the previous data series. Also, starting the first quarter of 2012, the LTS has adopted the 2009 Philippine Standard on Industrial Classification (PSIC).

Labor Turnover (Accessions vs. Separations)

Employment in large enterprises in Metro Manila was essentially flat in the first quarter of 2013 – down marginally by less than one percent (-0.02%). This followed the sluggish growth recorded in the same period last year (+0.63%) and the first time a decline occurred since the second quarter of 2011 (-2.05%). (Table 2)

- The employment slowdown this period was due primarily to the slump in the services sector (whose employment comprises the bulk of total in the region) that cancelled out the gains in agriculture and industry.
- Measured in terms of labor turnover rate, employment growth dipped by 0.02% as accession rate (7.49%) fell marginally short of separation rate (7.51%).
- This suggests that employment growth in the enterprises was almost nil during the period as 75 workers per 1,000 employed were added to the enterprise workforce due to expansion or replacement while 75 workers per 1,000 employed were terminated or quit their jobs.

Sectoral Employment

Employment growth rates were highly uneven across sectors. (Table 1)

- Growth was registered strongest in the industry sector (+4.67%). This was driven by large expansion in construction (+7.46%); mining and quarrying (+7.09%); and water supply; sewerage, waste management and remediation activities (+4.68%). Gains also occurred in manufacturing (+2.70%) and electricity, gas and air conditioning supply (+1.44%).
- Employment likewise grew in agriculture, forestry and fishing sector - though at modest pace (+1.84%).
- Meanwhile, a decline or negative labor turnover rate occurred in the services sector (-1.00%) as losers (8 subsectors) outperformed the gainers (4 subsectors).

Job losses were most pronounced in the wholesale and retail trade (-1.75%) and tourism-related industries such as arts, entertainment and recreation (-3.77%) and accommodation and food services (-1.69%). This can be attributed to the seasonal slack or slowdown in retail

trade and tourism during the first quarter of the year that is often associated with less hiring and more separation or termination of workers - particularly during the month of January.

Losses were also noted in administrative and support service activities (-1.21%) and education (-1.23%).

On the other hand, four (4) sub-sectors managed to post gains in employment during the quarter. However, only human health and social work activities posted fairly large gain (+3.73%) while growth was almost insignificant in information and communication (+0.86%), financial and insurance activities (+0.09%) and real estate activities (+0.56%).

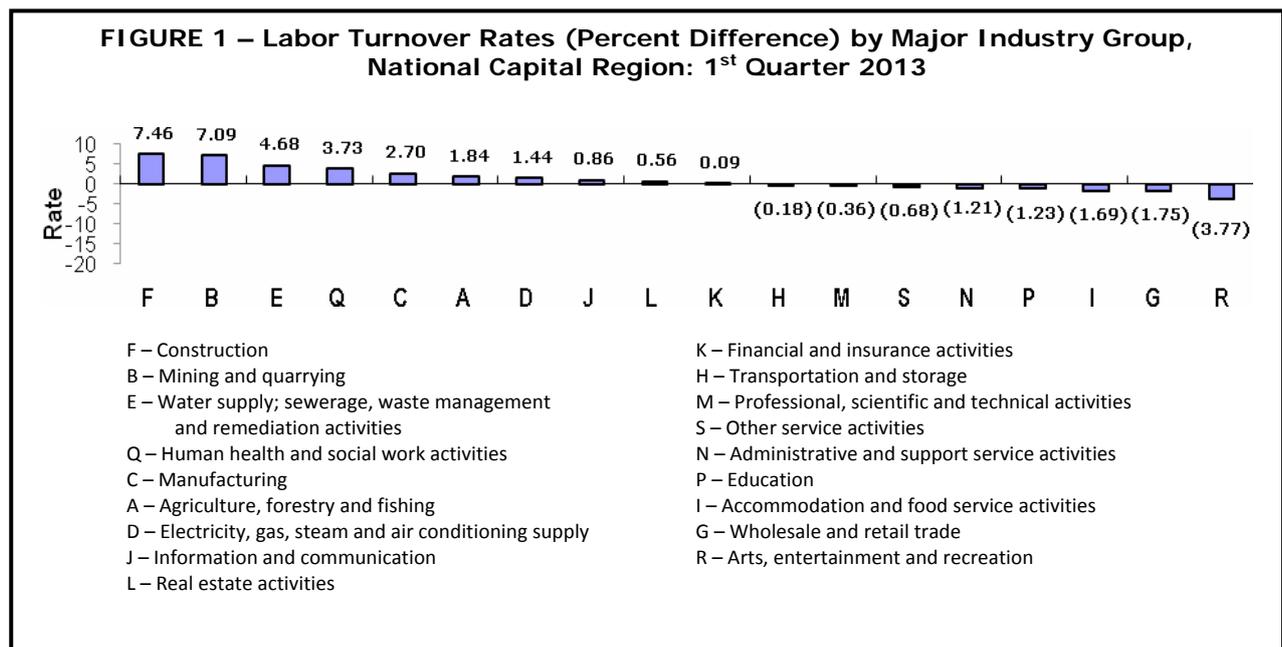
Reasons for accession

- Accession due to replacement of workers (4.88%) continued to outpace accession due to expansion of business activities (2.61%). This was observed in 11 sub-industries most notably in arts, entertainment and recreation (11.46% vs. 1.38%); accommodation and food service activities (7.93% vs. 3.52%); and wholesale and retail trade (6.99% vs. 1.47%). (Table 1)

- In contrast, seven (7) sub-industries reported more accession due to expansion of business activities than replacement of workers. The ones that stood out were construction (9.63% vs. 3.60%); information and communication (4.70% vs. 1.01%); and human health and social work activities (5.33% vs. 2.72%).

