

LABOR TURNOVER STATISTICS

Third 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.

Some 763 large enterprises in Metro Manila served as respondents to this survey. The samples were drawn from the 2011 Edition of the Philippines' Top 25,000 Corporations of the Securities and Exchange Commission. The retrieval rate for the third quarter of 2013 was 99.1%. 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 Industrial Classification (PSIC).

Labor Turnover

(Accessions vs. Separations)

Employment in large enterprises in Metro Manila continued its growth momentum in the third quarter of 2013 driven by the robust growth in the domestic economy in the same period.

- Growth occurred in all three broad sectors with industry taking the lead and services trailing not far behind while modest growth was posted in agriculture, forestry and fishing.
- Measured in terms of labor turnover rate or percent difference between accession rate and separation rate, employment for the third quarter of 2013 expanded by 2.38% - the same pace last year of the same quarter (2.35%) and in the second quarter of this year (2.49%). (Table 2)

- More specifically, overall accession rate (8.37%) outpaced separation rate (5.99%) – a labor turnover rate of 2.38%. This suggests an addition of 24 workers per 1,000 employed: 84 workers per 1,000 employed were added to the enterprise workforce due to expansion or replacement while 60 workers per 1,000 employed were terminated or quit their jobs.

Sectoral Employment

- The industry sector posted the highest growth (3.07%) during the quarter with large expansion in manufacturing (4.70%) making up for the slack in mining and quarrying (-3.17%); electricity, gas, steam and air conditioning supply (-0.22%); and water supply (-0.14%). On the other hand, growth in construction was comparatively modest (1.98%).

- Employment in services was up (2.25%) but growth was mixed across sub-sectors. The biggest gainers were education (4.95%); transportation and storage (3.79%); and administrative and support service activities (3.65%).
- Meanwhile, growth rates were modest in human health and social work activities (1.57%); and professional, scientific and technical activities (1.31%).
- Little change in employment were noted in accommodation and food service activities (0.95%); financial and insurance activities (0.66%); information and communication (-0.28%); real estate activities (-0.37%); and arts, entertainment and recreation (-0.74%).
- Employment was up slightly in agriculture, forestry and fishing (1.16%).
- On the other hand, more accession due to expansion of business activities than due to replacement of workers were observed in six (6) sub-industries: construction (8.02% vs. 1.96%); mining and quarrying (7.35% vs. 5.24%); transportation and storage (4.87% vs. 3.22%); manufacturing (4.76% vs. 3.57%); professional, scientific and technical activities (2.53% vs. 1.86%); and water supply (0.78% vs. 0.77%).

Reasons for separation

- Employer-initiated separations (3.26%) or layoffs outpaced employee-initiated separations or quits (2.73%). (*Table 1*)
- Six (6) industries reported more layoffs than quits. This was most evident in mining and quarrying (14.21% vs. 1.54%); arts, entertainment and recreation (6.56% vs. 4.19%); and construction (6.54% vs. 1.46%).
- More quits than layoffs were recorded in the rest of the sub-sectors noticeably in accommodation and food service activities (5.15% vs. 4.94%); real estate activities (5.04% vs. 1.33%); information and communication (4.52% vs. 1.62%); administrative and support service activities (4.46% vs. 2.11%); and human health and social work (4.20% vs. 0.31%).

Reasons for accession

- Accession due to replacement of workers (5.10%) continued to surpass accession due to expansion of business activities (3.27%). This was noted in 12 sub-industries particularly in arts, entertainment and recreation (8.33% vs. 1.68%); administrative and support service activities (7.31% vs. 2.91%); and wholesale and retail trade (7.13% vs. 2.79%). (*Table 1*)

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TABLE 1 - Labor Turnover Rates in Agricultural and Non-Agricultural Enterprises by Major Industry Group, National Capital Region: 3rd Quarter 2013

INDUSTRY	Total			Accession		Separation	
	Accession	Separation	Percent Difference	Expansion	Replacement	Employee-Initiated	Employer-Initiated
ALL INDUSTRIES	8.37	5.99	2.38	3.27	5.10	2.73	3.26
Agriculture	3.70	2.53	1.16	0.67	3.03	0.79	1.74
Agriculture, forestry and fishing	3.70	2.53	1.16	0.67	3.03	0.79	1.74
Industry	9.00	5.93	3.07	6.08	2.92	1.43	4.50
Mining and quarrying	12.59	15.76	(3.17)	7.35	5.24	1.54	14.21
Manufacturing	8.33	3.62	4.70	4.76	3.57	1.41	2.21
Electricity, gas, steam and air conditioning supply	1.39	1.61	(0.22)	0.33	1.06	1.26	0.34
Water supply; sewerage, waste management and remediation activities	1.55	1.69	(0.14)	0.78	0.77	1.06	0.63
Construction	9.98	8.01	1.98	8.02	1.96	1.46	6.54
Services	8.27	6.02	2.25	2.74	5.53	3.00	3.02
Wholesale and retail trade; repair of motor vehicles and motorcycles	9.92	6.97	2.95	2.79	7.13	1.74	5.23
Transportation and storage	8.09	4.30	3.79	4.87	3.22	3.42	0.88
Accommodation and food service activities	11.05	10.09	0.95	4.63	6.42	5.15	4.94
Information and communication	5.86	6.14	(0.28)	1.87	3.99	4.52	1.62
Financial and insurance activities	3.48	2.82	0.66	1.10	2.37	2.48	0.34
Real estate activities	6.00	6.37	(0.37)	2.34	3.67	5.04	1.33
Professional, scientific and technical activities	4.40	3.09	1.31	2.53	1.86	2.99	0.10
Administrative and support service activities	10.22	6.57	3.65	2.91	7.31	4.46	2.11
Education	6.60	1.66	4.95	2.32	4.29	1.31	0.35
Human health and social work activities	6.08	4.51	1.57	1.92	4.15	4.20	0.31
Arts, entertainment and recreation	10.01	10.75	(0.74)	1.68	8.33	4.19	6.56
Other service activities	4.33	3.60	0.73	1.24	3.08	2.68	0.92

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 – 3rd Qtr. 2013

YEAR/QUARTER	Accession Rate	Separation Rate	Labor Turnover Rate (Percent Difference)
2013			
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
2012			
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
2011			
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
2010			
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
2009			
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
2008			
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
2007			
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
2006			
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
2005			
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
2004			
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
2003			
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
2002			
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.