Reasons for separation

- Employer-initiated separations (4.63%) or terminations surpassed employee-initiated separations or quits (2.88%). (Table 1)
- More terminations than quits occurred in eight (8) sub-sectors. The top three were: arts, entertainment and recreation (13.35% vs. 3.26%); mining and quarrying (8.07% vs. 1.20%); and wholesale and retail trade (8.18% vs. 2.02%).
- Ten (10) sub-sectors reported more quits than terminations. The disparity was most obvious in real estate activities (6.33% vs. 0.20%); other service activities (5.39% vs. 0.78%); transportation and storage (4.91% vs. 0.39%); and human health and social work activities (4.17% vs. 0.15%).



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**TABLE 1 - Labor Turnover Rates in Agricultural and Non-Agricultural Enterprises
by Major Industry Group, National Capital Region: 1st Quarter 2013**

INDUSTRY	Total			Accession		Separation	
	Accession	Separation	Percent Difference	Expansion	Replacement	Employee-Initiated	Employer-Initiated
ALL INDUSTRIES	7.49	7.51	(0.02)	2.61	4.88	2.88	4.63
Agriculture	4.56	2.72	1.84	2.73	1.82	1.00	1.72
Agriculture, forestry and fishing	4.56	2.72	1.84	2.73	1.82	1.00	1.72
Industry	9.41	4.73	4.67	5.63	3.78	2.04	2.69
Mining and quarrying	16.36	9.28	7.09	6.99	9.37	1.20	8.07
Manufacturing	6.55	3.85	2.70	3.03	3.51	1.85	2.00
Electricity, gas, steam and air conditioning Water supply; sewerage, waste management and remediation activities	2.74	1.29	1.44	2.13	0.61	1.19	0.10
Construction	6.12	1.44	4.68	1.37	4.75	1.15	0.29
Construction	13.22	5.76	7.46	9.63	3.60	2.51	3.25
Services	7.10	8.10	(1.00)	1.98	5.12	3.06	5.05
Wholesale and retail trade; repair of motor vehicles and motorcycles	8.45	10.20	(1.75)	1.47	6.99	2.02	8.18
Transportation and storage	5.12	5.30	(0.18)	2.43	2.70	4.91	0.39
Accommodation and food service activities	11.45	13.14	(1.69)	3.52	7.93	6.38	6.76
Information and communication	5.71	4.85	0.86	4.70	1.01	3.21	1.63
Financial and insurance activities	3.32	3.23	0.09	1.08	2.25	2.88	0.35
Real estate activities	7.09	6.52	0.56	2.28	4.81	6.33	0.20
Professional, scientific and technical activities	3.94	4.30	(0.36)	2.56	1.38	3.76	0.54
Administrative and support service activities	6.87	8.08	(1.21)	1.69	5.19	3.11	4.96
Education	1.76	3.00	(1.23)	0.98	0.79	1.95	1.04
Human health and social work activities	8.05	4.32	3.73	5.33	2.72	4.17	0.15
Arts, entertainment and recreation	12.84	16.61	(3.77)	1.38	11.46	3.26	13.35
Other service activities	5.49	6.17	(0.68)	1.15	4.34	5.39	0.78

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

Source of data: Bureau of Labor and Employment Statistics, Labor Turnover Survey.

**TABLE 2 – Labor Turnover Rates by Year and Quarter, National Capital
Region: 3rd Qtr. 2002 – 1st Qtr. 2013**

YEAR/QUARTER	Accession Rate	Separation Rate	Labor Turnover Rate (Percent Difference)
<u>2013</u>			
1 st Quarter	7.49	7.51	(0.02)
<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
<u>2007</u>			
1 st Quarter	9.21	7.65	1.56
2 nd Quarter	11.31	7.75	3.57
3 rd Quarter	11.16	7.84	3.31
4 th Quarter	10.20	7.33	2.87
<u>2006</u>			
1 st Quarter	9.20	8.43	0.77
2 nd Quarter	8.94	7.21	1.72
3 rd Quarter	9.84	7.87	1.97
4 th Quarter	8.91	7.27	1.64
<u>2005</u>			
1 st Quarter	7.91	7.70	0.21
2 nd Quarter	9.95	7.34	2.61
3 rd Quarter	8.47	8.55	(0.08)
4 th Quarter	8.30	7.10	1.20
<u>2004</u>			
1 st Quarter	5.88	6.11	(0.24)
2 nd Quarter	7.34	5.47	1.87
3 rd Quarter	8.16	6.53	1.63
4 th Quarter	7.12	6.23	0.89
<u>2003</u>			
1 st Quarter	6.12	6.06	0.06
2 nd Quarter	6.85	6.70	0.15
3 rd Quarter	6.52	7.92	(1.40)
4 th Quarter	7.79	6.38	1.42
<u>2002</u>			
3 rd Quarter	5.96	6.19	(0.22)
4 th Quarter	5.98	5.07	0.91

Notes: 1. 2008 data onwards are not comparable with the previous year data series due to change in sampling design and sample size.

2. Labor turnover rate may not equal difference of separation rate from accession rate due to rounding.

Source of data: Bureau of Labor and Employment Statistics, Labor Turnover Survey.